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The Directors whose names appear on page 5 of this Document accept responsibility for the information contained in this Document including individual and collective responsibility for compliance with the AIM Rules, save for the information concerning the Concert Party (for which each member of the Concert Party and the directors of Fratelli Investments are responsible) and the recommendation set out in paragraph 15 of Part I of this Document (for which the Independent Directors are solely responsible). To the best of the knowledge and belief of the Directors (who have taken reasonable care to ensure that such is the case) the information contained in this Document for which they are responsible (as above) is in accordance with the facts and there are no other facts the omission of which is likely to affect the import of such information.

Each member of the Concert Party along with the directors of Fratelli Investments accepts responsibility for the information contained in this Document relating to the Concert Party or otherwise expressly referable to the Concert Party. To the best of the knowledge and belief of each member of the Concert Party along with the directors of Fratelli Investments (who have taken all reasonable care to ensure such is the case) the information contained in this Document for which they are responsible is in accordance with the facts and there are no other facts the omission of which is likely to affect the import of such information.

If you have sold or otherwise transferred all of your Ordinary Shares, please immediately forward this document, together with the accompanying Form of Proxy, to the purchaser or transferee, or to the stockbroker, bank or other agent through whom the sale or transfer was effected, for delivery to the purchaser or transferee. However, such documents should not be forwarded or transmitted in, into or from the United States, Japan, Australia or the Republic of South Africa or any other jurisdiction if to do so would constitute a violation of the relevant laws of such jurisdiction. The distribution of this document in jurisdictions other than the UK may be restricted by law and therefore persons into whose possession this document comes should inform themselves about and observe any such restrictions. Any failure to comply with such restrictions may constitute a violation of the securities laws of any such jurisdictions. Any person (for example but without limitation a custodian or a nominee) who has or may have a contractual obligation or some other legal obligation, or otherwise intends, to forward this document to any jurisdiction outside the UK should seek appropriate advice before taking any action.

If you have sold only part of your holding of Ordinary Shares, please contact your stockbroker, bank or other agent through whom the sale or transfer was effected immediately.

This document does not comprise an offer to sell or the solicitation of an offer to buy a security. The whole of this document should be read. Your attention is drawn in particular to Part I, “Letter from the Chairman of Serabi Gold plc”.

SERABI GOLD PLC

(Incorporated and registered in England and Wales with registered number 5131528)

Conditional Subscription for 270,000,000 Ordinary Shares

Approval of waiver of Rule 9 of the City Code on Takeovers and Mergers

and

Notice of General Meeting

Financial Adviser and Nominated Adviser

Beaumont Cornish Limited

The new Ordinary Shares to be issued pursuant to the Proposals will, subject to and on completion of the Proposals, rank in full for all dividends or other distributions hereafter declared, made or paid on the ordinary share capital of the Company and will rank *pari passu* in all other respects with the Existing Ordinary Shares. The Ordinary Shares are admitted to trading on AIM. Application will be made to London Stock Exchange for the Subscription Shares to be admitted to trading on AIM. It is expected that Admission will become effective and that dealings will commence at 8.00 a.m. on 22 January 2013. The TSX has conditionally approved the listing of the new Ordinary Shares on the TSX, subject to the satisfaction of certain customary conditions.

Beaumont Cornish, which is authorised and regulated in the United Kingdom by the FSA, is acting for the Company and no one else in connection with the Proposals and will not be responsible to any person other than the Company for providing the regulatory and legal protections afforded to clients of Beaumont Cornish nor for providing advice in relation to the contents of this document or any matter, transaction or arrangement referred to in it. Beaumont Cornish has not authorised the contents of, or any part of, this document and no liability whatsoever is accepted by Beaumont Cornish for the accuracy of any information or opinion contained in this document or for the omission of any information.

Notice of a General Meeting of the Company to be held at the offices of Farrer & Co LLP at 66 Lincoln's Inn Fields, London, WC2A 3LH at 10.00 a.m. on 16 January 2013 is set out at the end of this Document. Shareholders will find enclosed a Form of Proxy for use at the General Meeting which, to be valid, must be completed and returned so as to be received by the Company's registrars, Computershare Investor Services PLC, Corporate Actions Projects, PO Box 82, The Pavilions, Bridgwater Road, Bristol BS99 6AH, as soon as possible and in any event not later than 10.00 a.m. on 14 January 2013. Completion and return of the Form of Proxy will not preclude Shareholders from attending the meeting and voting in person should they subsequently wish to do so. The Directors' recommendation is set out on page 20 of this Document.

The Ordinary Shares will not be registered under the United States Securities Act of 1933, as amended, or under the securities legislation of, or with any securities regulatory authority of, any state or other jurisdiction of the United States or under the applicable securities laws of the Republic of South Africa, Australia, or Japan. Accordingly, subject to certain exceptions, the Ordinary Shares may not be offered or sold, directly or indirectly, in or into the United States, the Republic of South Africa, Australia, or Japan or to or for the account or benefit of any national, resident or citizen of the Republic of South Africa, Australia, or Japan or any person located in the United States. This Document does not constitute an offer to issue or sell, or the solicitation of an offer to subscribe for or buy, any of the Ordinary Shares to any person in any jurisdiction to whom it is unlawful to make such offer or solicitation in such jurisdiction. The distribution of this Document in certain jurisdictions may be restricted by law. In particular, this Document should not be distributed, published, reproduced or otherwise made available in whole or in part, or disclosed by recipients to any other person, and in particular, should not be distributed, subject to certain exceptions, to persons with addresses in the United States of America, the Republic of South Africa, Australia, or Japan. No action has been taken by the Company or by Beaumont Cornish that would permit a public offer of any of the Ordinary Shares or possession or distribution of this Document where action for that purpose is required. Persons into whose possession this Document comes should inform themselves about, and observe, any such restrictions. Any failure to comply with these restrictions may constitute a violation of the securities laws of such jurisdictions.

Copies of this Document will be available free of charge during normal business hours on any Business Day at the offices of Farrer & Co LLP at 66 Lincoln's Inn Fields, London, WC2A 3LH from the date of this Document and shall remain available for a period of one month from Admission. Additionally, an electronic version of this Document will be available at the Company's website, www.serabigold.com.

Information in this Document is as of 6 December 2012 unless otherwise stated.

FORWARD LOOKING STATEMENTS

Certain statements in this Document 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 Document 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.

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SUBSCRIPTION STATISTICS

Number of Ordinary Shares in issue at the date of this Document	91,268,529
Number of new Ordinary Shares to be issued pursuant to the Subscription	270,000,000
Issue Price per Subscription Share	6 pence
Gross proceeds of the Subscription	£16.2 million
Estimated net proceeds of the Subscription (excluding any broker commissions)	£16.0 million
Enlarged Ordinary Share Capital following Completion	361,268,529
Number of new Ordinary Shares to be issued pursuant to the Subscription as a percentage of the Enlarged Ordinary Share Capital	74.7 per cent.
Market capitalisation of the Company at the Subscription Price following Completion	£21.7 million

EXPECTED TIMETABLE OF PRINCIPAL EVENTS

<i>Event</i>	<i>Date</i>
Publication of this Document	10 December 2012
Record Date for Canadian shareholders	12 December 2012
Latest time and date for receipt of Proxy Forms in respect of the General Meeting	10.00 a.m. on 14 January 2013
Time and date of General Meeting	10.00 a.m. on 16 January 2013
Admission effective and commencement of dealings in the Subscription Shares on AIM	8.00 a.m. on 22 January 2013
CREST accounts credited for new Ordinary Shares in uncertificated form	22 January 2013
Despatch of definitive share certificates for the new Ordinary Shares in certificated form by no later than	30 January 2013

- (1) All times shown in this Document are London GMT times unless otherwise stated. The dates and times given are indicative only and are based on the Company's current expectations and may be subject to change. If any of the times and/or dates above change the revised times and/or dates will be notified to Shareholders by announcement through the Regulatory News Service of the London Stock Exchange.
- (2) If the General Meeting is adjourned, the latest time and date for receipt of Forms of Proxy for the adjourned meeting will be notified to Shareholders by announcement through the Regulatory News Service of the London Stock Exchange.

DIRECTORS, SECRETARY AND ADVISERS

Directors	Terence Sean Harvey, <i>Non-Executive Chairman</i> Michael Hodgson, <i>Chief Executive</i> Clive Line, <i>Finance Director</i> Melvyn Williams, <i>Non-Executive Director</i> Dr Doug Jones, <i>Non-Executive Director</i> Christopher Kingsman, <i>Non-Executive Director</i> Eduardo Rosselot, <i>Non-Executive Director</i>
Company Secretary	Clive Line
Registered Office	66 Lincoln's Inn Fields London WC2A 3LH
Nominated Adviser	Beaumont Cornish Limited 2nd Floor, Bowman House 29 Wilson Street London EC2M 2SJ
Broker	Fox Davies Capital Limited 1 Tudor Street London EC4Y 0AH
UK Solicitors to the Company	Farrer & Co LLP 66 Lincoln's Inn Fields London WC2A 3LH
Canadian Legal Counsel to the Company	Heenan Blaikie LLP 333 Bay Street, Suite 2900 Bay Adelaide Centre Toronto Ontario M5H 2T4
UK Registrars	Computershare Investor Services PLC PO Box 82, The Pavilions Bridgwater Road Bristol BS99 7NH
Canadian Registrar and Transfer Agent	Computershare Investor Services Inc 100 University Avenue, 8th Floor Toronto Ontario M5J 2Y1
Principal Bankers	HSBC Bank plc 60 Pall Mall London SW1 5EZ
Company Website	www.serabigold.com

DEFINITIONS

The following words and expressions apply throughout this Document unless the context requires otherwise:

“2009 Annual Report”	the Company’s annual report and accounts for the financial year ended 31 December 2009
“2010 Annual Report”	the Company’s annual report and accounts for the financial year ended 31 December 2010
“2011 Annual Report”	the Company’s annual report and accounts for the financial year ended 31 December 2011
“Act”	Companies Act 2006 (as amended)
“Admission”	admission of the Subscription Shares to trading on AIM becoming effective in accordance with the AIM Rules for Companies
“AIM”	AIM, a market of that name operated by the London Stock Exchange
“AIM Rules for Companies”	the rules which set out the obligations and responsibilities in relation to companies whose shares are admitted to AIM as published by the London Stock Exchange from time to time
“AIM Rules for Nominated Advisers”	the rules which set out the eligibility, obligations and certain disciplinary matters in relation to nominated advisers as published by the London Stock Exchange from time to time
“Beaumont Cornish”	Beaumont Cornish Limited whose registered office is at Cedar House, Sandbrook Business Park, Sandbrook Way, Rochdale, OL11 1LQ
“Board” or “Directors”	the existing directors of the Company whose names appear on page 5 of this Document
“Business Day”	any day (other than a Saturday, Sunday or a public holiday) on which banks are generally open in the City of London for the transaction of normal banking business
“certificated” or “in certificated form”	a share or other security recorded on the relevant register of the relevant company as being held in certificated form and title to which may be transferred by means of a stock transfer form
“City Code” or “Takeover Code”	the City Code on Takeovers and Mergers, as updated from time to time
“Company” or “Serabi”	Serabi Gold plc
“Completion”	the Subscription being completed and Admission taking place
“Concert Party”	Fratelli Investments Limited, its Connected Persons and other persons acting in concert with it, as described in Part II of this Document
“Connected Persons”	has the meaning set out in section 252 and section 254 of the Act and includes a spouse, children under 18 and any company in which the relevant person is interested in shares comprising at least one-fifth of the share capital of that company

“CREST”	the relevant system, as defined in the CREST Regulations, and the holding of shares in uncertificated form in respect of which Euroclear is the operator (as defined in the CREST Regulations)
“CREST Regulations”	the Uncertificated Securities Regulations 2001 (SI 2001 No. 3755) (as amended)
“C\$”	the legal currency of Canada
“Deferred Shares”	the deferred shares of 9.5 pence each in the capital of the Company
“Diluted Enlarged Ordinary Share Capital”	381,715,728 Ordinary Shares comprising the Existing Ordinary Shares, the Subscription Shares, 2,487,499 new Ordinary Shares to be issued on full exercise of the Existing Warrants and 17,959,700 new Ordinary Shares to be issued on full exercise of the New Warrants
“Disclosure Date”	6 December 2012, being the last practicable date prior to the publication of this Document
“Document”	this document
“Enlarged Ordinary Share Capital”	the issued equity share capital of the Company immediately following Admission comprising the Existing Ordinary Share and the Subscription Shares
“Euroclear”	Euroclear UK & Ireland Limited, a company incorporated in England and Wales with registration number 2878738, whose registered address is at 33 Cannon Street, London EC4M 5SB
“Existing Ordinary Shares”	the existing 91,268,529 issued Ordinary Shares as at the date of this Document
“Existing Ordinary Share Capital”	the issued equity share capital of the Company as at the date of this Document
“Existing Warrants”	the existing 2,487,499 warrants to subscribe for new Ordinary Shares owned by Fratelli Investments and Fondo de Inversion Privado Santa Monica as at the date of this Document
“Form of Proxy”	the form of proxy to be used by Shareholders in respect of the General Meeting
“Fratelli Investments”	Fratelli Investments Limited, a company registered in the Bahamas with registered number 136,354 B
“FSA”	the United Kingdom Financial Services Authority
“FSMA”	the Financial Services and Markets Act 2000 of the United Kingdom (as amended)
“General Meeting”	the general meeting of the Company convened for 10.00 a.m. on 16 January 2013, the notice convening which is set out at the end of this Document
“Greenwood”	Greenwood Investments Limited
“Group”	the Company and/or its subsidiaries as the context requires
“IFRS”	the International Financial Reporting Standards as adopted by the International Accounting Standards Board

“Independent Directors”	the Directors, other than Eduardo Rosselot
“Independent Shareholders”	all Shareholders other than members of the Concert Party
“Loan Agreement”	the US\$6 million loan facility dated 1 October 2012 provided to the Company by Fratelli Investments, details of which are set out in Part IV of this Document
“Lock-in and Relationship Agreement”	the agreement dated 10 December 2012 between (1) the Company (2) Beaumont Cornish and (3) Fratelli Investments, further details of which are set out in Part IV of this Document
“London Stock Exchange”	London Stock Exchange plc
“NCL”	NCL Ingenieria y Construccion SA
“New Warrants”	up to 17,959,700 new Warrants to subscribe for new Ordinary Shares at a price of 10 pence per Ordinary Shares to be issued to Fratelli Investments pursuant to the Subscription Agreement
“Notice of General Meeting”	the notice of the General Meeting set out at the end of this Document
“Official List”	the list maintained by the United Kingdom Listing Authority in accordance with section 74(1) of FSMA for the purposes of Part VI of FSMA
“Options”	the existing options to subscribe for new Ordinary Shares, further details of which are set out in paragraph 2.6 of Part IV of this Document
“Ordinary Shares”	the ordinary shares of 5 pence each in the capital of the Company
“Panel”	Panel on Takeover and Mergers
“PEA”	the preliminary economic assessment of re-starting mining operations at Palito prepared by NCL in June 2012 in accordance with the Canadian Securities Administrators’ National Instrument 43-101 – Standards of Disclosure for Mineral Projects
“PEA Announcement”	the regulatory announcement released by the Company on 13 June 2012 setting out, <i>inter alia</i> , details of the PEA
“Proposals”	the Subscription, the Waiver and Admission
“QCA Code”	the Corporate Governance Guidelines for Smaller Quoted Companies published by the Quoted Companies Alliance
“Resolution(s)”	the resolutions set out in the Notice of General Meeting at the end of this Document
“Rule 9”	Rule 9 of the Takeover Code
“Rule 9 Offer”	the requirement for a general offer to be made in accordance with Rule 9
“Second Diluted Enlarged Ordinary Share Capital”	363,756,028 Ordinary Shares comprising the Existing Ordinary Shares, the Subscription Shares and 2,487,499 new Ordinary Shares to be issued on exercise of the Existing Warrants
“Shareholders”	Person(s) who is/are registered holder(s) of Ordinary Shares from time to time

“Subscription”	the conditional subscription by Fratelli Investments to subscribe for and underwrite a placement of up to 270,000,000 new Ordinary Shares, further details of which are set out in Part I of this Document
“Subscription Agreement”	the agreement dated 1 October 2012 between (1) the Company and (2) Fratelli Investments, further details of which are contained in Part IV of this Document
“Subscription Price”	6 pence per Subscription Share
“Subscription Shares”	270,000,000 new Ordinary Shares to be issued pursuant to the Subscription Agreement
“Third Party Shares”	up to 179,597,000 Subscription Shares available for subscription by third party investors
“TSX”	Toronto Stock Exchange
“UK Listing Authority”	the FSA acting in its capacity as the competent authority for the purposes of Part VI of the Financial Services and Markets Act 2000
“UK” or “United Kingdom”	the United Kingdom of Great Britain and Northern Ireland
“uncertificated” or “in uncertificated form”	a share or other security recorded on the relevant register of the relevant company concerned as being held in uncertificated form in CREST and title to which, by virtue of the CREST Regulations, may be transferred by means of CREST
“United States” or “US”	the United States of America, its territories and possessions, any State of America and the District of Columbia
“US\$” or “US Dollars”	the legal currency of the United States
“VAT”	value added tax
“Waiver”	the waiver granted by the Panel (subject to the passing of the Whitewash Resolution) in respect of the obligation of the Concert Party to make a mandatory offer for the entire issued share capital of the Company not already held by the Concert Party which might otherwise be imposed on the Concert Party under Rule 9 of the Takeover Code as a result of the issue of Subscription Shares under the Subscription, as more particularly described in paragraph 7 of Part I of this Document
“Warrants”	the warrants to subscribe for new Ordinary Shares further details of which are set out in paragraph 2.5 of Part IV of this Document
“Whitewash Resolution”	the ordinary resolution of the Independent Shareholders to be taken on a poll concerning the Waiver to be proposed at the General Meeting and set out in the Notice of General Meeting

GLOSSARY OF MINING TERMS

“CIM”	Canadian Institute of Mining, Metallurgy and Petroleum
“cut-off grade”	the lowest grade of mineralized material that qualifies as ore in a given deposit; rock of the lowest assay included in an ore estimate
“deposit”	a mineralized 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
“gold equivalent”	quantities of materials other than gold stated in units of gold by reference to relative product values at prevailing market prices
“grade”	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”	grams per tonne
“indicated mineral resource”	that part of a mineral resource for which quantity, grade or quality, densities, shape and physical characteristics, can be estimated with a level of confidence sufficient to allow the appropriate application of technical and economic parameters, to support mine planning and evaluation of the economic viability of the deposit. The estimate is based on detailed and reliable exploration and testing information gathered through appropriate techniques from locations such as outcrops, trenches, pits, workings and drill holes that are spaced closely enough for geological and grade continuity to be reasonably assumed
“inferred mineral resource”	that part of a mineral resource for which quantity and grade or quality can be estimated on the basis of geological evidence and limited sampling and reasonably assumed, but not verified, geological and grade continuity. The estimate is based on limited information and sampling gathered through appropriate techniques from locations such as outcrops, trenches, pits, workings and drill holes
“measured mineral resource”	that part of a mineral resource for which quantity, grade or quality, densities, shape, and physical characteristics are so well established that they can be estimated with confidence sufficient to allow the appropriate application of technical and economic parameters, to support production planning and evaluation of the economic viability of the deposit. The estimate is based on detailed and reliable exploration, sampling and testing information gathered through appropriate techniques from locations such as outcrops, trenches, pits, workings and drill holes that are spaced closely enough to confirm both geological and grade continuity
“mineral resource”	a concentration or occurrence of diamonds, natural solid inorganic material or natural fossilized organic material including base and precious metals, coal, and industrial minerals in or on the Earth’s

crust in such form and quantity and of such a grade or quality that it has reasonable prospects for economic extraction. The location, quantity, grade, geological characteristics and continuity of a mineral resource are known, estimated or interpreted from specific geological evidence and knowledge

“NI 43-101”

Canadian Securities Administrators’ National Instrument 43-101 – Standards of Disclosure for Mineral Projects.

“open stoping”

the mining of ore where the host rock is sufficiently strong that the remaining material will not collapse (cave) into the open space created and the open space requires little by way of external support

“stope”

the open space created through the process of open stoping

PART I

LETTER FROM THE CHAIRMAN

SERABI GOLD PLC

(Incorporated and registered in England and Wales with registered number 5131528)

Directors:

Terence Sean Harvey, *Non-Executive Chairman*
Michael Hodgson, *Chief Executive*
Clive Line, *Finance Director*
Melvyn Williams, *Non-Executive Director*
Dr Doug Jones, *Non-Executive Director*
Christopher Kingsman, *Non-Executive Director*
Eduardo Rosselot, *Non-Executive Director*

Registered Office:

66 Lincoln's Inn Fields
London WC2A 3LH
England

10 December 2012

To the Shareholders, and for information only, to the holders of Options over Ordinary Shares and Warrant holders

Dear Shareholder,

Proposals for the conditional subscription for 270,000,000 Ordinary Shares at 6 pence per share, approval of a waiver of an obligation under Rule 9 of the City Code on Takeovers and Mergers and Notice of General Meeting

1. INTRODUCTION

On 1 October 2012, the Board announced that it had entered into a conditional subscription agreement with Fratelli Investments to subscribe for and underwrite a placement of new Ordinary Shares to raise £16.2 million to finance the development and start-up of underground mining operations at its Palito gold mine. The investment by Fratelli Investments will take the form of:

- (a) A subscription for 90,403,000 new Ordinary Shares at the Subscription Price of 6 pence per new Ordinary Share which will, in aggregate with Fratelli Investments' existing shareholding, provide Fratelli Investments and parties acting in concert with it, with 30.35 per cent. of the Enlarged Ordinary Share Capital of the Company immediately on Completion; and
- (b) a conditional subscription for up to a further 179,597,000 new Ordinary Shares at a subscription price of 6 pence per new Ordinary Share, such number to be reduced by any subscriptions for new Ordinary Shares from third party investors ("Third Party Shares").

The Subscription Price of 6 pence per new Ordinary Share represented a 25 per cent. discount to the 30 day volume weighted average closing mid-market price of an Ordinary Share as at 30 September 2012. The Company has entered into conditional agreements with brokers to use their reasonable endeavours to place the Third Party Shares with institutional and other investors (other than the Concert Party) at the Subscription Price.

In addition, the Company announced on 2 October 2012 that Fratelli Investments had provided an interim secured short term loan facility of US\$6 million (equivalent to approximately £3.8 million at the exchange rate of £1:US\$1.59 on 2 October 2012) to the Company to provide additional working capital to the Company and to enable the Company to commence the necessary mine development and plant refurbishment works immediately. Drawdown under the Loan Agreement was subject to a number of conditions precedent, including the execution of security agreements. The Company intends that the Loan Agreement will be

repaid from the proceeds of the Subscription. As at 6 December 2012, the last practicable date prior to the publication of this Document, US\$4.5 million had been drawn down under the short term loan facility.

Fratelli Investments and parties acting in concert with it, currently owns 19,257,317 Existing Ordinary Shares which represents 21.1 per cent. of the Existing Ordinary Share Capital. In the event that there are no other subscribers for the new Ordinary Shares, the Concert Party will on Completion be interested in up to a maximum of 291,744,816 Ordinary Shares, representing 80.2 per cent. of the Second Diluted Enlarged Ordinary Share Capital. Without a waiver of the obligations under Rule 9 of the City Code, the Subscription could require the Concert Party to make a general offer for the entire issued and to be issued share capital of the Company not already held by the Concert Party. The Panel has agreed with the Company to grant such a waiver, subject to the passing at the General Meeting by Independent Shareholders (being Shareholders other than the members of the Concert Party) of the Whitewash Resolution, to be taken on a poll.

Further details of the Subscription Agreement and Loan Agreement are contained in paragraph 4 of this Part I and paragraphs 6.1.5 and 6.1.6 of Part IV of this Document.

The purpose of this Document, is to explain the background to, and reasons for, the Proposals and why the Independent Directors believe that the Proposals are in the best interests of the Company and its Shareholders as a whole and to recommend that you vote in favour of the Resolution.

Your attention is drawn to the information set out in Parts II to IV of this Document, which contain important information in relation to the Proposals. The attention of Shareholders is also drawn to the section entitled “Forward Looking Statements” on page 2 of this Document.

2. BACKGROUND TO AND REASONS FOR THE PROPOSALS

The Board during 2010 and 2011 was focussed on identifying the potential for satellite gold deposits located close to the Company’s existing Palito Gold mine. Exploration activity during 2010 over a large number of geophysical anomalies allowed the Company to identify nine target areas where the Board considered, having combined geophysical data with geochemical sampling, geological interpretation and past artisanal activity, that the prospect of gold discovery was high. A discovery drilling programme over these nine targets was undertaken during 2011 which resulted in three discoveries being made; the Palito South, Currutela and Piaui prospects.

Notwithstanding the decision to embark on small scale production at Palito the longer term objective of the Board is to continue to grow the resource base of the Company and ultimately establish a resource platform capable of supporting increased and sustainable production from the development of two or more satellite mines in close proximity to Palito. The Board concluded at the end of 2011 that given current and medium term projections for gold prices, using the cash flow from restarting mining operations at Palito represented the most viable solution for generating the funds required to pursue its longer term objective. A preliminary economic assessment was commissioned and in June 2012 the results of this NI 43-101 and AIM compliant study, undertaken by NCL, were released. The preliminary economic assessment indicated that at a gold price of US\$1,400 per ounce, a small scale selective mining operation processing around 250 tonnes of ore per day could produce on average 24,000 ounces of gold per annum and generate post tax project cash flow of approximately US\$11 million per annum.

The Board determined at that time, subject to financing, to undertake the necessary mine development and remedial works as soon as possible with the intention of gold being produced approximately one year after the start of the project development activities. The Board has evaluated a number of potential financing options including bank loans, royalties and pre-sale of production to trading groups as well as the issuing of new equity. In the current markets the Board has concluded that bringing together a blended financing solution in order to fully fund the project is difficult and will add delay to the ability of the Company to commence production. The Board therefore concluded that funding the commencement of small scale production at Palito through an issue of new equity was the best option to ensure that production could be achieved in the quickest possible time and that future project cash flows can be directed towards the objective of resource growth and enhanced production rather than the servicing of debt. In the long term the Board considers that this financing strategy should allow the Company to expand more rapidly.

In January 2012, the Company completed a share placement to provide adequate working capital to undertake the preliminary economic assessment on the Palito project and Fratelli Investments participated in the placement at that time, increasing their interest in the Company's issued share capital to approximately 19.3 per cent. Fratelli Investments has subsequently been supportive of the Company's strategy and, against a background of generally difficult prevailing market conditions for AIM traded mining companies, offered to underwrite the issue of new Ordinary Shares to raise gross proceeds of £16.2 million to fund the capital requirements for the commencement of mining and gold production operations at Palito and the working capital needs of the Company until such time as cash flow is generated from gold sales. This underwriting commitment ensures that the Palito project development and the Company are funded. In addition Fratelli Investments offered to provide an interim loan facility of US\$6 million which, prior to completion of the Share Subscription, provided near-term working capital and enabled the initial project development work to commence.

3. CURRENT TRADING, STRATEGY AND PROSPECTS

The Company has been involved primarily in exploration activity since the end of 2009 and has therefore not generated any significant revenues during the period. The Company has now commenced initial development works necessary in advance of the start-up of small scale production at Palito and will use the proceeds of the Subscription to continue these works which include, *inter alia*:

- (a) Development and deepening of the access ramp into the Palito Mine;
- (b) Development of new mining levels in advance of production from the stopes;
- (c) Installation of services, comprising power and ventilation, into the mine;
- (d) Mine de-watering;
- (e) Overhaul and refurbishment of the process plant including replacement where required;
- (f) Acquisition of mining fleet and other mining equipment;
- (g) Installation of materials handling facilities (conveyors etc.);
- (h) Overhaul and upgrading of other mine site services, including power distribution, and back-up power generation, maintenance and fabrication workshops; and
- (i) Construction of new tailing facilities.

The following is a summary of the conclusions of the preliminary economic assessment ("PEA") which was completed in June 2012 by NCL, Serabi's independent engineering consultants. NCL is a consulting mining engineering company with offices in the cities of Santiago, Chile and Belo Horizonte, Brazil. The summary below has been extracted without material amendment from the announcement by Serabi of the results of the PEA on 13 June 2012 (the "PEA Announcement"). The technical information in the PEA Announcement, the PEA and the Mineral Resource estimate was prepared in compliance with the Canadian regulation NI 43-101 in accordance with the rules of the Canadian Institute of Mining, Metallurgy and Petroleum ("CIM"), which is also an internationally recognised standard pursuant to the AIM Rules. The PEA was compiled by Mr Carlos Guzmán, MAusIMM (229036) and Registered Member of The Chilean Mining Commission (0119), who carried out the assignment as Principal and Project Director with the firm NCL. Mr Guzmán is familiar with NI 43-101 and, by reason of education, experience and professional registration, fulfils the requirements of a Qualified Person as defined in NI 43-101 and for the purposes of the AIM Rules. Mr Guzmán was responsible for the preparation of the PEA and consented to the publication of the PEA and Mineral Resources estimate and the inclusion of the information contained in the PEA Announcement in the form and context in which it appeared. The PEA was based on information known to NCL as of 31 March 2012 and assumptions on commodity price and exchange rates used in the PEA were based on long-term forecasts applied at the time the PEA was compiled. The Directors believe that there has been no material change in the technical nor commercial assumptions underlying the PEA which was prepared by NCL within six months of the publication of this Document. Accordingly, the Directors believe that there has been no material change to the PEA and therefore there is no necessity at this time for the PEA to be updated or reviewed by NCL subsequent to its publication on 28 June 2012 nor would the cost of so doing be justified.

- (a) An after-tax internal rate of return of 68 per cent. at a realised gold price of US\$1,400 per ounce;
- (b) A project payback within two years of first gold production;
- (c) A net after-tax cash flow generated over the project life of US\$72.2 million at a realised gold price of US\$1,400 per ounce;
- (d) An after-tax net present value of US\$38.2 million, based on a 10 per cent. discount rate and a realised gold price of US\$1,400 per ounce;
- (e) An average life of mine cash operating cost of US\$739 per ounce (gold equivalent) including royalties and refining costs;
- (f) An average annual free cash flow (after tax and sustaining capital expenditure) of US\$11.0 million;
- (g) An average gold grade of 8.98 g/t gold producing a total gold equivalent production of 201,300 ounces;
- (h) An average annual production of 24,400 gold equivalent ounces over the initial 8 year period with ranges between 19,000 to 30,000 ounces gold equivalent per annum;
- (i) An initial capital expenditure of US\$17.8 million prior to production start-up;
- (j) Sustaining capital expenditures of US\$26.4 million to be funded from project cash-flow;
- (k) Measured and indicated mineral resource inventory of 69,000 gold equivalent ounces, supported by a further inferred resources of 153,000 gold equivalent ounces from a total geological resource of 224,000 measured and indicated gold equivalent ounces and 444,000 inferred gold equivalent ounces, to be produced by underground open stoping using a cut-off grade of 3g/t gold; and
- (l) A total life of mine of 9 years.

The Board intends that the cash flow generated from gold production at Palito will, in addition to providing working capital, be used to fund the next stage of drilling that the management considers necessary to calculate a resource estimate for the Palito South, Currutela and Piaui prospects in due course. The Board's objective is to undertake these resource definition drilling programmes in the shortest possible time frame as this will, if successful, enable gold production levels to be increased through the successful development of these mineral prospects.

4. THE SUBSCRIPTION

On 1 October 2012, the Company entered into a conditional subscription agreement with Fratelli Investments to subscribe for and underwrite a placement of new Ordinary Shares to raise £16.2 million to finance the development and start-up of underground mining operations at its Palito gold mine. The investment by Fratelli Investments will take the form of:

- (a) A subscription for 90,403,000 new Ordinary Shares at the Subscription Price of 6 pence per new Ordinary Share which will, in aggregate with Fratelli Investments' existing shareholding, provide Fratelli Investments with 29.9 per cent. of the Enlarged Ordinary Share Capital of the Company immediately on Completion; and
- (b) A conditional subscription for up to a further 179,597,000 new Ordinary Shares at a subscription price of 6 pence per new Ordinary Share, such number to be reduced by any subscriptions for new Ordinary Shares from third party investors.

The Subscription Price of 6 pence per new Ordinary Share represented a 25 per cent. discount to the 30 day volume weighted average closing mid-market price of an Ordinary Share as at 30 September 2012. Completion of the Subscription is conditional upon:

- (a) Approval of the Independent Shareholders of the Company on a poll at a general meeting of the waiver of any obligations of Fratelli Investments to make a general offer to Shareholders pursuant to Rule 9 of the City Code; and
- (b) Admission of the new Ordinary Shares to AIM and the TSX.

Under the Subscription Agreement, Fratelli Investments may notify Serabi that it wishes to terminate the Subscription Agreement with immediate effect in the event that:

- (a) Serabi notifies Fratelli Investments that there is a material adverse change in the financial condition of the Company and/or any of its subsidiaries; or
- (b) If an event of default occurs under the Loan Agreement.

The Company has additionally undertaken to Fratelli Investments under the Subscription Agreement to procure that each member of the Serabi Group shall, prior to completion of the Subscription, except with the prior written consent of Fratelli Investments (such consent not to be unreasonably withheld or delayed):

- (a) Until the earlier of:
 - (i) the completion of the Subscription;
 - (ii) the voting down of the whitewash resolution in the Document; and
 - (iii) such date that the Board of the Company reasonably believes that the whitewash resolution in the Document will be voted down

not create, allot or issue (or enter into any negotiations or reach any agreement (legally or otherwise) to create, allot or issue) any shares or securities or grant any option, warrant or right to subscribe or convert any securities into shares, or require the allotment or issue of any such shares or securities whether conditional or otherwise at an issue price of less than 6 pence per Ordinary Share;

- (b) Not dispose of the whole or part of its undertaking or enter into any negotiations, or reach any agreement, with regard to any such disposal (whether conditional or otherwise). For the avoidance of doubt, this shall include not entering into or agreeing to enter into any off-take or other agreement relating to any future production of the Group; and
- (c) Not enter into any contract or arrangement that is not on an arm's length basis.

The Company has entered into conditional agreements with brokers to use their reasonable endeavours to place the Third Party Shares with institutional and other investors (other than the Concert Party) at the Subscription Price. Further details of these arrangements are set out in paragraph 6.1.10 of Part IV of this Document.

Immediately on completion of the Subscription, Fratelli Investments will receive an underwriting fee to be satisfied by the issue of New Warrants to subscribe for new Ordinary Shares. The number of New Warrants will be calculated on the basis of one New Warrant for every ten Third Party Shares subscribed for. The New Warrants will be exercisable at a subscription price of 10 pence per Ordinary Share for a period of two years from the date of completion of the Subscription.

5. THE LOAN AGREEMENT

Fratelli Investments has also provided on 1 October 2012 an interim secured short term loan facility of US\$6 million (equivalent to approximately £3.8 million at the exchange rate of £1:US\$1.59 as at 2 October 2012) to the Company to provide additional working capital to the Company and to enable the Company to commence the necessary mine development and plant refurbishment works immediately. Drawdown under

the Loan Agreement was subject to a number of conditions precedent including the execution of the security agreements. As at 6 December 2012, the last practicable date prior to the publication of this Document, US\$4.5 million had been drawn down under the short term loan facility. The Company intends that the Loan Agreement will be repaid from the proceeds of the Subscription. The Loan Agreement is for a period of six months and for a maximum of US\$6 million and will be drawn-down in up to 4 separate instalments. Interest is chargeable at the rate of 12 per cent. per annum and the facility will attract a 3 per cent. arrangement fee. In the event that the funds advanced under the Loan Agreement are repaid prior to the end of the loan period, a penalty will accrue equivalent to the lower of 3 months' interest or the remaining interest that would be chargeable to the end of the loan period, which is expected to amount to US\$226,444 on repayment of the Loan Agreement following completion of the Subscription. The Loan Agreement is secured against the entire share capital of Serabi Mining Limited a subsidiary of Serabi and the 99.99 per cent. shareholder of Serabi Mineração SA, which is the licence holder for the Palito Mine. In addition, the Company has also made a charge in favour of Fratelli Investments over all current and future sums owed by Serabi Mineração SA to Serabi Gold plc.

6. INFORMATION ON THE CONCERT PARTY

A description of the Concert Party is set out in Part II of this Document.

7. RULE 9 OF THE TAKEOVER CODE

The Subscription gives rise to certain considerations under the Takeover Code. Brief details of the Panel, the Takeover Code and the protections they afford are set out below. The Takeover Code is issued and administered by the Panel. The Takeover Code applies to all takeover and merger transactions, however effected, where the offeree company is, *inter alia*, a listed or unlisted public company with its registered offices and its place of central management and control in the United Kingdom. The Company is such a company and its Shareholders are entitled to the protections afforded by the Takeover Code.

Under Rule 9 of the Takeover Code, where any person acquires, whether by a single transaction or a series of transactions over a period of time, interests in securities which (taken together with securities in which he is already interested and in which persons acting in concert with him are interested) carry 30 per cent. or more of the voting rights of a company which is subject to the Takeover Code, that person is normally required by the Panel to make a general offer to all the remaining shareholders of that company to acquire their shares. Similarly, when any person individually or a group of persons acting in concert, already holds interests in securities which in aggregate carry not less than 30 per cent. of the voting rights of such a company but does not hold shares carrying more than 50 per cent. of such voting rights, that person may not normally acquire further securities without making a general offer to the shareholders of that company to acquire their shares. An offer under Rule 9 must be made in cash and at the highest price paid by the person required to make the offer, or any person acting in concert with him, for any interest in shares of the company during the 12 months prior to the announcement of the offer.

For the purposes of the Takeover Code, Fratelli Investments together with its Connected Persons and other persons acting in concert with it, full details of whom are set out in Part B of Part II of this Document, form the Concert Party. The Concert Party is currently beneficially interested in 19,257,317 Ordinary Shares, representing approximately 21.1 per cent. of the Existing Ordinary Share Capital. Immediately following completion of the Subscription, the minimum and maximum interests of the Concert Party are set out below:

	<i>Minimum Interest in Enlarged Ordinary Share Capital on Completion (Notes 3,6)</i>	<i>Maximum Interest in Enlarged Ordinary Share Capital on Completion (Notes 3,7)</i>	<i>Minimum Interest in Diluted Enlarged Ordinary Share Capital on Completion (Notes 4,6)</i>	<i>Maximum Interest in the Second Diluted Enlarged Ordinary Share Capital on Completion (Notes 5,7)</i>
Concert Party Member				
Fratelli Investments Limited (Note 1)	29.90%	79.61%	33.60%	79.69%
Piero Solari Donaggio (Note 2)	–	–	–	–
Sandro Solari Donaggio (Note 2)	–	–	–	–
Carlo Solari Donaggio (Note 2)	–	–	–	–
Nicolas Bañados (Note 8)	0.44%	0.44%	0.48%	0.50%
Jorge Arancibia Pascal (Note 9)	0.01%	0.01%	0.01%	0.01%
Total	30.35%	80.07%	34.08%	80.20%

Note 1 Fratelli Investments Limited is a 99.9 per cent. owned subsidiary of Inversiones Menevado Dos Limitada which is itself a 99.97 per cent. owned subsidiary of Inversiones Menevado Limitada which is itself a 96.92 per cent. owned subsidiary of Inversiones Megeve Capital Limitada. The shareholders of Inversiones Megeve Capital Limitada comprise Asesorias e Inversiones Barolo Limitada, which is controlled by Piero Solari Donaggio and his dependants, Asesorias e Inversiones Brunello Limitada, which is controlled by Sandro Solari Donaggio and his dependants and Asesorias e Inversiones Sangiovese Limitada, which is controlled by Carlo Solari Donaggio and his dependants. Further details are set out below in paragraph 3 of Part B of this Part II of the Document.

Note 2 Piero Solari Donaggio, Sandro Solari Donaggio and Carlo Solari Donaggio are the sole directors and the ultimate beneficial shareholders of Fratelli Investments.

Note 3 The Enlarged Ordinary Share Capital comprises the Existing Ordinary Shares and the Subscription Shares.

Note 4 The Diluted Enlarged Ordinary Share Capital comprises the Existing Ordinary Shares, the Subscription Shares, the new Ordinary Shares issued on exercise of the Existing Warrants and the new Ordinary Shares issued on exercise of the New Warrants.

Note 5 The Second Diluted Enlarged Ordinary Share Capital comprises the Existing Ordinary Shares, the Subscription Shares and the new Ordinary Shares issued on exercise of the Existing Warrants.

Note 6 Assumes that third parties subscribe for all the Third Party Shares and that Fratelli Investments subscribes for the Minimum Subscription and receives the maximum number of New Warrants as an underwriting fee.

Note 7 Assumes that there are no third party subscribers for the Subscription Shares and Fratelli Investments therefore subscribes for all the Subscription Shares issued by the Company pursuant to the Subscription Agreement.

Note 8 Nicolas Banados, an attorney-in-fact of Fratelli Investments, directly owns 144,282 Ordinary Shares. In addition, Nicolas Banados is the beneficial owner of 50 per cent. of the share capital of Asesorias e Inversiones Asturias Limitada which beneficially owns 25 per cent. of the units in Fondo de Inversion Privado Santa Monica. Asesorias e Inversiones Asturias Limitada is interested in 159,665 Ordinary Shares and Fondo de Inversion Privado Santa Monica is interested in 1,300,000 Ordinary Shares and 216,666 Existing Warrants. Accordingly, Nicolas Banados is interested in aggregate, directly and indirectly, in 1,603,947 Ordinary Shares and 216,666 Existing Warrants.

Note 9 Jorge Arancibia Pascal, an attorney-in-fact of Fratelli Investments, is the beneficial owner of 85 per cent. of the share capital of Asesorias e Inversiones Hipa Limitada which is interested in 37,370 Ordinary Shares.

Full details of the Concert Party's interest are set out in Part A of Part II of this Document.

As set out in Part D of Part II of this Document, the Concert Party currently own 2,487,499 Existing Warrants which were subscribed for by the Concert Party pursuant to the share placement by the Company on 24 January 2012. At such time the Concert Party's maximum interest in Serabi, assuming full exercise of its holding of the Existing Warrants, would have been less than 29.9 per cent. Accordingly, there was no requirement at the time of issue of the Existing Warrants to the Concert Party to seek a waiver from the Panel as there would have been no obligation to make a mandatory offer for the Company following the exercise of the Existing Warrants. Furthermore, the new Ordinary Shares to be issued on the exercise of the Existing Warrants on completion of the Proposals as set out in this Document, would represent only 1 per cent. of the Diluted Enlarged Ordinary Share Capital. Accordingly, the Independent Directors, who have been so advised by Beaumont Cornish, believe that the inclusion of the Existing Warrants within the Waiver is fair and

reasonable and in the best interests of the Independent Shareholders and the Company as a whole. In giving its advice, Beaumont Cornish has taken account of the commercial assessments of the Independent Directors.

The Takeover Panel has agreed to waive the obligation of the Concert Party to make a general offer that would otherwise arise as a result of its participation in the Subscription, subject to the approval of Independent Shareholders. Accordingly, the Resolution is being proposed at the General Meeting to approve the Waiver and will be taken on a poll. No member of the Concert Party will be entitled to vote on that resolution and accordingly no member of the Concert Party will do so.

If on Completion of Subscription the Concert Party holds less than 50 per cent. of the Company's voting share capital but more than 30 per cent., any further increases in the Concert Party's interests in Ordinary Shares following Completion will be subject to the provisions of Rule 9.

If however, on Completion of the Subscription the Concert Party holds more than 50 per cent. of the Company's voting share capital, the Concert Party may be able to increase its aggregate shareholding in the Company without incurring any obligation under Rule 9 to make a general offer to the Company's other Shareholders. Under the Takeover Code, whilst each member of the Concert Party continues to be treated as acting in concert, each member will be able to increase further his respective percentage shareholding in the voting rights of the Company without incurring an obligation under Rule 9 to make a general offer to Shareholders to acquire the entire issued share capital of the Company. However, individual members of the Concert Party will not be able to increase their percentage shareholding through or between a Rule 9 threshold, without the consent of the Panel.

8. INTENTIONS OF THE CONCERT PARTY

Other than the right of Fratelli Investments to appoint up to a further two non-executive directors to the Board of the Company pursuant to the Subscription Agreement, the Concert Party is not intending to seek any changes to the Board and has confirmed that it is its intention that, following the increase in its shareholding as a result of its participation in the Subscription, the business of the Company will be continued in substantially the same manner as it is at present, with no major changes. With this in mind, there will be no repercussions on employment or the location of the Company's places of business and no redeployment of the Company's fixed assets. The Concert Party is also not intending to prejudice the existing employment rights, including pension rights, of any of the employees or management of the Group nor to procure any material change in the conditions of employment of any such employees or management or to take any steps to amend the Company's share trading facilities in force at the date of this document.

The Company, Beaumont Cornish and Fratelli Investments have entered into the Lock-in and Relationship Agreement dated 10 December 2012 which governs the relationship between the Company and Fratelli Investments and the acquisition and disposal and dealings in Ordinary Shares following Admission by members of Fratelli Investments. Details of the Lock-in and Relationship Agreement are set out in paragraph 6.1.7 of Part IV of this Document.

9. FINANCIAL INFORMATION

Financial information on the Company and the Concert Party is set out in Parts III and II respectively of this Document.

10. RELATED PARTY TRANSACTIONS

AIM

As Fratelli Investments is currently interested in more than 10 per cent. of the issued ordinary share capital of the Company, the Subscription Agreement and the Lock-in and Relationship Agreement are related party transactions for the purposes of Rule 13 of the AIM Rules. For the purposes of the AIM Rules, The Directors of Serabi consider, having consulted with the Company's nominated adviser, Beaumont Cornish, that the terms of the Subscription Agreement and the Lock-in and Relationship Agreement are fair and reasonable insofar as Shareholders are concerned. The Directors have taken into account in particular that the

Subscription Agreement conditionally provides the full funding of US\$18 million identified by the preliminary economic assessment, issued on 29 June 2012, as being the capital required to reopen the Palito mine as well as additional working capital for the Company until such time as cash flow is generated from the Palito mine. Furthermore, proceeds from the Subscription Agreement will enable the Company to repay amounts drawn down under the Loan Agreement.

TSX

As a result of Fratelli Investments' shareholding in Serabi, the Subscription Agreement and the Loan Agreement are related party transactions for Serabi under Canadian securities laws pursuant to Multilateral Instrument 61-101 – *Protection of Minority Security Holders in Special Transactions* ("MI 61-101"). In accordance with MI 61-101, Serabi is relying on the exemption from the requirement to obtain minority shareholder approval of the Subscription and the Loan Agreement and the requirement to obtain a formal valuation in connection with the Subscription available for transactions supported by an arm's length shareholder that holds at least 20 per cent. of the Existing Ordinary Share Capital and a greater shareholding interest than that of the Concert Party. In particular, Eldorado Gold Corporation which is interested in 21,340,000 Ordinary Shares, equivalent to approximately 23.38 per cent. of Existing Ordinary Share Capital, confirmed to Serabi that it supported the Subscription and the Loan Agreement.

11. ADMISSION TO AIM

Application will be made for the Subscription Shares to be admitted to trading on AIM. It is expected that Admission will become effective and dealings in the Subscription Shares will commence on 22 January 2013. The new Ordinary Shares will when issued and fully paid, rank in all other respects *pari passu* with the Existing Ordinary Shares in issue including the right to receive all dividends and other distributions declared, made or paid after the date of their issue.

12. GENERAL MEETING

You will find at the end of this Document the Notice of General Meeting. The General Meeting is to be held at Farrer & Co LLP at 66 Lincoln's Inn Fields, London, WC2A 3LH at 10.00 a.m. on 16 January 2013. At this meeting, the Resolution to approve the Waiver will be proposed as an ordinary resolution to be taken on a poll by Independent Shareholders voting in person or by proxy at the General Meeting. Shareholders should note that members of the Concert Party will not be permitted to vote at the General Meeting.

13. FURTHER INFORMATION

Shareholders should read the whole of this Document, which provides additional information on the Company, the Subscription and the Concert Party and should not rely on summaries of, or individual parts only of, this Document.

14. ACTION TO BE TAKEN

A Form of Proxy is enclosed for use by Shareholders at the General Meeting. Whether or not Shareholders intend to be present at the General Meeting, they are asked to complete, sign and return the Form of Proxy by post or by hand to the Company's Registrars, Computershare Investor Services PLC, Corporate Actions Projects, PO Box 82, The Pavilions, Bridgwater Road, Bristol BS99 6AH, as soon as possible and in any event not later than 10.00 a.m. on 14 January 2013. The completion and return of a Form of Proxy Form will not preclude a Shareholder from attending the General Meeting and voting in person should he or she wish to do so.

15. RECOMMENDATION

As Eduardo Rosselot, a non-executive director of the Company, is the nominated Board appointee of Fratelli Investments, he is not independent for the purposes of the recommendation. The Independent Directors therefore, comprising the Board other than Eduardo Rosselot, having been so advised by Beaumont Cornish, consider that the Proposals, including the Waiver, are fair and reasonable and in the best interests of the Independent Shareholders and the Company as a whole. In giving its advice, Beaumont Cornish has taken

account of the commercial assessments of the Independent Directors. Accordingly, the Independent Directors unanimously recommend Independent Shareholders to vote in favour of the Whitewash Resolution to be proposed on a poll at the General Meeting as the Independent Directors intend to do in respect of their own beneficial holdings which amount, in aggregate, to 1,162,973 Existing Ordinary Shares, representing approximately 1.37 per cent. of the Existing Ordinary Share capital.

Yours faithfully

Terence Sean Harvey
Chairman

PART II

INFORMATION ON THE CONCERT PARTY

PART A: THE CONCERT PARTY

The Concert Party comprises the parties described below. They comprise a concert party under the rules of the City Code. As a result of the Proposals, the Concert Party will be interested in the Ordinary Shares from Admission, further details of which are set out below.

The Concert Party currently owns 19,257,317 Existing Ordinary Shares, which represent 21.1 per cent. of the Existing Ordinary Share Capital, and 2,487,499 Existing Warrants.

On Completion of the Minimum Subscription, the Concert Party will hold 109,660,317 Ordinary Shares in aggregate, representing 30.35 per cent. of the Enlarged Issued Share Capital. On the assumption that there are no third party subscribers for the new Ordinary Shares, on Completion of the Maximum Subscription the Concert Party will hold 289,257,317 Ordinary Shares in aggregate, representing 80.07 per cent. of the Enlarged Issued Share Capital.

The minimum and maximum shareholdings of the Concert Party immediately following Completion (excluding the exercise of any of the Existing Warrants or New Warrants) are set out in Table 1 below:

Table 1: Minimum and Maximum interests of the Concert Party before exercise of the Existing Warrants and any New Warrants

Concert Party Member	<i>Interest in Existing Ordinary Share Capital</i>	<i>Minimum Subscription Shares</i>	<i>Minimum interest in Enlarged Ordinary Share Capital on Completion</i>	<i>Percentage of Enlarged Ordinary Share Capital on Completion (Note 3)</i>	<i>Maximum Subscription Shares (Note 4)</i>	<i>Maximum interest in Enlarged Ordinary Share Capital on Completion</i>	<i>Percentage of Enlarged Ordinary Share Capital on Completion (Note 3)</i>
Fratelli Investments Limited (Note 1)	17,616,000	90,403,000	108,019,000	29.90%	270,000,000	287,616,000	79.61%
Piero Solari Donaggio (Note 2)	–	–	–	–	–	–	–
Sandro Solari Donaggio (Note 2)	–	–	–	–	–	–	–
Carlo Solari Donaggio (Note 2)	–	–	–	–	–	–	–
Nicolas Bañados (Note 5)	1,603,947	–	1,603,947	0.44%	–	1,603,947	0.44%
Jorge Arancibia Pascal (Note 6)	37,370	–	37,370	0.01%	–	37,370	0.01%
Total	19,257,317	90,403,000	109,660,317	30.35%	270,000,000	289,257,317	80.07%

Note 1 Fratelli Investments Limited is a 99.9 per cent. owned subsidiary of Inversiones Menevado Dos Limitada which is itself a 99.97 per cent. owned subsidiary of Inversiones Menevado Limitada which is itself a 96.92 per cent. owned subsidiary of Inversiones Megeve Capital Limitada. The shareholders of Inversiones Megeve Capital Limitada comprise Asesorias e Inversiones Barolo Limitada, which is controlled by Piero Solari Donaggio and his dependants, Asesorias e Inversiones Brunello Limitada, which is controlled by Sandro Solari Donaggio and his dependants and Asesorias e Inversiones Sangiovese Limitada, which is controlled by Carlo Solari Donaggio and his dependants. Further details are set out below in paragraph 3 of Part B of this Part II of the Document.

Note 2 Piero Solari Donaggio, Sandro Solari Donaggio and Carlo Solari Donaggio are the sole directors and the ultimate beneficial shareholders of Fratelli Investments.

Note 3 The Enlarged Ordinary Share Capital comprises the Existing Ordinary Shares and the Subscription Shares.

Note 4 Assumes that there are no third party subscribers for the Subscription Shares and Fratelli Investments therefore subscribes for all the Subscription Shares issued by the Company pursuant to the Subscription Agreement.

Note 5 Nicolas Banados, an attorney-in-fact of Fratelli Investments, directly owns 144,282 Ordinary Shares. In addition, Nicolas Banados is the beneficial owner of 50 per cent. of the share capital of Asesorias e Inversiones Asturias Limitada which beneficially owns 25 per cent. of the units in Fondo de Inversion Privado Santa Monica. Asesorias e Inversiones Asturias Limitada is interested in 159,665 Ordinary Shares and Fondo de Inversion Privado Santa Monica is interested in 1,300,000 Ordinary Shares and 216,666 Existing Warrants. Accordingly, Nicolas Banados is interested in aggregate, directly and indirectly, in 1,603,947 Ordinary Shares and 216,666 Existing Warrants.

Note 6 Jorge Arancibia Pascal, an attorney-in-fact of Fratelli Investments, is the beneficial owner of 85 per cent. of the share capital of Asesorias e Inversiones Hipa Limitada which is interested in 37,370 Ordinary Shares.

Fratelli Investments and connected parties currently own 2,487,499 Existing Warrants. As described in Part I of this Document, immediately on completion of the Subscription, Fratelli Investments will receive an underwriting fee to be satisfied by the issue of New Warrants to subscribe for new Ordinary Shares. The number of New Warrants to be issued will be calculated as one New Warrant for every ten Third Party Shares subscribed for. The New Warrants will be exercisable at a subscription price of 10 pence per Ordinary Share for a period of two years from the date of completion of the Subscription.

A maximum of 17,959,700 New Warrants would be issued to Fratelli Investments on the assumption that third parties subscribe for all the Third Party Shares and Fratelli Investments only subscribes for its Minimum Subscription.

The fully diluted interest of the Concert Party therefore, on the basis of the Minimum Subscription by Fratelli Investments, full conversion by Fratelli Investments of their Existing Warrants and their maximum number of New Warrants, will amount to 130,107,516 Ordinary Shares in aggregate, representing 34.08 per cent. of the Diluted Enlarged Issued Share Capital, and is set out in Table 2 below:

Table 2: Interests of the Concert Party after exercise of Existing Warrants and New Warrants

	<i>Interest in Existing Ordinary Share Capital</i>	<i>Minimum Subscription Shares (Note 3)</i>	<i>Exercise of Existing Warrants</i>	<i>Exercise of New Warrants</i>	<i>Interest in Diluted Enlarged Ordinary Share Capital on Completion</i>	<i>Percentage of Diluted Enlarged Ordinary Share Capital on Completion (Note 4)</i>
Concert Party Member						
Fratelli Investments Limited (Note 1)	17,616,000	90,403,000	2,270,833	17,959,700	128,249,533	33.60%
Piero Solari Donaggio (Note 2)	–	–	–	–	–	–
Sandro Solari Donaggio (Note 2)	–	–	–	–	–	–
Carlo Solari Donaggio (Note 2)	–	–	–	–	–	–
Nicolas Bañados (Note 5)	1,603,947	–	216,666	–	1,820,613	0.48%
Jorge Arancibia Pascal (Note 6)	37,370	–	–	–	37,370	0.01%
Total	<u>19,257,317</u>	<u>90,403,000</u>	<u>2,487,499</u>	<u>17,959,700</u>	<u>130,107,516</u>	<u>34.08%</u>

Note 1 Fratelli Investments Limited is a 99.9 per cent. owned subsidiary of Inversiones Menevado Dos Limitada which is itself a 99.97 per cent. owned subsidiary of Inversiones Menevado Limitada which is itself a 96.92 per cent. owned subsidiary of Inversiones Megeve Capital Limitada. The shareholders of Inversiones Megeve Capital Limitada comprise Asesorias e Inversiones Barolo Limitada, which is controlled by Piero Solari Donaggio and his dependants, Asesorias e Inversiones Brunello Limitada, which is controlled by Sandro Solari Donaggio and his dependants and Asesorias e Inversiones Sangiovese Limitada, which is controlled by Carlo Solari Donaggio and his dependants. Further details are set out below in paragraph 3 of Part B of this Part II of the Document.

Note 2 Piero Solari Donaggio, Sandro Solari Donaggio and Carlo Solari Donaggio are the sole directors and the ultimate beneficial shareholders of Fratelli Investments.

Note 3 Assumes that third parties subscribe for all the Third Party Shares and that Fratelli Investments subscribes for the Minimum Subscription and receives the maximum number of New Warrants as an underwriting fee.

Note 4 The Diluted Enlarged Ordinary Share Capital comprises the Existing Ordinary Shares, the Subscription Shares, the new Ordinary Shares issued on exercise of the Existing Warrants and the new Ordinary Shares issued on exercise of the New Warrants.

Note 5 Nicolas Banados, an attorney-in-fact of Fratelli Investments, directly owns 144,282 Ordinary Shares. In addition, Nicolas Banados is the beneficial owner of 50 per cent. of the share capital of Asesorias e Inversiones Asturias Limitada which beneficially owns 25 per cent. of the units in Fondo de Inversion Privado Santa Monica. Asesorias e Inversiones Asturias Limitada is interested in 159,665 Ordinary Shares and Fondo de Inversion Privado Santa Monica is interested in 1,300,000 Ordinary Shares and 216,666 Existing Warrants. Accordingly, Nicolas Banados is interested in aggregate, directly and indirectly, in 1,603,947 Ordinary Shares and 216,666 Existing Warrants.

Note 6 Jorge Arancibia Pascal, an attorney-in-fact of Fratelli Investments, is the beneficial owner of 85 per cent. of the share capital of Asesorias e Inversiones Hipa Limitada which is interested in 37,370 Ordinary Shares.

On the basis that there are no third party subscribers for the new Ordinary Shares, Fratelli Investments will subscribe for all the Subscription Shares and will receive no New Warrants.

The **fully diluted interest** of the Concert Party therefore, **on the basis of the Maximum Subscription** by Fratelli Investments and full conversion by Fratelli Investments of their Existing Warrants, will amount to **291,744,816 Ordinary Shares** in aggregate, representing **80.20 per cent.** of the **Second Diluted Enlarged Issued Share Capital**, and is set out in Table 3 below:

Table 3: Interests of the Concert Party after exercise of Existing Warrants only

	<i>Interest in Existing Ordinary Share Capital</i>	<i>Minimum Subscription Shares (Note 3)</i>	<i>Exercise of Existing Warrants</i>	<i>Exercise of New Warrants (Note 3)</i>	<i>Interest in the Second Diluted Enlarged Ordinary Share Capital on Completion</i>	<i>Percentage of the Second Diluted Enlarged Ordinary Share Capital on Completion (Note 4)</i>
Concert Party Member						
Fratelli Investments Limited (Note 1)	17,616,000	270,000,000	2,270,833	–	289,886,833	79.697%
Piero Solari Donaggio (Note 2)	–	–	–	–	–	–
Sandro Solari Donaggio (Note 2)	–	–	–	–	–	–
Carlo Solari Donaggio (Note 2)	–	–	–	–	–	–
Nicolas Bañados (Note 5)	1,603,947	–	216,666	–	1,820,613	0.50%
Jorge Arancibia Pascal (Note 6)	37,370	–	–	–	37,370	0.01%
Total	<u>19,257,317</u>	<u>270,000,000</u>	<u>2,487,499</u>	<u>–</u>	<u>291,744,816</u>	<u>80.20%</u>

Note 1 Fratelli Investments Limited is a 99.9 per cent. owned subsidiary of Inversiones Menevado Dos Limitada which is itself a 99.97 per cent. owned subsidiary of Inversiones Menevado Limitada which is itself a 96.92 per cent. owned subsidiary of Inversiones Megeve Capital Limitada. The shareholders of Inversiones Megeve Capital Limitada comprise Asesorias e Inversiones Barolo Limitada, which is controlled by Piero Solari Donaggio and his dependants, Asesorias e Inversiones Brunello Limitada, which is controlled by Sandro Solari Donaggio and his dependants and Asesorias e Inversiones Sangiovese Limitada, which is controlled by Carlo Solari Donaggio and his dependants. Further details are set out below in paragraph 3 of Part B of this Part II of the Document.

Note 2 Piero Solari Donaggio, Sandro Solari Donaggio and Carlo Solari Donaggio are the sole directors and the ultimate beneficial shareholders of Fratelli Investments.

Note 3 Assumes that third parties subscribe for no Third Party Shares and that Fratelli Investments subscribes for all the Subscription Shares and receives no New Warrants as an underwriting fee.

Note 4 The Second Diluted Enlarged Ordinary Share Capital comprises the Existing Ordinary Shares, the Subscription Shares and the new Ordinary Shares issued on exercise of the Existing Warrants.

Note 5 Nicolas Banados, an attorney-in-fact of Fratelli Investments, directly owns 144,282 Ordinary Shares. In addition, Nicolas Banados is the beneficial owner of 50 per cent. of the share capital of Asesorias e Inversiones Asturias Limitada which beneficially owns 25 per cent. of the units in Fondo de Inversion Privado Santa Monica. Asesorias e Inversiones Asturias Limitada is interested in 159,665 Ordinary Shares and Fondo de Inversion Privado Santa Monica is interested in 1,300,000 Ordinary Shares and 216,666 Existing Warrants. Accordingly, Nicolas Banados is interested in aggregate, directly and indirectly, in 1,603,947 Ordinary Shares and 216,666 Existing Warrants.

Note 6 Jorge Arancibia Pascal, an attorney-in-fact of Fratelli Investments, is the beneficial owner of 85 per cent. of the share capital of Asesorias e Inversiones Hipa Limitada which is interested in 37,370 Ordinary Shares.

PART B: THE CITY CODE

1. For the purposes of this Part B and Part IV of this Document:

“acting in concert” has the meaning attributed to it in the Takeover Code.

“arrangement” includes any indemnity or option arrangements, and any agreement or understanding, formal or informal, of whatever nature, relating to relevant securities which may be an inducement to deal or refrain from dealing.

“Connected Person” has the meaning attributed to it in section 252 of the Act.

“control” means an interest, or interests, in shares carrying in aggregate 30 per cent. or more of the voting rights attributable to the share capital of a company which are currently exercisable at a general meeting, irrespective of whether such interest or interests give *de facto* control.

“dealing” or “dealt” includes the following:

- (a) the acquisition or disposal of relevant securities, or the right (whether conditional or absolute) to exercise or direct the exercise of voting rights attached to relevant securities, or of general control of relevant securities;
- (b) the taking, granting, acquisition, disposal, entering into, closing out, termination, exercise (by either party) or variation of an option (including a traded option contract) in respect of any relevant securities;
- (c) subscribing or agreeing to subscribe for relevant securities;
- (d) the exercise or conversion of any relevant securities carrying conversion or subscription rights;
- (e) the acquisition of, disposal of, entering into, closing out, exercising (by either party) of any rights under, or variation of, a derivative referenced, directly or indirectly, to relevant securities; or
- (f) entering into, terminating or varying the terms of any agreement to purchase or sell relevant securities; and any other action resulting, or which may result, in an increase or decrease in the number of relevant securities in which a person is interested or in respect of which he has a short position.

“derivative” includes any financial product whose value in whole or in part is determined directly or indirectly by reference to the price of an underlying security but which does not include the possibility of delivery of such underlying security.

“disclosure date” means 6 December 2012, being the latest practicable date prior to the posting of this document.

“disclosure period” means the period commencing on 7 December 2011, being the date 12 months prior to the date of the posting of this document and ending on the disclosure date.

being “interested” in relevant securities includes where a person:

- (a) owns relevant securities;
- (b) has the right (whether conditional or absolute) to exercise or direct the exercise of the voting rights attaching to relevant securities or has general control of them;
- (c) by virtue of any agreement to purchase, option or derivative, has the right or option to acquire relevant securities or call for their delivery or is under an obligation to take delivery of them, whether the right, option or obligation is conditional or absolute and whether it is in the money or otherwise; or
- (d) is party to any derivative whose value is determined by reference to its price and which results, or may result, in his having a long position in it.

“relevant securities” means shares in the Company (or derivatives referenced thereto) and securities convertible into, rights to subscribe for and options (including traded options) in respect thereof, or as the context requires, the ordinary shares of Fratelli Investments Limited, Inversiones Menevado Dos Limitada, Inversiones Menevado Limitada, Inversiones Megeve Capital Limitada, Inversiones Megeve Capital Limitada, Asesorias e Inversiones Barolo Limitada, Asesorias e Inversiones Brunello Limitada, Asesorias e Inversiones Sangiovese Limitada and other securities convertible into, or exchangeable for, rights to subscribe for the options (including traded options) in respect of, or derivatives referenced to, any of the foregoing.

“short position” means any short position (whether conditional or absolute and whether in the money or otherwise) including any short position under a derivative, any agreement to sell or any delivery obligation or right to require another person to purchase or take delivery.

2. Save as disclosed in Parts A and D of this Part II and paragraph 4 of Part IV of this Document, as at the close of business on the disclosure date:
 - (a) No member of the Concert Party nor any director of any member of the Concert Party nor any person acting in concert with any member of the Concert Party had any interest in or right to subscribe for, or had any short position, including any short position under a derivative, any agreement to sell or any delivery obligation or right to require another person to purchase or take delivery, in relation to, any relevant securities, nor had any of them dealt in any relevant securities during the disclosure period;
 - (b) There are no relevant securities in respect of which any member of the Concert Party or any director of any member of the Concert Party or any person acting in concert with any member of the Concert Party has borrowed or lent at any time during the disclosure period;
 - (c) Neither the Company nor any of the Directors (including any members of such Directors’ respective immediate families, related trusts or Connected Persons) nor any person acting in concert with the Company had any interest in or right to subscribe for, or had any short position, including any short position under a derivative, any agreement to sell or any delivery obligation or right to require another person to purchase or take delivery, in relation to any relevant securities nor had any of them dealt in any relevant securities during the disclosure period;
 - (d) There are no relevant securities in respect of which the Company or any of the Directors (including any members of such Directors’ respective immediate families, related trusts or Connected Persons) or any person acting in concert with the Company has borrowed or lent (save for any borrowed relevant securities which have either been on-lent or sold) at any time during the disclosure period;
 - (e) The Company has not redeemed or purchased any relevant securities in the Company during the disclosure period;
 - (f) No agreement, arrangement or understanding exists by which any of the Existing Ordinary Shares, the Subscription Shares or any new Ordinary Shares to be issued on exercise of the Existing Warrants or the New Warrants will be transferred by any member of the Concert Party to any other person.
 - (g) Save for the Subscription Agreement and Lock-in and Relationship Agreement, further details of which are set out in paragraphs 6.1.6 and 6.1.7 of Part IV of this Document, and the arrangements in respect of Eduardo Rosselot, further details of which are set out in paragraph 5.2.2 of Part IV of this Document, there are no agreements, arrangements or understandings between any member of the Concert Party and anyone in concert with it and any of the Directors, recent Directors, Shareholders or recent Shareholders of the Company, or any person interested or recently interested in shares of the Company or any of them, or any other person, having any connection with or dependence upon the Proposals set out this Document.

- (h) Save for the Lock-in and Relationship Agreement (further details on which are set out in paragraph 6.1.7 of Part IV of this Document) there are no relationships (personal, financial or commercial), arrangements or understandings between the Concert Party, any member of the Concert Party and Beaumont Cornish Limited or any person who is, or presumed to be, acting on concert with Beaumont Cornish.

3. Further Concert Party information:

3.1. The addresses and biographies for members of the Concert Party are as follows:

- 3.1.1. **Piero Solari Donaggio** of Asturias 280, 7th Floor, Las Condes, Santiago, Chile, a Chilean national and resident in Chile.

Piero Solari Donaggio, aged 43, is a director of Fratelli Investments. He qualified as a Civil Engineer from the Catholic University of Chile and completed an MBA at MIT, Boston, USA in 1998. Following completion of his MBA, he worked in retailing at S.A.C.I Falabella (1993-2003) and in 2004 was appointed as Chairman of Aguas Nuevas S.A., a water company based on Chile, until 2008. In addition, Piero Solari Donaggio is a director of Haldeman Mining Company S.A., a Chilean copper mine, and Aquachile S.A., the largest salmon fish products company in Chile which is quoted on the Santiago Stock Exchange with a market capitalisation of approximately US\$800 million. Currently he is Chief Executive of Megeve Investments, the Family office of the Solari Donaggio family which focuses on private equity and financial investments through an absolute-return hedge fund solely on behalf of the Solari Donaggio family.

- 3.1.2. **Sandro Solari Donaggio** of Asturias 280, 7th Floor, Las Condes, Santiago, Chile, a Chilean national and resident in Chile.

Sandro Solari Donaggio, aged 42, is a director of Fratelli Investments. He qualified as a Civil Engineer from the Catholic University of Chile and completed an MBA at MIT, Boston, USA in 1999. Following completion of his MBA, he worked in retailing at S.A.C.I Falabella (1999-2003) and its main affiliate Sodimac S.A (a South American home improvement retailer) as Chief Executive Officer from 2006 until 2012. Falabella is one of South America's largest multi-retailers with operations in Chile, Peru, Argentina and Colombia, which is quoted on the Santiago Stock Exchange with a market capitalisation of approximately US\$23 billion. In September 2012, he was appointed as Chief Executive Officer of S.A.C.I. Falabella.

- 3.1.3 **Carlo Solari Donaggio** of Asturias 280, 7th Floor, Las Condes, Santiago, Chile, a Chilean national and resident in Chile.

Carlo Solari Donaggio, aged 40, is a director of Fratelli Investments. He qualified as a Civil Engineer from the Catholic University of Chile and completed an MBA from The Wharton School of the University of Pennsylvania in the year 2000. Following completion of his MBA, he was the managing director of the Family office of the Solari Donaggio which focuses on private equity and financial investments through an absolute-return hedge fund until 2010, when he was appointed as Vice-Chairman of S.A.C.I Falabella (1999-2003). He is currently director of the following affiliates of S.A.C.I. Falabella: Banco Falabella (also as Chairman), Mall Plaza, Sodimac, Tottus, Promotora CMR Falabella S.A.

- 3.1.4 **Dieter Hauser Laclaustra** of Asturias 280, 7th Floor, Las Condes, Santiago, Chile, a Chilean national and resident in Chile.

Dieter Hauser Laclaustra, aged 40, is an attorney-in-fact of Fratelli Investments. Dieter Hauser graduated from the Catholic University of Chile in 1995 and from 1996 until 2000 he was an investment analyst and then Chief of Research Department at Penta Vida Life Insurance Company. Between 2000 and 2002 he completed an MBA at

Wharton School, University of Pennsylvania, United States. Following completion of his MBA, Dieter Hauser re-joined Penta Vida Life Insurance Company as Chief Investment Officer. In 2005 Dieter Hauser joined Fratelli Investments, and its non-discretionary fund manager, Megeve Investments, as Chief Investment Officer. In 2008, Dieter Hauser was made Chief Executive Officer of Fratelli Investments and Megeve Investments.

- 3.1.5 **Nicolas Banados** of Asturias 280, 7th Floor, Las Condes, Santiago, Chile, a Chilean national and resident in Chile.

Nicolas Banados, aged 36, is an attorney-in-fact of Fratelli Investments. Nicolas Bañados graduated from the Catholic University of Chile in 2000 and from 2001 until 2003 he was an investment analyst of the Research Department at Consorcio Vida Life Insurance Company. In 2003 Nicolas Bañados joined Fratelli Investments, and its non-discretionary fund manager, Megeve Investments, as Portfolio Manager. Between 2005 and 2007 he completed an MBA at The Wharton School, University of Pennsylvania, United States. Following completion of his MBA, Nicolas Bañados re-joined Fratelli Investments and Megeve Investments, as Vice President and subsequently as Managing Director of Private Equity.

- 3.1.6 **Jorge Arancibia Pascal**, Asturias 280, 7th Floor, Las Condes, Santiago, Chile, a Chilean national and resident in Chile.

Jorge Arancibia Pascal, aged 42, is an attorney-in-fact of Fratelli Investments. Jorge Arancibia, a lawyer, graduated from Catholic University of Chile and has been the legal counsel to the Family Solari Donaggio for the last 8 years. He is specialised in Financial, Banking, Corporate Law, Tax law, and Water legislation. He is member of the International Fiscal Association, The Chilean Institute of Tax Law and the Association of Chilean Lawyers of the Water Sector. He is also a Tax Law professor at the Catholic University of Chile and has actively participated in several reorganisations, mergers, disposals, acquisitions and privatisations of companies in Chile and cross-border transactions. He is also a legal adviser to the Chilean Government (Corfo) in respect of the privatization of water companies and in the implementation of financial system of Transantiago and a legal advisor in regulated services companies such as energy, gas, water and sewerage.

- 3.2. In addition, the Concert Party comprises Fratelli Investments Limited, Inversiones Menevado Dos Limitada, Inversiones Menevado Limitada, Inversiones Megeve Capital Limitada, Asesorias e Inversiones Barolo Limitada, Asesorias e Inversiones Brunello Limitada, Asesorias e Inversiones Sangiovese Limitada, Asesorias e Inversiones Asturias Limitada, Fondo de Inversion Privado Santa Monica and Asesorias e Inversiones Hipa Limitada, further information on which is set out in paragraphs 3.2.1 to 3.2.10 below.

3.2.1. **Fratelli Investments Limited**

Place and date of incorporation: Incorporated in the Commonwealth of the Bahamas on 24 March 2005.

Directors: Piero Solari Donaggio, Sandro Solari Donaggio, Carlo Solari Donaggio are directors of the company. In addition, Dieter Hauser Laclaustra, Alberto Gary, Jorge Arancibia Pascal and Nicolas Banados have been appointed as attorneys-in-fact of the company. Carlo Solari Donaggio is the temporary company secretary.

<i>Activity:</i>	Fratelli Investments is a private financial investment company with a portfolio of investments in mutual funds, bonds and publicly traded and private equities. Fratelli Investments' prospects are linked to the future performance of world-wide capital markets. Custody of funds is managed by Brown Brothers Harriman and JP Morgan. The subsidiaries of Fratelli Investments have financial investments in South America and timber interests in Panama. Fratelli Investments does not have any employees and its assets are managed day-to-day on a non-discretionary basis, by Megeve Investments, part of the family office of the Chilean family Solari Donaggio. All investment decisions are taken by the directors of Fratelli Investments. As at 31 December 2010, Fratelli Investments audited net assets amounted to approximately US\$405 million.
<i>Registered Office:</i>	PO Box N-3944, 1st Floor, Kings Court, Bay Street, Nassau, Bahamas
<i>Trading Office:</i>	Asturias 280, 7th Floor, Las Condes, Santiago, Chile
<i>Shareholders:</i>	Fratelli Investments Limited is a 99.9 per cent. owned subsidiary of Inversiones Menevado Dos Limitada, further information on which is set out in paragraph 3.2.2 below.
<i>Website:</i>	Financial information on Fratelli Investments, which has been incorporated by reference into this Document, may be accessed if you are reading this Document in hard copy, by entering the below web address in your web browser to be brought to the relevant document. If you are reading this Document in soft copy please click on the web address below to be brought to the relevant document: http://www.megeve.cl/Fratelli/ The Company will provide within two Business Days, without charge, to each person to whom a copy of this Document has been delivered, upon their written or verbal request, a copy of any documents incorporated by reference in this Document. Further details are set out in Part III of this Document.
<i>Summary Financials:</i>	In the financial year ended 31 December 2010, Fratelli Investments made an audited profit before taxation of US\$63,485,725 (2009: US\$60,329,798). As at 31 December 2010 audited share capital and reserves amounted to US\$341,241,097 (2009: US\$190,211,297). As at the same date Fratelli Investments had gross assets of US\$446,772,103 (2009: US\$258,812,881) and net assets of US\$404,726,822 (2009: US\$250,541,095).

3.2.2. Inversiones Menevado Dos Limitada

<i>Place and date of incorporation:</i>	Incorporated in Santiago, Chile on 6 November 2008.
<i>Directors:</i>	There are no directors. Piero Solari Donaggio, Sandro Solari Donaggio, Carlo Solari Donaggio, Dieter Hauser Laclaustra, Alberto Gary, Jorge Arancibia Pascal and Nicolas Banados have been appointed as attorneys-in-fact of the company.

Activity: Inversiones Menevado Dos Limitada is an intermediate holding company and has no activity or interests other than its shareholding in Fratelli Investments.

Registered Office: Asturias 280, 7th Floor, Las Condes, Santiago, Chile.

Trading Office: Asturias 280, 7th Floor, Las Condes, Santiago, Chile.

Shareholders: The Company is a 99.97 per cent. owned subsidiary of Inversiones Menevado Limitada, further information on which is set out in paragraph 3.2.3 below.

3.2.3. Inversiones Menevado Limitada

Place and date of incorporation: Incorporated in Santiago, Chile on 7 March 2005.

Directors: There are no directors. Piero Solari Donaggio, Sandro Solari Donaggio, Carlo Solari Donaggio, Dieter Hauser Laclaustra, Alberto Gary, Jorge Arancibia Pascal and Nicolas Banados have been appointed as attorneys-in-fact of the company.

Activity: Inversiones Menevado Limitada is an intermediate holding company and has no activity or interests other than its shareholding in Inversiones Menevado Dos Limitada.

Registered Office: Asturias 280, 7th Floor, Las Condes, Santiago, Chile.

Trading Office: Asturias 280, 7th Floor, Las Condes, Santiago, Chile.

Shareholders: The Company is a 96.92 per cent. owned subsidiary of Inversiones Megeve Capital Limitada, further information on which is set out in paragraph 3.2.4 below.

3.2.4. Inversiones Megeve Capital Limitada

Place and date of incorporation: Incorporated in Santiago, Chile on 7 September 2009.

Directors and Company Secretary: There are no directors. Piero Solari Donaggio, Sandro Solari Donaggio, Carlo Solari Donaggio, Dieter Hauser Laclaustra, Alberto Gary, Jorge Arancibia Pascal and Nicolas Banados have been appointed as attorneys-in-fact of the company.

Activity: Inversiones Megeve Capital Limitada is the holding company and has no activity or interests other than its shareholding in Inversiones Menevado Limitada.

Registered Office: Asturias 280, 7th Floor, Las Condes, Santiago, Chile.

Trading Office: Asturias 280, 7th Floor, Las Condes, Santiago, Chile.

Shareholders: Inversiones Megeve Capital Limitada is owned in equal shares by Asesorias e Inversiones Barolo Limitada, which is controlled by Piero Solari Donaggio and his dependants, Asesorias e Inversiones Brunello Limitada, which is controlled by Sandro Solari Donaggio and his dependants and Asesorias e Inversiones Sangiovese Limitada, which is controlled by Carlo Solari Donaggio and his dependants, further information on which is set out in paragraphs 3.2.5 to 3.2.7 below.

3.2.5. Asesorias e Inversiones Barolo Limitada

<i>Place and date of incorporation:</i>	Incorporated in Santiago, Chile on 30 August 1996.
<i>Directors:</i>	There are no directors. Piero Solari Donaggio, Sandro Solari Donaggio, Carlo Solari Donaggio, Dieter Hauser Laclaustra, Alberto Gary, Jorge Arancibia Pascal and Nicolas Banados have been appointed as attorneys-in-fact of the company.
<i>Activity:</i>	Asesorias e Inversiones Barolo Limitada has no activity or interests other than its shareholding in Inversiones Megeve Capital Limitada.
<i>Registered Office:</i>	Asturias 280, 7th Floor, Las Condes, Santiago, Chile.
<i>Trading Office:</i>	Asturias 280, 7th Floor, Las Condes, Santiago, Chile.
<i>Shareholders:</i>	Asesorias e Inversiones Barolo Limitada is controlled by Piero Solari Donaggio on his own behalf and his children (all of whom are under the age of 18).

3.2.6 Asesorias e Inversiones Brunello Limitada

<i>Place and date of incorporation:</i>	Incorporated in Santiago, Chile on 30 August 1996.
<i>Directors:</i>	There are no directors. Piero Solari Donaggio, Sandro Solari Donaggio, Carlo Solari Donaggio, Dieter Hauser Laclaustra, Alberto Gary, Jorge Arancibia Pascal and Nicolas Banados have been appointed as attorneys-in-fact of the company.
<i>Activity:</i>	Asesorias e Inversiones Brunello Limitada has no activity or interests other than its shareholding in Inversiones Megeve Capital Limitada.
<i>Registered Office:</i>	Asturias 280, 7th Floor, Las Condes, Santiago, Chile.
<i>Trading Office:</i>	Asturias 280, 7th Floor, Las Condes, Santiago, Chile.
<i>Shareholders:</i>	Asesorias e Inversiones Brunello Limitada is controlled by Sandro Solari Donaggio on his own behalf and his children (all of whom are under the age of 18).

3.2.7 Asesorias e Inversiones Sangiovese Limitada

<i>Place and date of incorporation:</i>	Incorporated in Santiago, Chile on 30 August 1996.
<i>Directors:</i>	There are no directors. Piero Solari Donaggio, Sandro Solari Donaggio, Carlo Solari Donaggio, Dieter Hauser Laclaustra, Alberto Gary, Jorge Arancibia Pascal and Nicolas Banados have been appointed as attorneys-in-fact of the company.
<i>Activity:</i>	Asesorias e Inversiones Sangiovese Limitada has no activity or interests other than its shareholding in Inversiones Megeve Capital Limitada.
<i>Registered Office:</i>	Asturias 280, 7th Floor, Las Condes, Santiago, Chile.
<i>Trading Office:</i>	Asturias 280, 7th Floor, Las Condes, Santiago, Chile.

Shareholders: Asesorias e Inversiones Sangiovese Limitada is controlled by Carlo Solari Donaggio on his own behalf and his children (all of whom are under the age of 18).

3.2.8 Asesorias e Inversiones Asturias Limitada

Place and date of incorporation: Incorporated in Santiago, Chile on 26 December 2007.

Directors: There are no directors. Nicolas Banados has been appointed as attorney-in-fact of the company.

Activity: A private financial investment company with a portfolio of investments in mutual funds and publicly-traded and private equity securities.

Registered Office: Avenida Isidora Goyenchea 3162, Of. 1002, Santiago, Chile.

Trading Office: Avenida Isidora Goyenchea 3162, Of. 1002, Santiago, Chile.

Shareholders: Nicolas Banados is beneficially interested in 50 per cent. of the share capital of the company. The balance of the share capital is owned by his wife.

3.2.9 Fondo de Inversion Privado Santa Monica

Place and date of incorporation: Incorporated in Santiago, Chile on 13 October 2008.

Directors: There are no directors. The fund is administered by Administradora Isidora S.A., a Chilean entity.

Activity: A private financial investment fund with a portfolio of investments in mutual funds and publicly-traded and private equity securities.

Registered Office: Avenida Isidora Goyenchea 3162, Of. 1002, Santiago, Chile.

Trading Office: Avenida Isidora Goyenchea 3162, Of. 1002, Santiago, Chile.

Shareholders: Asesorias e Inversiones Asturias Limitada is beneficially interested in 25 per cent. of the issued units of Fondo de Inversion Privado Santa Monica. The balance of the issued units is beneficially owned by members of Nicolas Banados' immediate family.

3.2.10 Asesorias e Inversiones Hipa Limitada

Place and date of incorporation: Incorporated in Santiago, Chile on 29 July 2002.

Directors: Jorge Arancibia Pascal is an attorney-in-fact of the company.

Activity: A private financial investment fund with a portfolio of investments in mutual funds and publicly-traded and private equity securities.

Registered Office: Asturias 280, 7th Floor, Las Condes, Santiago, Chile.

Trading Office: Asturias 280, 7th Floor, Las Condes, Santiago, Chile.

Shareholders: Jorge Arancibia Pascal is beneficially interested in 85 per cent. of the share capital of the company. The balance of the share capital is beneficially owned in equal 5 per cent. interests by Jorge Arancibia's father and two brothers.

3.2.11 **Alberto Gary**, aged 66, of Bascuñan Guerrero 888, Santiago, Chile is an attorney-in-fact of Fratelli Investments under a broadly drafted power of attorney which allows him, when acting jointly with one of the directors of Fratelli Investments mentioned above, to carry out any acts as may be done by a director. Alberto Gary has been an accountant to the Family Solari Donaggio for the last 30 years.

4. On Completion of the Subscription and as set out more fully in paragraph 8 of Part I upon Admission, no changes will be introduced to the Company's business and there will be no redeployment of the Company's fixed assets as a result of completion of the Proposals. The Concert Party and the Directors support the business strategy for the Group set out in paragraphs 3 of Part I of this Document. All the Group's employees will continue to be employed on unaltered employment terms and, as such, there will be no changes to their status as a result of the transaction
5. On Completion of the Subscription, no changes will be introduced to any member of the Concert Party's business as a result of completion of the Proposals and there will be no repercussions on the location of any member of the Concert Party's places of business. No member of the Concert Party has any employees.
6. No member of the Concert Party intends that the payment of interest on, repayment of or security for any liability of theirs will depend to any significant extent on the business of the Company.
7. The Independent Directors have in respect of their holdings of Ordinary Shares irrevocably committed to the Company to vote in favour of the Resolutions to be proposed at the General Meeting set out in the notice of General Meeting contained at the end of this Document. The Directors have an aggregate holding of 1,162,973 Ordinary Shares representing 1.37 per cent. of the Existing Ordinary Shares. Further details are set out in paragraph 6.1.9 of Part IV of this Document.
8. Anker Holding AG has irrevocably committed to the Company to vote in favour of the Resolutions to be proposed at the General Meeting set out in the notice of General Meeting contained at the end of this Document. Further details are set out in paragraph 6.1.9 of Part IV of this Document.
9. As far as the Directors are aware, save than as described in paragraphs 3 and 4 of Part I of this Document and disclosed in the un-audited interim accounts for the six months ended 30 June 2012 incorporated by reference in Part III of this Document, there have been no known material changes in the financial or trading position of the Company subsequent to 31 December 2011, the date to which the last published audited accounts were prepared.
10. Fratelli Investments is funding the full amount of the Subscription from the existing cash resources available to it. Such participation will not have a material effect on the earnings or asset or liabilities of Fratelli Investments.

PART C: MARKET QUOTATIONS

The following table shows the closing middle market quotations for Existing Ordinary Shares as derived from the AIM Appendix to the Daily Official List of the London Stock Exchange on the first dealing day of each month for the six months immediately preceding the date of this Document and on 6 December 2012 (the last practicable day before posting of this Document):

<i>Date</i>	<i>Price</i>
2 July 2012	6.625p
1 August 2012	6.625p
3 September 2012	6.25p
1 October 2012	8.625p
1 November 2012	6.125p
3 December 2012	5.75p
6 December 2012	6.00p

PART D: CONCERT PARTY DEALINGS

During the disclosure period, Fratelli Investments, its connected persons and persons acting in concert with it have dealt for value in Serabi Ordinary Shares as follows (all such dealings having occurred prior to the commencement of discussions relating to the Proposals and are not therefore disqualifying transactions):

<i>Date</i>	<i>Party</i>	<i>Transaction</i>	<i>Number of Ordinary Shares</i>	<i>Price per Ordinary Share</i>
24 January 2012	Fratelli Investments	Subscription (Note 1)	13,625,000	£0.10
24 January 2012	Fondo de Inversion Privado Santa Monica	Subscription (Note 1)	1,300,000	£0.10
24 February 2012	Asesorias e Inversiones Asturias Limitada	Purchase	5,000	US\$0.2562
28 February 2012	Asesorias e Inversiones Asturias Limitada	Purchase	154,665	US\$0.2532

During the disclosure period, Fratelli Investments and connected persons have dealt for value in Serabi Warrants as follows:

<i>Date</i>	<i>Party</i>	<i>Transaction</i>	<i>Number of Warrants</i>	<i>Price per Warrant</i>
24 January 2012	Fratelli Investments	Subscription (Note 1)	2,270,833	n.a.
24 January 2012	Fondo de Inversion Privado Santa Monica	Subscription (Note 1)	216,666	n.a.

Note 1: On 24 January 2012, Serabi conditionally placed 27,300,000 units at a price of 10.0 pence per unit. Each unit comprised one new Ordinary Share and one sixth of a share purchase warrant whereby each whole warrant entitled the holder to subscribe for one new Ordinary Share at a price of 15.0 pence at any time for a period of two years expiring 23 January 2014. Pursuant to the placing, Fratelli Investments subscribed for 13,625,000 units (comprising 13,625,000 Ordinary Shares and 2,270,833 Warrants) and Fondo de Inversion Privado Santa Monica subscribed for 1,300,000 units (comprising 1,300,000 Ordinary Shares and 216,666 Warrants). Nicolas Banados, an attorney-in-fact of Fratelli Investments, is the beneficial owner of 50 per cent. of the share capital of Asesorias e Inversiones Asturias Limitada which beneficially owns 25 per cent. of the units in Fondo de Inversion Privado Santa Monica.

PART III

FINANCIAL INFORMATION ON SERABI GOLD PLC

Information

Source of information

1. Turnover, net profit or loss before and after taxation and the charge for tax, for the Group for the three financial years ended 31 December 2011.
 - (i) Serabi Annual Report 2011, Statement of Comprehensive Income on page 26.

If you are reading this Document in hard copy, please enter the below web address in your web browser to be brought to the relevant document. If you are reading this Document in soft copy please click on the web address below to be brought to the relevant document

http://www.serabigold.com/userfiles/pdf/Annual_Report_and_Accounts_2011.pdf
 - (ii) Serabi Annual Report 2010, Statement of Comprehensive Income on page 20.

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<http://www.serabigold.com/userfiles/pdf/489.pdf>
 - (iii) Serabi Annual Report 2009, Statement of Comprehensive Income on page 18.

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<http://www.serabigold.com/userfiles/pdf/435.pdf>
2. A statement on the assets and liabilities shown in the audited accounts for the Group for the three financial years ended 31 December 2011
 - (i) Serabi Annual Report 2011, Balance Sheets on page 27.

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http://www.serabigold.com/userfiles/pdf/Annual_Report_and_Accounts_2011.pdf
 - (ii) Serabi Annual Report 2010, Balance Sheets on page 21.

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Information

Source of information

- (iii) Serabi Annual Report 2009, Balance Sheets on page 19.
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- <http://www.serabigold.com/userfiles/pdf/435.pdf>
3. A cash flow statement as provided in the audited accounts for the Group for the three financial years ended 31 December 2011
- (i) Serabi Annual Report 2011, Cash Flow Statements on page 29.
- If you are reading this Document in hard copy, please enter the below web address in your web browser to be brought to the relevant document. If you are reading this Document in soft copy please click on the web address below to be brought to the relevant document
- http://www.serabigold.com/userfiles/pdf/Annual_Report_and_Accounts_2011.pdf
- (ii) Serabi Annual Report 2010, Cash Flow Statements on page 23.
- If you are reading this Document in hard copy, please enter the below web address in your web browser to be brought to the relevant document. If you are reading this Document in soft copy please click on the web address below to be brought to the relevant document
- <http://www.serabigold.com/userfiles/pdf/489.pdf>
- (iii) Serabi Annual Report 2009, Cash Flow Statements on page 21.
- If you are reading this Document in hard copy, please enter the below web address in your web browser to be brought to the relevant document. If you are reading this Document in soft copy please click on the web address below to be brought to the relevant document
- <http://www.serabigold.com/userfiles/pdf/435.pdf>
4. Significant accounting policies together with any points from the notes to the accounts which are of major relevance to an appreciation of the figures for the three financial years ended 31 December 2011
- (i) Serabi Annual Report 2011, Notes to the Financial Statements on pages 30 to 53.
- If you are reading this Document in hard copy, please enter the below web address in your web browser to be brought to the relevant document. If you are reading this Document in soft copy please click on the web address below to be brought to the relevant document
- http://www.serabigold.com/userfiles/pdf/Annual_Report_and_Accounts_2011.pdf

Information

Source of information

- (ii) Serabi Annual Report 2010, Notes to the Financial Statements on pages 24 to 49.

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<http://www.serabigold.com/userfiles/pdf/489.pdf>

- (iii) Serabi Annual Report 2009, Notes to the Financial Statements on pages 22 to 47.

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<http://www.serabigold.com/userfiles/pdf/435.pdf>

5. Changes in equity and total recognised gains and losses for the three financial years ended 31 December 2011

- (i) Serabi Annual Report 2011, Statement of Changes in Shareholders Equity on page 28 and Statement of Comprehensive Income on page 26

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http://www.serabigold.com/userfiles/pdf/Annual_Report_and_Accounts_2011.pdf

6. Independent audit report in respect of each Annual Report for the three financial years ended 31 December 2011

- (i) Serabi Annual Report 2010, Statement of Changes in Shareholders Equity on page 22 and Statement of Comprehensive Income on page 20

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<http://www.serabigold.com/userfiles/pdf/489.pdf>

- (ii) Serabi Annual Report 2009, Statement of Changes in Shareholders Equity on page 20 and Statement of Comprehensive Income on page 18

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<http://www.serabigold.com/userfiles/pdf/435.pdf>

Information

Source of information

- (iii) Serabi Annual Report 2011, Independent Auditor's Report on pages 24 to 25.

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http://www.serabigold.com/userfiles/pdf/Annual_Report_and_Accounts_2011.pdf

The financial statements for the Company for the three financial periods ended 31 December 2011, 2010 and 2009 and the half year ended 30 June 2012 are available free of charge on the Company's website <http://www.serabigold.com/AnnualReports.cfm> and <http://www.serabigold.com/InterimFinancialReportsMDA.cfm>

Information in relation to 1, 2, 3 and 4 has not been published in an inflation adjusted form. The annual reports and interim results are available in a "read-only" format and can be printed from the Company's website. The Company will provide within two Business Days, without charge, to each person to whom a copy of this Document has been delivered, upon their written or verbal request, a copy of any documents incorporated by reference in this Document. In addition each person to whom a copy of this Document has been delivered may request that all future documents, announcements and information sent to them in relation to the Waiver should be sent in hard copy form. Copies of any documents incorporated by reference in this Document will not be provided unless such a request is made. Requests for copies of any such document should be directed to the Company Secretary, Clive Line, Serabi Gold Plc, 2nd Floor, 30-32 Ludgate Hill, London EC4M 7DR or by telephone to +44 (0) 20 7246 6830.

PART IV

ADDITIONAL INFORMATION

1. RESPONSIBILITY STATEMENT AND DIRECTORS

- 1.1 The Directors whose names appear in paragraph 1.3 below accept responsibility for the information contained in this Document including individual and collective responsibility for compliance with the AIM Rules, save for the information concerning the Concert Party (for which each member of the Concert Party is responsible) and the recommendation set out in paragraph 15 of Part I of this Document (for which the Independent Directors are solely responsible). To the best of the knowledge and belief of the Directors (who have taken reasonable care to ensure that such is the case) the information contained in this Document for which they are responsible (as above) is in accordance with the facts and there are no other facts the omission of which is likely to affect the import of such information.
- 1.2 Each member of the Concert Party along with the directors of Fratelli Investments accepts responsibility for the information contained in this Document relating to the Concert Party or otherwise expressly referable to the Concert Party. To the best of the knowledge and belief of each member of the Concert Party along with the directors of Fratelli Investments (who have taken all reasonable care to ensure such is the case) the information contained in this Document for which they are responsible is in accordance with the facts and there are no other facts the omission of which is likely to affect the import of such information.
- 1.3 The names of the Directors are as follows:

Directors:

Terence Sean Harvey	<i>Non-Executive Chairman</i>
Michael Hodgson	<i>Chief Executive</i>
Clive Line	<i>Finance Director</i>
Melvyn Williams	<i>Non-Executive Director</i>
Doug Jones	<i>Non-Executive Director</i>
Christopher Kingsman	<i>Non-Executive Director</i>
Eduardo Rosselot	<i>Non-Executive Director</i>

2. THE COMPANY AND ITS SHARE CAPITAL

- 2.1 The Company was incorporated in England and Wales as a private limited company named Serabi Mining Limited on 18 May 2004 under the Companies Act 1985 and with registered number 5131528. The Company re-registered as a public company under the name Serabi Mining plc on 17 March 2005. The Company subsequently changed its name to Serabi Gold plc on 14 October 2011.
- 2.2 The liability of the members of the Company is limited.
- 2.3 As at the date of this Document, the Company had the following outstanding Ordinary Shares, Deferred Shares, Options and Warrants (excluding 2,100,123 new Ordinary Shares being the maximum number of new Ordinary Shares that the Company calculates it would be obliged to issue in satisfaction of the convertible loan stock agreement dated 9 November 2009, as further described at paragraph 4.3 of this Part IV):

<i>Security</i>	<i>Number</i>
Ordinary Shares	91,268,529
Options	6,520,785
Other warrants	4,704,998
Fully diluted Ordinary Shares outstanding	102,494,312

- 2.4 The authorised and issued share capital of the Company at the date of this Document and upon Admission is as follows:

	<i>Authorised</i>		<i>Issued</i>	
	<i>Number</i>	<i>£</i>	<i>Number</i>	<i>£</i>
<i>As at the date of this Document</i>				
Ordinary Shares of 5p each	733,735,776	36,686,788.80	91,268,529	4,563,426.45
Deferred Shares of 9.5p each	140,139,065	13,313,211.175	140,139,065	13,313,211.175
<i>Immediately after Admission</i>				
Ordinary Shares of 5p each	733,735,776	36,686,788.80	361,268,529	18,063,426.45
Deferred Shares of 9.5p each	140,139,065	13,313,211.175	140,139,065	13,313,211.175

- 2.5 As at the date of this Document, the following Warrants were outstanding:

	<i>Number</i>	<i>Exercise Price</i>	<i>Expires on</i>
Non-tradable warrants	4,549,998	£0.15	23 January 2014
Beaumont Cornish warrants	155,000	£0.15	8 November 2013

- 2.6 As at the date of this Document, there are the following Options in issue under the various plans that have been operated by the Company:

<i>Issue date</i>	<i>Options</i>			
	<i>outstanding</i>	<i>Options vested</i>	<i>Exercise price</i>	<i>Expires on</i>
21 May 2012	500,000	166,667	£0.10	20 May 2015
31 May 2011	1,630,000	1,096,670	C\$0.60	30 May 2014
28 January 2011	1,455,000	1,026,667	£0.41	27 January 2021
28 January 2011	450,000	300,001	£0.37	27 January 2021
21 December 2009	1,900,000	1,900,000	£0.15	20 December 2019
15 November 2007	25,000	25,000	£2.64	14 November 2017
28 March 2007	7,500	7,500	£3.84	27 March 2017
01 April 2006	278,360	278,360	£1.50	01 April 2016
01 April 2006	274,925	274,925	£3.00	01 April 2016
Total	6,520,785	5,075,790	n.a.	n.a.

3. SUBSTANTIAL SHAREHOLDERS

- 3.1 The Directors are aware of the following holdings of Ordinary Shares and Warrants which, as at 6 December 2012 (being the last practicable date prior to the publication of this Document), represented three per cent. or more of the issued ordinary share capital of the Company or which will, on Admission, represent three per cent. or more of the Enlarged Ordinary Share Capital, assuming full subscription by Fratelli Investments pursuant to the Subscription Agreement:

<i>Name</i>	<i>As at the date of this Document</i>				<i>On Admission</i>	
	<i>Number of Ordinary Shares</i>	<i>Per cent. of issued share capital</i>	<i>Number of Warrants held</i>	<i>Number of Ordinary Shares</i>	<i>Per cent. of the Enlarged Ordinary Share Capital</i>	<i>Number of Warrants held</i>
Eldorado Gold Corporation	21,340,000	23.38%	750,000	21,340,000	5.91%	750,000
Anker Holding AG (note 1)	18,851,000	20.71%	937,500	18,851,000	5.22%	937,500
Fratelli Investments Limited (note 2)	17,616,000	19.30%	2,270,833	287,616,000	79.6%	2,270,833
F&C Investment Management	2,994,633	3.28%	Nil	2,994,633	0.95%	Nil

Note 1: The beneficial owner of Anker Holding AG is the spouse of Mr Christopher Kingsman, a Director of the Company.

Note 2: Assumes that there are no third party subscribers for the Subscription Shares and Fratelli Investments therefore subscribes for all the Subscription Shares.

4. DIRECTORS' INTERESTS

- 4.1 At the date of this Document and immediately following Admission the interests of the Directors (including any Connected Persons) in the issued share capital of the Company are as follows:

<i>Name</i>	<i>As at the date of this Document</i>		<i>On Admission</i>	
	<i>Number of Ordinary Shares beneficially owned, controlled or directed, directly or indirectly</i>	<i>Per cent. of issued share capital</i>	<i>Number of Ordinary Shares beneficially owned, controlled or directed, directly or indirectly</i>	<i>Per cent. of the Enlarged Ordinary Share Capital</i>
Existing Directors				
Terence Sean Harvey	200,000	0.22%	200,000	0.06%
Michael Hodgson	441,320	0.48%	441,320	0.12%
Clive Line	466,653	0.51%	466,653	0.13%
Melvyn Williams	45,000	0.05%	45,000	0.01%
Doug Jones	100,000	0.11%	100,000	0.03%
Christopher Kingsman (Note 1)	18,851,000	20.71%	18,851,000	5.22%
Eduardo Rosselot	Nil	Nil	Nil	Nil

Note 1: The beneficial owner of Anker Holding AG is the spouse of Mr Christopher Kingsman, a Director of the Company.

- 4.2 At the date of this Document and immediately following Admission the interests of the Directors (including any Connected Persons) in all option based awards are as follows (share-based awards and option-based awards have not been separated):

<i>Name of Director</i>	<i>Issue Date</i>	<i>Options</i>		<i>Exercise Price</i>	<i>Expires on</i>
		<i>Outstanding (Note 1)</i>	<i>Options Vested</i>		
Terence Sean Harvey	31 May 2011	133,334	66,666	C\$0.60	30 May 2014
Melvyn Williams	31 May 2011	133,334	66,666	C\$0.60	30 May 2014
Doug Jones	31 May 2011	133,334	66,666	C\$0.60	30 May 2014
Michael Hodgson	21 Dec 2009	–	500,000	£0.15	20 Dec 2019
	28 Jan 2011	200,000	400,000	£0.41	27 May 2021
	31 May 2011	83,333	166,667	C\$0.60	30 May 2014
	21 May 2012	183,333	91,667	£0.10	20 May 2015
Clive Line	21 Dec 2009	–	500,000	£0.15	20 Dec 2019
	28 Jan 2011	200,000	400,000	£0.41	27 May 2021
	31 May 2011	83,333	166,667	C\$0.60	30 May 2014
	21 May 2012	150,000	75,000	£0.10	20 May 2015
Christopher Kingsman	–	–	–	–	–
Eduardo Rosselot	–	–	–	–	–

Note 1: Each option entitles the holder to subscribe for one new Ordinary Share.

- 4.3 On 9 November 2009 (as further detailed in note 16 of the Company's 2011 Annual Report) the Company entered into a convertible loan stock agreement with Greenwood whereby Greenwood made available to the Company a loan of £300,000 repayable on 31 October 2014. Greenwood has the right at any time, on one or more occasions, on or before the repayment date to convert any of the outstanding amounts owed by the Company to Ordinary Shares at a price of 15 pence per new Ordinary Share. The loan was drawn down on 14 December 2009 and interest accrues at the rate of 1 per cent. per annum and is compounded. In January 2012, Greenwood assigned its interest in the convertible loan stock to Anker Holding AG. Anker Holding AG is beneficially owned by the spouse of Mr. Christopher Kingsman, a non-executive director of the Company.

- 4.4 Save as disclosed in this Document, none of the Directors holds any Options and/or Warrants to subscribe for Ordinary Shares.
- 4.5 Beaumont Cornish is interested in Warrants, issued on 9 November 2009, to subscribe for 155,000 new Ordinary Shares (representing 0.04 per cent. of the Enlarged Ordinary Share Capital) at an exercise price of 15p as set out in paragraph 2.5 above of this Part IV.
- 4.6 Except as disclosed in this paragraph 4, none of the Directors, nor any member of their respective immediate families, nor any Connected Persons, are interested in any share capital of the Company.

5. DIRECTORS SERVICE AGREEMENTS AND LETTERS OF APPOINTMENT

- 5.1 The Executive directors' services agreements are summarised below and other than as described below, have not been amended in the six months preceding the publication of this Document:

5.1.1 *Michael Hodgson (Chief Executive)*

Mr Hodgson entered into a service agreement with the Company on 2 February 2007. He is currently entitled to a base salary of £140,000 per annum (increased from £125,000 per annum with effect from 1 April 2012) and the potential, subject to approval of the board of directors, of an annual cash performance bonus and other fringe benefits, such as health, disability and life insurance equal in value to approximately £5,000. His service agreement is terminable on 12 months' notice by the Company. Mr Hodgson is required to devote himself to no less than four days per week to the performance of his duties.

5.1.2 *Clive Line (Finance Director)*

Mr Line entered into a service agreement with the Company on 13 April 2005. He is currently entitled to a base salary of £133,000 per annum (increased from £125,000 per annum with effect from 1 April 2012) and the potential, subject to approval of the board of directors, of an annual cash performance bonus and other fringe benefits, such as health, disability and life insurance equal in value to approximately £4,000. His service agreement is terminable on 12 months' notice by the Company. Mr Line is required to devote himself to no less than four days per week to the performance of his duties.

- 5.2 The terms of the Non-executive directors' appointments are summarised below and have not been amended in the six months preceding the publication of this Document:

Each of the non-executive directors is compensated in accordance with the following table of fees

	<i>Chairman</i>	<i>Other</i>
Fee as Board Member (C\$ per annum)	30,000	20,000
Fee as member of the Audit Committee (C\$ per annum)	7,500	5,000
Fee as member of the Remuneration Committee (C\$ per annum)	5,000	3,000
Attendance fees – payable only in respect of Board meetings (C\$ per meeting)	500	500

5.2.1 *Terence Sean Harvey (Non-Executive Chairman)*

Mr Harvey joined the Board on 30 March 2011. Mr Harvey serves as Chairman of the Board and is a member of the Audit Committee and the Remuneration Committee.

5.2.2 *Melvyn Williams (Non-Executive Director)*

Mr Williams joined the Board on 30 March 2011. Mr Williams serves as a member of the Board and is the Chairman of the Audit Committee and the Chairman the Remuneration Committee.

5.2.3 *Doug Jones (Non-Executive Director)*

Dr Jones joined the Board on 30 March 2011. Mr Jones serves as a member of the Board and is a member of the Audit Committee and the Remuneration Committee.

5.2.4 *Christopher Kingsman (Non-Executive Director)*

Mr Kingsman joined the Board on 19 December 2011. He serves as a member of the Board as the nominated representative of Anker Holding AG. His spouse is the beneficial owner of Anker Holding AG and he does not receive any fees in respect of his appointment.

5.2.5 *Eduardo Rosselot (Non-Executive Director)*

Mr Rosselot joined the Board on 2 October 2012. He serves as a member of the Board as the nominated representative of Fratelli Investments Limited. Mr Rosselot has no beneficial interest in Fratelli Investments Limited. Mr Rosselot, in addition to the fees he will receive as a member of the Board, is expected to provide other consultancy services to the Company in his capacity as a professional mining engineer. Such fees have yet to be agreed but will be levied on either a day-rate or retainer basis and at levels that are in accordance with industry norms. Any fees will be subject to the approval of the Company's remuneration committee.

6. MATERIAL CONTRACTS

The Company and its subsidiaries

6.1 The following contracts, not being contracts entered into in the ordinary course of business, have been entered into by the Company within the period from 2 years before the date of this Document and are, or may be, material:

6.1.1 *Warrants*

- (i) A warrant indenture dated 2 December 2010 and a supplemental warrant indenture dated 30 March 2011, between the Company and Computershare Trust Company of Canada (as warrant agent), whereby 9,535,000 Warrants were issued with each Warrant exercisable for one Ordinary Share at an exercise price of C\$0.75 until 2 December 2012;
- (ii) A special warrant indenture dated 2 December 2010 between the Company, Fraser Mackenzie Limited (as agent) and Computershare Trust Company of Canada (as warrant agent), providing for the issue of up to 10,070,000 special warrants at a price of C\$0.55. Each special warrant was exercisable for one Ordinary Share and one-half of one Warrant at the price of C\$0.75. The special warrant indenture expired following the automatic exercise of all the special warrants on 30 March 2011; and
- (iii) A warrant instrument entered into by the Company on 24 January 2012, whereby 4,549,998 Warrants were issued with each Warrant exercisable for one Ordinary Share at an exercise price of £0.15 until 23 January 2014 (these Warrants being personal to the holders and not to be transferred).

6.1.2 *Letter of Variation*

A letter of variation dated 24 January 2012 between the Company and Eldorado Gold Corporation, whereby the Company agreed that at the time of the next instance that the Company issues Ordinary Shares for cash (or cash equivalent), Eldorado Gold Corporation would have the right to subscribe for such number of Ordinary Shares as would enable Eldorado Gold Corporation to revert to a 26.33 per cent. interest in the share capital of the Company, being its percentage interest prior to the private placement undertaken by the Company on 24 January 2012.

6.1.3 ***Orderly Marketing Agreement***

An orderly marketing agreement dated 24 January 2012 between the Company, Beaumont Cornish and Fratelli Investments pursuant to which Fratelli Investments made an undertaking not to dispose of any of the Ordinary Shares it held in the Company for a period of 12 months.

6.1.4 ***Option Agreement***

An option agreement dated 24 January 2012 between the Company and Fratelli Investments pursuant to which the Company agreed that, while Fratelli Investments holds 15 per cent. or more of the issued share capital of the Company, Fratelli Investments has the option to subscribe for such number of Ordinary Shares as would enable Fratelli Investments to maintain its percentage interest in the share capital of the Company in the event that the Company issues Ordinary Shares for cash (or cash equivalent). Fratelli Investments shall, whilst it holds 15 per cent. or more of the issued share capital of the Company, have the right but not the obligation to nominate a director to the board of directors of the Company.

6.1.5 ***Short Term Loan Agreement***

The interim secured short term Loan Agreement dated 1 October 2012 for a maximum of US\$6 million for a period of six months provided by Fratelli Investments to the Company to provide additional working capital to the Company and enable it to commence initial works at its Palito gold mine. The Loan Agreement will be drawn-down in up to four separate instalments with interest chargeable at the rate of 12 per cent. per annum and with a 3 per cent. arrangement fee.

6.1.6 ***Conditional Subscription Agreement***

The conditional Subscription Agreement dated 1 October 2012 between the Company and Fratelli Investments, whereby Fratelli Investments agreed to subscribe for and underwrite a placement of new Ordinary Shares to raise £16.2 million to finance the development and start-up of underground mining operations at the Company's Palito gold mine.

6.1.7 ***Lock-in and Relationship Agreement***

A Lock-in and Relationship Agreement dated 10 December 2012 pursuant to which the Company and Fratelli Investments have agreed certain arrangements in order to regulate their relationship and avoid potential conflicts of interests. Pursuant to the Lock-in and Relationship Agreement, the Company and Fratelli Investments have agreed, *inter alia*, that:

- (a) The lock-in period will be for 12 months from Admission, save in limited circumstances, with thereafter a 12 month orderly market agreement with Beaumont Cornish.
- (b) If Fratelli Investments owns more than 30 per cent. of the Enlarged Ordinary Share Capital, Fratelli Investments will use its reasonable endeavours to procure that:
 - (i) The Group is capable of carrying on its business independently of Fratelli Investments;
 - (ii) The articles of association or any other constitutional documents are not amended to restrict the Company's ability to carry out its business independently of Fratelli Investments;
 - (iii) Transactions between any member of the Group and any member of Fratelli Investments are made at arm's length on a normal commercial basis and approved by Directors independent of Fratelli Investments;
 - (iv) Any disputes between Fratelli Investments and any member of the Group shall be dealt with by a committee of the independent Directors;

- (v) Not seek to appoint or remove any director in such a way as to undermine the ability of the Company to carry on its business independently of Fratelli Investments;
 - (vi) Not take any action as a result of which there would be fewer than two Directors independent of Fratelli Investments;
 - (vii) Not to solicit any director or key personnel of the Group;
 - (viii) To vote their shares to ensure that the Company shall operate and make decisions for the benefit of shareholders of the Company as a whole and not solely for the benefit of Fratelli Investments.
- (c) If Fratelli Investments owns more than 75 per cent. of the Enlarged Ordinary Share Capital, Fratelli Investments will use its reasonable endeavours to procure that:
- (i) Any related property transaction in respect of which the AIM Rules class tests exceed 25 per cent. is to be subject to independent shareholder approval at a General Meeting; and
 - (ii) They will not seek to de-list the Company from AIM without, where practicable in accordance with the Companies Act 2006, using reasonable endeavours to procure that a tender offer is made to purchase the shares of public minority shareholders.
- (d) Fratelli Investments are free to pursue minority investments in gold projects in Brazil, unless the interest being acquired in such a project is 40 per cent. or more, in which case Fratelli Investments would offer that investment opportunity to the Company on a pre-emptive basis.
- (e) The number of Directors that Fratelli Investments will be entitled to nominate to the Board of the Company will be:
- (i) One additional non-executive Director if Fratelli Investments holds between 20 per cent. and 50 per cent. of the Enlarged Ordinary Share Capital; or
 - (ii) Two additional non-executive Directors if Fratelli Investments holds more than 50 per cent. of the Enlarged Ordinary Share Capital.

6.1.8 ***Beaumont Cornish Instruction Letter***

An agreement dated 1 October 2012 together with the letter of addendum dated 16 October 2012 between Beaumont Cornish and the Company pursuant to which Beaumont Cornish agreed to act as the Company's financial adviser in respect of the Proposals. The Company agrees to pay Beaumont Cornish an initial advisory fee of £10,000, plus a monthly work fee of £12,500 commencing immediately from the announcements of the Proposals, subject to a maximum of £25,000. In addition the Company agrees to pay Beaumont Cornish a further fee of £20,000 immediately on publication of the Document and a completion fee of £20,000 immediately on the approval by the Company's shareholders of the arrangements described in the Document. The agreement contains certain undertakings and indemnities from the Company in respect of, *inter alia*, compliance with all applicable laws and regulations.

6.1.9 *Irrevocable Undertakings*

The Company has received the following irrevocable undertakings to vote in favour of the Resolution at the General Meeting:

- (i) The irrevocable undertakings given by certain of the Directors, which in aggregate amount to 1,162,973 Ordinary Shares representing 1.37 per cent. of the Existing Ordinary Shares, are as follows:

<i>Director</i>	<i>Number of Ordinary Shares</i>	<i>Percentage of the Company's issued share capital</i>
Terence Sean Harvey	200,000	0.22%
Michael Hodgson	441,320	0.48%
Clive Line	466,653	0.51%
Melvyn Williams	45,000	0.05%
Doug Jones	100,000	0.11%
Total	1,162,973	1.37%

- (ii) The irrevocable undertaking given by given by Anker Holding AG in respect of 18,851,000 Ordinary Shares representing 20.71 per cent. of the Existing Ordinary Shares.

6.1.10 *Agency / Broker Agreements*

- (i) An agency agreement between Fraser Mackenzie Limited and the Company dated 2 December 2010, whereby Fraser Mackenzie Limited agreed to act as agent to the Company to effect the offer and sale of up to 9,090,909 special warrants at a price of C\$0.55 per special warrant on a reasonable efforts basis for an aggregate purchase price of up to C\$5,000,000 to purchasers.
- (ii) An agency agreement between Fraser Mackenzie Limited and the Company dated 23 March 2011, whereby Fraser Mackenzie Limited agreed to act as agent to the Company to offer for sale by way of prospectus, on a reasonable “best efforts” basis (and without underwriter liability), a minimum of 4,600,000 units of the Company and a maximum of 9,000,000 units, at a price of C\$0.55 per unit.
- (iii) An engagement letter between ASSET Chile and the Company dated 8 October 2012 whereby ASSET Chile agreed to assist the Company with sourcing subscribers for the Subscription Shares. In consideration, the Company is to pay a success fee equivalent to 4 per cent. of the proceeds raised on those subscriptions (“Compensation Amount”) introduced either directly or indirectly by ASSET Chile. On request of the subscribers, this success fee may be made payable in the form of Ordinary Shares for up to 25 per cent. of the Compensation Amount. The engagement is to terminate on 7 October 2013 or earlier on written notice from either party. In case of early termination by ASSET Chile, no success fee or termination fee of any kind is payable.
- (iv) A broker agreement between Fox Davies Capital Limited (“Fox Davies”) and the Company dated 16 November 2012, whereby Fox Davies will assist the Company with sourcing subscribers for the Subscription Shares. In consideration, the Company is to pay a success fee equivalent to 5.5 per cent. of the proceeds raised on those subscriptions by UK-based subscribers secured by Fox Davies (“Fox Davies Subscriptions”) together with warrants over 2 per cent. of Fox Davies Subscriptions. In the event that Fox Davies does not secure subscribers for a majority of the Subscription Shares, the Company may determine not to proceed with using the services of Fox Davies to source subscribers and instead elects to pursue an alternative transaction, the Company shall pay a fixed sum of £75,000 to Fox Davies.

6.1.11 *Registrar Agreement*

A branch registrar and transfer agent agreement between the Company and Computershare Investor Services Inc. dated 16 March 2011, whereby the Company appointed Computershare Investor Services Inc. as its branch registrar and transfer agent to act for it in the city of Toronto for the issue, transfer and the registration of the issue or transfer of ordinary shares recorded on the branch register. In consideration, the Company paid an initial set-up fee of C\$5,500 and pays a per calendar year fee of C\$12,500, with other special services quoted for on request. Upon termination of the agreement, a charge of at least 15 per cent. or the total fees charged during the last year of the agency will be made to take care of costs associated with the handing over of records, correspondence and enquiries.

Fratelli Investments and its subsidiaries

6.2 There are no contracts, not being contracts entered into in the ordinary course of business that have been entered into by Fratelli Investments and its subsidiaries during the two years immediately preceding the date of this Document and are, or may be, material.

7. OTHER INFORMATION

7.1 The financial information in this Document does not comprise statutory accounts for the purpose of Section 434 of the Companies Act 2006.

7.2 Beaumont Cornish has given and not withdrawn its written consent to the inclusion in this Document of references to its name in the form and context in which it appears.

8. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following Documents will be available for inspection during usual business hours on any Business Day at the offices of Farrer & Co LLP, 66 Lincoln's Inn Fields, London WC2A 3LH and from the Company's website at www.serabigold.com until 17 January 2013, being the day following the General Meeting:

- (i) Memorandum and Articles of Association of the Company;
- (ii) Memorandum and Articles of Association of Fratelli Investments;
- (iii) the audited accounts of the Company for the three year period ended 31 December 2011 and the unaudited interim results for the Company for the six months ended 30 June 2012 as announced to the London Stock Exchange on 14 August 2012;
- (iv) Directors' service contracts referred to in paragraph 5 above;
- (v) Letter of consent referred to in paragraph 7 above;
- (vi) Material contracts referred to in paragraph 6 above;
- (vii) Irrevocable undertakings referred to in paragraph 6 above;
- (viii) Documents relating to the financing of the transaction comprising the Subscription Agreement and the Loan Agreement;
- (ix) the NI 43-101 and AIM compliant preliminary economic assessment of re-starting mining operations at Palito prepared by NCL in June 2012; and
- (x) This Document.

10 December 2012

PART V

PROXY INSTRUCTIONS

This Document is furnished in connection with the solicitation of proxies by the Board of Serabi for use at the general meeting of Ordinary Shareholders of the Company (the “Meeting”) to be held at the offices of Farrer & Co LLP, 66 Lincoln’s Inn Fields, London WC2A 3LH on 10.00 a.m. (London time) on 16 January 2013 and at any adjournment or adjournments thereof, for the purposes set out in the Notice of Meeting (the “Notice”) in this Document.

The resolution to be proposed at the Meeting will be an ordinary resolution requiring approval of 50 per cent. of the votes cast.

Holders (“Shareholders”) of ordinary shares in the Company (the “Ordinary Shares”) may vote on all matters to come before the Meeting. The holders of Deferred Shares in the Company do not have the right to attend or to vote at the Meeting.

The form of proxy enclosed with the Notice affords each Shareholder the opportunity to specify the manner in which that Shareholder’s proxy is to vote with respect to any specific item by checking the appropriate space on the form of proxy in order to indicate whether the Ordinary Shares registered in the Shareholder’s name shall be voted for, voted against or withheld from voting. to approve the Waiver A vote withheld will not be counted in the calculation of votes for or against the resolution.

The proxy must be signed by the holder of Ordinary Shares or each such Shareholder’s attorney duly authorized in writing or, if the Shareholder is a corporation, under its corporate seal or by an officer or attorney thereof duly authorized. Persons signing as executors, administrators, trustees or in any other representative capacity should so indicate and give their full title as such. A partnership should sign in the partnership’s name and by an authorized person(s).

A Shareholder may appoint more than one proxy in relation to the Meeting, provided that each proxy is appointed to exercise the rights attaching to a different Ordinary Share or Ordinary Shares held by that Shareholder. You may not appoint more than one proxy to exercise rights attached to one Ordinary Share. Should you wish to appoint more than one proxy please contact the relevant registrar and transfer agent in good time before the Meeting in order that the proxy forms are received in accordance with the times set out below. Please see the form of proxy which has more information in relation to the manner in which a proxy may be appointed.

Unless otherwise indicated any proxy will be granted in favour of the Chairman of the Meeting who will be an officer of the Company. **Each Shareholder has the right to appoint a person other than the persons named in the accompanying form of proxy, who need not be a Shareholder, to attend and act for him and on his behalf at the Meeting.** A Shareholder wishing to appoint some other person as a representative at the Meeting may do so either by inserting such person’s name in the blank space provided in the form of proxy and delivering the completed form of proxy to the Company’s relevant registrar and transfer agent.

The registrar and transfer agent in Canada for the Ordinary Shares is Computershare Investor Services Inc., 100 University Avenue, 9th Floor, Toronto, Ontario M5J 2Y1, Canada.

The registrar and transfer agent in the United Kingdom for the Ordinary Shares is Computershare Investor Services PLC, PO Box 82, The Pavilions, Bridgwater Road Bristol BS99 7NH, England.

A form of proxy is enclosed with the Notice. To be effective, the form of proxy and the original authority (if any) under which it is made must be deposited at the appropriate office (Canada or UK) of the Company’s registrars and transfer agents and not at the offices of the Company so as to be received not later than 48 hours before the time appointed for holding the Meeting. An appointment of a proxy which is not received in accordance with these requirements may be invalid.

A proxy given by a Shareholder for use at the Meeting may be revoked at any time prior to its use. In addition to revocation in any other manner permitted by law, a proxy may be revoked by an instrument in writing executed by the Shareholder or by the Shareholder's attorney authorized in writing or, if the Shareholder is a corporation, by an officer or attorney thereof duly authorized in writing, and deposited either at the registered office of the Company or at the Company's registrar and transfer agents at least one hour before the commencement of the Meeting (or any adjournment thereof) or with the Chairman of the Meeting on the day of the Meeting, or any adjournment thereof. The registered office of the Company is located at 66 Lincoln's Inn Fields, London WC2A 3LH, England.

Completion of the proxy does not preclude a Shareholder from subsequently attending and voting at the Meeting in person if he or she so wishes. In this circumstance, the proxy appointment will be automatically terminated.

A corporation which is a member can appoint one or more corporate representatives who may exercise, on its behalf, all its powers as a member provided that no more than one corporate representative exercises powers over the same Ordinary Share.

In accordance with the Articles of Association of the Company (the "Articles") and Regulation 41 of the Uncertificated *Securities Regulations 2001*, only those Shareholders entered on the Company's register of shareholders 48 hours before the start of the Meeting, or, if the meeting is adjourned, Shareholders entered on the Company's register of Shareholders 48 hours before the time fixed for the adjourned Meeting shall be entitled to attend and vote at the Meeting.

Beneficial holders in Canada will receive a Voting Instruction Form ("VIF") which will be issued by Broadridge Financial Solutions Inc. ("Broadridge") on behalf of the Company. VIFs should be returned directly to Broadridge in accordance with the instructions set out on the VIF.

MANNER IN WHICH PROXIES WILL BE VOTED

The Chairman of the Meeting will vote or withhold from voting the Ordinary Shares in respect of which he is appointed by proxy on any ballot that may be called for in accordance with the instructions of the Shareholder as indicated on the form of proxy and, if the Shareholder specifies a choice with respect to any matter to be acted upon, the Ordinary Shares will be voted accordingly.

In the absence of such direction, such Ordinary Shares will be voted by the Chairman of the Meeting in favour of the passing of the matters set out in the Notice. The accompanying form of proxy confers discretionary authority upon the persons named therein with respect to amendments or variations to matters identified in the Notice, and with respect to other matters which may properly come before the Meeting or any adjournment thereof. At the date hereof, the Directors know of no such amendments, variations or other matters. **However, if any other matters should properly come before the Meeting, the proxy will be voted on such matters in accordance with the best judgment of the proxy.**

VOTING BY BENEFICIAL SHAREHOLDERS

The information in this section is of significant importance to Shareholders who do not hold their Ordinary Shares in their own name and whose holdings are held through the Company's Canadian share register. Most Canadian Shareholders are "non-registered" shareholders because the Ordinary Shares they own are not registered in their names but are instead registered in the name of a brokerage firm, bank or other intermediary or in the name of a clearing agency. Shareholders who do not hold their shares in their own name (referred to herein as "Beneficial Shareholders") should note that only registered Shareholders or their duly appointed proxyholders are entitled to vote at the Meeting. If Ordinary Shares are listed in an account statement provided to a Shareholder by a broker, then in almost all cases those Ordinary Shares will not be registered in such Shareholder's name on the records of the Company. Such Ordinary Shares will more likely be registered under the name of the Shareholder's broker

or an agent of that broker. In Canada, the vast majority of such shares are registered under the name of CDS & Co. (the registration name for CDS Clearing and Depository Services Inc., which company acts as nominee for many Canadian brokerage firms). Ordinary Shares held by brokers (or their agents or nominees) on behalf of a broker's client can only be voted (for or against resolutions) at the direction of the Beneficial Shareholder. Without specific instructions, brokers and their agents and nominees are prohibited from voting shares for the brokers' clients. **Therefore, each Beneficial Shareholder should ensure that voting instructions are communicated to the appropriate person well in advance of the Meeting.**

Existing regulatory policy in Canada requires brokers and other intermediaries to seek voting instructions from Beneficial Shareholders in advance of Shareholders' meetings. The various brokers and other intermediaries have their own mailing procedures and provide their own return instructions to clients, which should be carefully followed by Beneficial Shareholders in order to ensure that their Ordinary Shares are voted at the Meeting. Often the form supplied to a Beneficial Shareholder by its broker is almost identical to the form of proxy provided by the Company to the registered Shareholders. However, its purpose is limited to instructing the registered Shareholder (i.e. the broker or agent of the broker) how to vote on behalf of the Beneficial Shareholder. The majority of brokers now delegate responsibility for obtaining instructions from clients to Broadridge Financial Solutions Inc. ("**Broadridge**"). Broadridge typically prepares a machine-readable voting instruction form, mails those forms to the Beneficial Shareholders and asks Beneficial Shareholders to return the forms to Broadridge, or otherwise communicate voting instructions to Broadridge (by way of the internet or telephone, for example). Broadridge then tabulates the results of all instructions received and provides appropriate instructions respecting the voting of Ordinary Shares to be represented at the Meeting. **A Beneficial Shareholder who receives a Broadridge voting instruction form cannot use that form to vote Ordinary Shares directly at the Meeting. The voting instruction form must be returned to Broadridge (or instructions respecting the voting of Ordinary Shares must be communicated to Broadridge well in advance of the Meeting) in order to have the Ordinary Shares voted.**

This Document and accompanying materials are being sent to both registered Shareholders and Beneficial Shareholders. Beneficial Shareholders fall into two categories – those who object to their identity being known to the issuers of securities which they own ("**Objecting Beneficial Owners**", or "**OBO's**") and those who do not object to their identity being made known to the issuers of the securities they own ("**Non-Objecting Beneficial Owners**", or "**NOBO's**"). Subject to the provision of the Canadian Securities Administrators' National Instrument 54-101 – Communication with Beneficial Owners of Securities of Reporting Issuers ("**NI 54-101**"), issuers may request and obtain a list of their NOBO's from intermediaries via their transfer agents. If you are a Beneficial Shareholder, and the Company or its agent has sent these materials directly to you, your name, address and information about your holdings of Ordinary Shares have been obtained in accordance with applicable securities regulatory requirements from the intermediary holding the Ordinary Shares on your behalf.

The Company's OBO's can expect to be contacted by Broadridge or their broker or their broker's agents as set out above.

Although Beneficial Shareholders may not be recognized directly at the Meeting for the purposes of voting Ordinary Shares registered in the name of their broker, a Beneficial Shareholder may attend the Meeting as proxyholder for the registered Shareholder and vote the Ordinary Shares in that capacity. **Beneficial Shareholders who wish to attend the Meeting and indirectly vote their Ordinary Shares as proxyholder for the registered Shareholder should enter their own names in the blank space on the proxy or voting instruction card provided to them and return the same to their broker (or the broker's agent) in accordance with the instructions provided by such broker.**

INTEREST OF CERTAIN PERSONS OR COMPANIES IN MATTERS TO BE ACTED UPON

Save as disclosed in this Document, the Board is not aware of any material interest, direct or indirect, by way of beneficial ownership of securities of the Company or otherwise, of any director or executive officer, or anyone who held office as such since the beginning of the Company's last financial year or of any associate or affiliate of any of the foregoing persons, in any matter to be acted upon at the Meeting.

INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

Save as disclosed in this Document, to the knowledge of the Company, no director, officer or insider of the Company, or any associate or affiliate of any of these persons, has any material interest, direct or indirect, in any transaction or in any proposed transaction since 1 January 2010 that has materially affected or would materially affect the Company or any of its subsidiaries.

Serabi Gold plc

(Registered in England and Wales with company number 5131528)

NOTICE OF GENERAL MEETING

NOTICE IS HEREBY GIVEN that a general meeting of Serabi Gold plc (the “Company”) will be held at the offices of Farrer & Co LLP, 66 Lincoln’s Inn Fields, London WC2A 3LH on 16 January 2013 at 10.00 a.m. for the purpose of considering and, if thought fit, passing the following resolution which will be proposed as an ordinary resolution and, in accordance with the City Code on Takeovers and Mergers, will be taken on a poll of Independent Shareholders present and by proxy voting at the general meeting.

ORDINARY RESOLUTION

THAT the waiver granted by the Panel on Takeovers and Mergers of the obligation that would otherwise arise on the Concert Party (or any member of it) (as defined in the Circular to the Company’s shareholders (the “Shareholders”) dated 10 December 2012 (the “Circular”)) to make a general offer to the Shareholders pursuant to Rule 9 of the City Code on Takeovers and Mergers as a result of the allotment of a maximum of 270,000,000 Ordinary Shares pursuant to the Subscription (as defined in the Circular) representing in aggregate, together with the other interests of the Concert Party, up to 80.20 per cent. of the Second Diluted Enlarged Ordinary Share Capital (as defined in the Circular) be and is hereby approved.

DATED the 10th day of December 2012.

By order of the Board

Clive Line

Company Secretary

Serabi Gold plc

Registered office: 66 Lincoln’s Inn Fields, London WC2A 3LH, England

Notes:

1. As a member of the Company, you are entitled to appoint another person as proxy to exercise all or any of your rights to attend, speak and vote at the Meeting and you should have received a proxy form with this notice of meeting. You can only appoint a proxy using the procedures set out in these notes and the notes to the proxy form.
2. A proxy does not need to be a member of the Company but must attend the Meeting to represent you. To appoint the Chairman of the Meeting or another person as your proxy insert their full name into the proxy form. If you wish your proxy to speak on your behalf at the Meeting you will need to appoint your own choice of proxy (not the Chairman) and give your instructions directly to them.
3. You may appoint more than one proxy provided each proxy is appointed to exercise rights attached to different shares. You may not appoint more than one proxy to exercise rights attached to any one share. To appoint more than one proxy, please contact the Company's Registrars, Computershare Investor Services PLC at The Pavilions, Bridgwater Road, Bristol BS99 6ZY.
4. If you do not give your proxy an indication of how to vote on any resolution, your proxy will vote or abstain from voting at his or her discretion. Your proxy will vote (or abstain from voting as he or she thinks fit) in relation to any other matter which is put before the Meeting.
5. The notes to the proxy form explain how to direct your proxy how to vote on each resolution or withhold their vote.

To appoint a proxy using the proxy form, the form must be:

- (i) completed and signed (with any alteration or deletion signed and initialled);
- (ii) sent or delivered to the Company's Registrars, Computershare Investor Services PLC at The Pavilions, Bridgwater Road, Bristol BS99 6ZY; and
- (iii) received not later than 48 hours before the time of the Meeting (or any adjournment thereof).

In the case of a member who is a company, the proxy form must be signed on its behalf by an officer of the company or any attorney for the company. Any power of attorney or any other authority under which the proxy form is signed (or a duly certified copy of such power or authority) must be included with the proxy form.

6. In the case of joint holders, where more than one of the joint holders purports to appoint a proxy, only the appointment submitted by the most senior holder will be accepted. Seniority is determined by the order in which the names of the joint holders appear in the Company's register of members in respect of the joint holding (the first-named being the most senior).
7. To change your proxy instructions simply submit a new proxy appointment using the methods set out above. Note that the cut-off time for receipt of proxy appointments (see above) also apply in relation to amended instructions; any amended proxy appointment received after the relevant cut-off time will be disregarded. Where you have appointed a proxy using the hard-copy proxy form and would like to change the instructions using another hard-copy proxy form, please contact the Company's Registrars, Computershare Investor Services PLC at The Pavilions, Bridgwater Road, Bristol BS99 6ZY. If you submit more than one valid proxy appointment, the appointment received last before the latest time for the receipt of proxies will take precedence.
8. In order to revoke a proxy instruction you will need to inform the Company by sending a signed hard copy notice clearly stating your intention to revoke your proxy appointment to the Company's Registrars, Computershare Investor Services PLC at The Pavilions, Bridgwater Road, Bristol BS99 6ZY. In the case of a member which is a company, the revocation notice must be executed under its common seal or signed on its behalf by an officer of the company or an attorney for the company. Any power of attorney or any other authority under which the revocation notice is signed (or a duly certified copy of such power or authority) must be included with the revocation notice. The revocation notice must be received by the Company no later than 48 hours before the time of the meeting (or any adjournment thereof).

If you attempt to revoke your proxy appointment but the revocation is received after the time specified then, subject to the paragraph directly below, your proxy appointment will remain valid.

Appointment of a proxy does not preclude you from attending the Meeting and voting in person. If you have appointed a proxy and attend the Meeting in person, your proxy appointment will automatically be terminated.

9. In accordance with Regulation 41 of the Uncertificated Securities Regulations 2001, the Company specifies that only those members registered in the Company's register of members at 10.00 a.m. on 14 January 2012 (or in the case of adjournment 48 hours before the time of the adjourned meeting) will be entitled to attend or vote at the meeting. Changes to entries in the register of members after that time shall be disregarded in determining the right of any person to attend or vote at this meeting.

