



SERABI MINING plc (“Serabi” or “the Company”)

Drawdown of £300,000 Convertible Facility

As announced on 10 November 2009, Greenwood Investments Limited (“**Greenwood**”) entered into a convertible loan agreement with the Company (“**Convertible**”) under which Greenwood made available a facility of £300,000 to the Company. On 16 December 2009, the Company had drawn down the full amount of the Convertible.

The full amount of the Convertible is convertible at the election of Greenwood into new ordinary shares at an exercise price of 1.5p per ordinary share at any time on or before 31 October 2014. A maximum of 20,000,000 new ordinary shares may be issued on conversion of the Convertible. The Convertible is unsecured and will pay a coupon of one per cent. per annum and, unless otherwise converted, will be repaid on 31 October 2014.

As previously announced, the proceeds of the recent placing and open offer together with the Convertible and other issues of shares completed since 10 November 2009, amounting to £2.8 million (before expenses and subscriptions by the Directors), will be used to commence the first stage of exploration and further evaluation of the 18 prioritised geophysical anomalies identified by the Company near to its Palito mine and to fund the general working capital requirements of the Group.

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