PRESS RELEASE

1 April 2011

SERABI MINING plc ("Serabi" or "the Company")

Audited Results for the year ended 31 December 2010

Serabi (AIM:SRB, TSX:SBI and SBI.WT), the gold exploration company, today releases its audited results for the year ended 31 December 2010.

A PDF version of Serabi's Directors Report and Financial Statements for the year ended 31 December 2010 together the Chairman's Statement and the Management Discussion and Analysis, is available from the Company's website – www.serabimining.com and has been posted on SEDAR at www.sedar.com.

The following information, comprising the Chairman's Statement, the Finance Review, the Income Statement, the Group Balance Sheet, Group Statement of Changes in Shareholders' Equity and Group Cash Flow, is extracted from these financial statements.

The Company has also, in compliance with Canadian regulatory requirements, posted its Management Discussion and Analysis for the year ended 31 March 2010 and its Annual Information Form on SEDAR at www.sedar.com. These documents are also available from the Company's website – www.serabimining.com

CHAIRMAN'S STATEMENT

Serabi has undergone significant change over the past two years which has now culminated in the listing of the shares on the Toronto Stock Exchange and the appointment of additional non-executive Board members to help the Company in its next stage of development.

The Tapajos region of Brazil, where artisanal production is reported as having been up to 30 million ounces, must be considered to be a highly prospective gold region. To date only some 5 million ounces of hard rock resources have been identified, the majority of which lies along the geologically significant Tocantinzinho structural trend, implying that a significant level of hard rock resource still remains to be identified. The Palito mine and the tenements that Serabi's exploration activity is focussed on, lie at the south-eastern end of this structural trend close to the main infrastructure and population areas, a location that has been described as the "front door to the Tapajos".

Exploration always requires an element of fortune, but the odds can be moved in your favour by adopting a systematic and structured approach. Serabi has put such an approach in place and having already generated a number of drill targets has followed this up with further programmes that we hope will allow it to create a pipeline of opportunities within its tenement area from which it can, over time, add significantly to its existing resource base. We hope that the use of airborne geophysics to screen large areas and generate focused ground based exploration, will prove to be a significant tool to unlock some of the potential of this region but I am sure that it will not be the only technique that might be successful in locating deposits in this geologically exciting area.

I am excited to be involved with the Company at this stage of its development, and know that the other new members of the Board feel the same. Bill Clough who founded the Company has stepped down from the Board and it was his pioneering spirit and vision that identified the potential of the Tapajos region in the first instance. Bill and his team put in place significant foundations on which Serabi can now build and which will add great value to the exploration success that we all hope Serabi is now set to achieve.

This is my last address to shareholders as Chairman of the Company as I have elected to step down in order to assist the Company in fulfilling its Canadian securities obligations, though I will remain on the Board in a non-executive capacity. I welcome Mr Sean Harvey, one of the new non-executive directors as the new Chairman of the Board. I have had a long acquaintance with Sean, and know that his excellent reputation in North America will allow the Company to maintain a high profile there and maximise the benefits that can be achieved from its new TSX listing.

FINANCE REVIEW

The data included in the selected annual information table below is taken from the Company's annual audited financial statements which were prepared in accordance with International Financial Reporting Standards in force at the reporting date and their interpretations issued by the International Accounting Standards Board ("IASB") and adopted for use within the European Union (IFRS) and with IFRS and their interpretations adopted by the IASB. There are no material differences on application to the Group. The consolidated financial statements have also been prepared in accordance with those parts of the Companies Act 2006 applicable to companies reporting under IFRS.

	2010 US$	2009 US$	2008 US$
Revenues	1,229,551	5,512,804	16,523,577
Net loss	(5,980,011)	(9,990,502)	(10,973,655)
Net loss per share (basic and diluted)	(15.21)cents	(61.55)cents	(78.3)cents
Total current assets	11,174,647	7,030,342	4,864,694
Development and deferred exploration costs	9,797,406	6,880,038	5,351,921
Property plant and equipment	33,951,140	35,327,788	31,620,364
Total assets	54,923,193	49,238,168	43,589,495
Total liabilities	10,571,375	6,033,451	5,324,953
Equity shareholders funds	44,351,818	43,204,717	38,264,542

Results of Operations

Financial Year ended 31 December 2010

For the year ended 31 December 2010 the Company recorded a net loss of US$5,980,011 (US$0.1521 per share) compared to a net loss of US$9,990,502 (US$0.6155 per share) for the comparative period last year. The decrease in the loss in part reflects that no impairment provision was taken in the current year (2009: US$4,343,048), there were no write-offs in respect of past exploration activities (2009: US$495,138) and no requirement to increase the provision for rehabilitation on mine closure (2009: US$346,000). The combination of these effects contributed to a year on year reduction in expenses of US$5,184,146. However, there were increases in the gross loss from operations of US$944,997 and an increase in administration costs of US$414,975 and therefore the overall improvement in the net loss was US$4,010,491.

The increase in the gross loss from operations is primarily a reflection of production being subject to a suspension during June and not recommencing thereafter and therefore revenue was generated for only the first six months of the year. There was an initial loss recorded for the first six months of the year of US$345,387, and whilst there was no subsequent production, costs continued to be incurred and expensed in respect of maintenance and refurbishment activities during this second six month period. It has been increasingly difficult to identify further adequate surface resources to justify continuous oxide mining operations and ore processing in the future will only be undertaken on a campaign basis, running the plant when adequate ore stocks are available. Therefore, whilst the plant will continue to be maintained in a state of readiness, the workforce has been reconfigured to be a more versatile team that can be deployed for exploration, mining and processing as required.

The increase in administration costs reflects a tax credit received in Brazil in 2009, amounting to US$563,000. Excluding the effects of this credit, administration costs were reduced by US$148,000.

Fourth quarter

For the three month period ended 31 December 2010, the Company recorded a net loss of US$2,005,738 (US$0.0448 per share) compared to a net loss of US$2,552,618 (US$0.1119 per share for the comparative period of 2009. Whilst the gross losses recorded from operations were comparable (2010: US$453,614, 2009: US$467,073) in reality as there was no mining activity during the fourth quarter of 2010, it is not possible to make any direct comparison with the corresponding period of 2009. The costs incurred in the fourth quarter of 2010 are those attributed to ongoing general maintenance and upkeep expenditures related to the Palito Mine whilst plant and equipment is refurbished and placed in a state of readiness for any future recommencement of operations.

Administration costs increased compared with the preceding quarter as a result of an increase in Brazilian labour claim settlements in the quarter of US$373,000. With large numbers of staff made redundant at the end of 2008, the last quarter of 2010 was effectively the cut-off date for former staff to file claims under prevailing legislation.

In other respects the operating results for the period are in line with expectations and with prior periods of 2010 and the corresponding period in 2009. The results of each quarter are affected by the translation of the results from the activities of the Brazilian subsidiary and the exchange rates used for each reporting period. Overall the Brazilian Real has strengthened during the year which has a negative impact on costs reported in US dollars. At 30 June 2010 the rate was BrR$1.8015 to US$1, at 30 September 2010, BrR$1.6942 to US$1 and at 31 December 2010, BrR$1.6662 to US$1. At 31 December 2009 the rate was BrR$1.7412 to US$1.

Summary of quarterly results

As the Company only became a reporting issuer (as defined by Canadian securities regulations) in March 2011 and did not previously prepare quarterly financial statements it is not required to provide a summary by quarter for the last two financial years. The following summary information is derived from the existing available public financial information released by the Company.

	Six months ended 30 June 2010 $	Quarter ended 30 September 2010 $	Quarter ended 31 December 2010 $
Revenues	1,148,999	22,909	57,643
Operating expenses	(1,494,386)	(411,103)	(511,257)
Gross loss	(345,387)	(388,194)	(453,614)
Administration expenses	(842,391)	(561,015)	(863,506)
Option costs	(50,204)	(25,103)	(28,569)
Write-off of past exploration expenditures	–	–	–
Increase in rehabilitation provision	–	–	–
Loss on asset disposals	(4,694)	(111,106)	(8,379)
Impairment	–	–	–
Depreciation of plant and equipment	(1,017,458)	(497,439)	(597,548)
Operating loss	(2,260,134)	(1,582,857)	(1,951,616)
Exchange	(272,573)	241,092	4,085
Finance costs	(55,476)	(44,325)	(58,207)
Loss before taxation	(2,588,183)	(1,386,090)	(2,005,738)
Loss per ordinary share (basic and diluted)	(7.66) cents	(3.10) cents	(4.48) cents

	Six months ended 30 June 2009 $	Quarter ended 30 September 2009 $	Quarter ended 31 December 2009 $
Revenues	3,601,349	1,191,571	719,884
Operating expenses	(3,061,975)	(1,506,070)	(1,186,957)
Gross loss	(539,374)	(314,499)	(467,073)
Administration expenses	(1,178,935)	(192,978)	(480,024)
Option costs	(40,161)	(20,013)	(86,864)
Write-off of past exploration expenditures	–	(476,967)	(18,171)
Increase in rehabilitation provision	–	(346,000)	–
Loss on asset disposals	(209,661)	33,442	(5,018)
Impairment	(2,422,737)	(1,159,596)	(760,715)
Depreciation of plant and equipment	(1,126,106)	(499,788)	(531,132)

Operating loss	(4,438,226)	(2,976,399)	(2,348,997)
Exchange	93,755	73,060	(181,348)
Finance costs	(157,455)	(32,619)	(22,273)
Loss before taxation	(4,501,926)	(2,935,958)	(2,552,621)
Loss per ordinary share (basic and diluted)	(33.12) cents	(20.95) cents	(11.19) cents

Liquidity and Capital Resources

The Company had a working capital position of US$2,793,046 at 31 December 2010 compared to US$2,656,862 at 31 December 2009. The working capital position includes cash and cash equivalents of US$8,598,755 (2009: US$4,081,882). The Company does not have any asset backed commercial paper investments. The working capital position is adversely affected by the accounting treatment of the net proceeds of the Special Warrant issue that was completed by the Company on 2 December 2010. In accordance with International Accounting Standard 32 ("IAS 32") it is required that these net proceeds be reflected as a current liability of the Company as at the balance sheet date of US$5,059,995. Following the balance sheet date the liquidity conditions relating to these Special Warrants were satisfied and with effect from the balance sheet of the Company as at 31 March 2011, this value will form part of the Equity component of the Company's balance sheet. Excluding this value from the current liabilities, the working capital position at 31 December 2010 would have been US$7,853,041.

During the year ended 31 December 2010, the Company issued a total of 12,000,000 Ordinary Shares for net cash proceeds of US$5,389,061, following the subscription for shares by Eldorado Gold Corporation ("Eldorado") as a result of which Eldorado acquired at that time a 26.8% interest in the Company.

On 2 December 2010 the Company also completed a placement of Special Warrants raising gross cash proceeds of US$5,059,995. Each Special Warrant comprises a Unit which in turn consists of one Ordinary Share and one half of a Warrant whereby each whole Warrant entitles the holder to subscribe for one Ordinary Share at a price of C$0.75 at any time before 2 December 2012. The Special Warrants will convert automatically and without any further action on the part of the holder on the earlier of the Company meeting the liquidity conditions attaching to the Special Warrants or 2 April 2011 ("the Liquidity Deadline"). The liquidity conditions are (i) the issuance of a receipt by each of the securities commissions or comparable regulatory authorities in each of the provinces and territories of Canada in which a final prospectus of the Company will be filed to qualify the distribution of the Ordinary Shares and Warrants on exercise of the Special Warrants; and (ii) the Company obtaining a listing of the Ordinary Shares on the TSX or TSXV. The liquidity conditions were met on 30 March 2011 when the Company completed an IPO in Canada and the Ordinary shares commenced trading on the TSX.

The Company has during the year ended on 31 December 2010, paid US$2,481,665 on mineral property exploration, US$7,225 on asset purchases and used US$3,937,133 on operating activities.

On 31 December 2010, the Company's total assets amounted to US$54,923,193, which compares to the US$49,238,168 recorded in 31 December 2009. Total assets are mostly comprised of property, plant and equipment, which as at 31 December 2010 totalled US$33,951,141 (December 2009: US$35,327,788), and deferred exploration and development cost which as at December 31, 2010 totalled US$9,797,406 (December 2009: US$6,880,038), of which US$8,296,965 relates to capitalized exploration expenditures at, or in close proximity to, the Palito Mine. The Company's total assets also included cash holdings of US$8,598,755 (December 2009: US$4,081,882).

Receivables of US$96,143 as at 31 December 2010 have decreased by US$179,395 compared to the prior year's receivables balance of US$275,538. The receivables as of 31 December 2010 are primarily deposits paid by the Company. Prepayments as of 31 December 2010 were US$1,061,945 compared with US$1,413,158 as at 31 December 2009, a reduction of US$351,213. The prepayments primarily represent prepaid taxes in Brazil of US$950,913 of which the majority is federal and state sales taxes which the Group expects to recover either through offset against other federal tax liabilities or through recovery directly.

The Company's total liabilities at 31 December 2010 of US$10,571,375 (December 2009: US$6,033,451) included accounts payable to suppliers and other accrued liabilities of US$3,935,912 (December 2009: US$4,361,854) and in accordance with IAS32 a liability of $5,059,995 (2009: nil) in respect of the net proceeds of the Special Warrants as detailed earlier. The total liabilities include US$249,176 including accrued interest (December 2009: US$216,898) attributable to the £300,000 loan from a related party, which has a repayment date of 31 October 2014 subject to the right of the holder 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 Ordinary Share. It also includes the amount of US$1,383,571 (December 2009: US$1,374,200) in respect of provisions including US$1,055,000 (December 2009: US$1,055,000) for the cost of remediation of the current Palito Mine site at the conclusion of operational activity.

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Copies of this release are available from the Company's website at www.serabimining.com.

Statement of Comprehensive Income
For the year ended 31 December 2010

	Notes	Group For the year ended 31 December 2010 US$	Group For the year ended 31 December 2009 US$
CONTINUING OPERATIONS			
Revenue		1,229,551	5,512,804
Operating expenses		(2,416,746)	(5,755,002)
Gross loss		(1,187,195)	(242,198)
Administration expenses		(2,266,912)	(1,851,937)
Share-based payments		(103,876)	(147,038)
Write-off of past exploration costs		–	(495,138)
Increase in rehabilitation provision		–	(346,000)
Loss on asset disposals		(124,179)	(181,237)
Impairment		–	(4,343,048)
Depreciation of plant and equipment		(2,112,445)	(2,157,026)
Operating loss		(5,794,607)	(9,763,622)
Foreign exchange loss		(27,396)	(14,533)
Interest payable		(187,912)	(215,916)
Interest receivable		29,904	3,569
Loss before taxation		(5,980,011)	(9,990,502)
Income tax expense		–	–
Loss for the period from continuing operations(1) (2)		(5,980,011)	(9,990,502)
Other comprehensive income (net of tax)			
Exchange differences on translating foreign operations		1,613,011	10,072,895
Total comprehensive (loss)/income for the period(2)		(4,367,000)	82,393
Loss per ordinary share (basic and diluted)	4	(15.21c)	(61.55c)

(1) All revenue and expenses arise from continuing operations
(2) The Group has no non-controlling interests and all income/(losses) are attributable to the equity holders of the Parent Company

Balance Sheets
As at 31 December 2010

	Notes	Group 2010 US$	Group 2009 US$
Non-current assets			
Goodwill		–	–
Development and deferred exploration costs	5	9,797,406	6,880,038
Property, plant and equipment	6	33,951,140	35,327,788
Investments in subsidiaries		–	–
Other receivables		–	–
Total non-current assets		43,748,546	42,207,826
Current assets			
Inventories		1,417,804	1,259,764
Trade and other receivables		96,143	275,538
Prepayments		1,061,945	1,413,158
Cash and cash equivalents		8,598,755	4,081,882
Total current assets		11,174,647	7,030,342
Current liabilities			
Trade and other payables		3,147,258	4,170,712
Accruals		174,348	122,269
Interest bearing liabilities		–	80,499
Special warrants		5,059,995	–
Total current liabilities		8,381,601	4,373,480
Net current assets		2,793,046	2,656,862
Total assets less current liabilities		46,541,592	44,864,688
Non-current liabilities			
Trade and other payables		552,027	68,873
Provisions		1,388,571	1,374,200
Interest bearing liabilities		249,176	216,898
Total non-current liabilities		2,189,774	1,659,971
Net assets		44,351,818	43,204,717
Equity			
Share capital		27,752,834	26,848,814
Share premium reserve		40,754,032	36,268,991
Option reserve		1,648,484	1,523,444
Other reserves		260,882	260,882
Translation reserve		3,882,168	2,269,157
Accumulated losses		(29,946,582)	(23,966,571)
Equity shareholders' funds attributable to owners of the parent		44,351,818	43,204,717

Statements of Changes in Shareholders' Equity
For the year ended 31 December 2010

Group	Share capital US$	Share premium US$	Share option reserve US$	Other reserves US$	Translation reserve US$	Accumulated losses US$	Total equity US$
Equity shareholders' funds at 31 December 2008	25,285,679	33,402,649	3,061,095	–	(7,803,738)	(15,681,143)	38,264,542
Foreign currency adjustments	–	–	–	–	10,072,895	–	10,072,895
Loss for year	–	–	–	–	–	(9,990,502)	(9,990,502)
Total comprehensive income for the year	–	–	–	–	10,072,895	(9,990,502)	82,393
Issue of new ordinary shares	1,563,135	3,129,079	–	–	–	–	4,692,214
Costs associated with issue of new ordinary shares	–	(262,737)	–	–	–	–	(262,737)
Equity portion of convertible loan stock	–	–	–	260,882	–	–	260,882
Cancellation of share options	–	–	(1,705,074)	–	–	1,705,074	–
Share option expense	–	–	167,423	–	–	–	167,423
Equity shareholders' funds at 31 December 2009	26,848,814	36,268,991	1,523,444	260,882	2,269,157	(23,966,571)	43,204,717
Foreign currency adjustments	–	–	–	–	1,613,011	–	1,613,011
Loss for year	–	–	–	–	–	(5,980,011)	(5,980,011)
Total comprehensive income for the year	–	–	–	–	1,613,011	(5,980,011)	(4,367,000)
Issue of new ordinary shares	904,020	4,520,100	–	–	–	–	5,424,120
Costs associated with issue of new ordinary shares	–	(35,059)	–	–	–	–	(35,059)
Share option expense	–	–	125,040	–	–	–	125,040
Equity shareholders' funds at 31 December 2010	27,752,834	40,754,032	1,648,484	260,882	3,882,168	(29,946,582)	44,351,818

Cash Flow Statements
For the year ended 31 December 2010

	Group	
	For the year ended 31 December 2010 US$	For the year ended 31 December 2009 US$
Cash outflows from operating activities		
Operating loss	(5,794,607)	(9,763,622)
Depreciation – plant, equipment and mining properties	2,112,445	2,157,026
Impairment charges	–	4,343,048
Increase in rehabilitation provision	–	346,000
Loss on sale of assets	124,179	181,237
Option costs	103,876	167,423
Share based payment expense	–	334,987
Write-off of past exploration costs	–	495,138
Interest paid	(149,439)	(215,916)
Foreign exchange	(175,671)	(650,272)
Changes in working capital		
(Increase)/decrease in inventories	(95,530)	452
Decrease in receivables, prepayments and accrued income	569,010	1,179,755
(Decrease)/increase in payables, accruals and provisions	(631,396)	(96,684)
Net cash flow from operations	(3,937,133)	(1,521,428)
Investing activities		
Proceeds of sale of fixed assets	501,209	1,220,691
Purchase of property, plant and equipment	(7,225)	(74,578)
Exploration and development expenditure	(2,481,665)	(620,490)
Capital and loan investments in subsidiaries	–	–
Interest received	29,904	3,569
Net cash inflow/(outflow) on investing activities	(1,957,777)	529,192
Financing activities		
Issue of ordinary share capital	5,424,120	4,266,740
Issue of special warrants	5,453,761	–
Capital element of finance lease payments	(79,303)	(1,178,381)
Issue of convertible loan stock	–	477,780
Payment of share issue costs	(35,059)	(172,250)
Payment of special warrant issue costs	(393,765)	–)
Net cash inflow from financing activities	10,369,754	3,393,889
Net increase in cash and cash equivalents	4,474,844	2,401,653
Cash and cash equivalents at beginning of period	4,081,882	1,538,956
Exchange difference on cash	42,029	141,273
Cash and cash equivalents at end of period	8,598,755	4,081,882

Notes

1. General Information

The financial information set out above for the years ended 31 December 2010 and 31 December 2009 does not constitute statutory accounts as defined in Section 434 of the Companies Act 2006, but is derived from those accounts. Whilst the financial information included in this announcement has been compiled in accordance with International Financial Reporting Standards ("IFRS") this announcement itself does not contain sufficient financial information to comply with IFRS. A copy of the statutory accounts for 2009 has been delivered to the Registrar of Companies and those for 2010 will be posted to shareholders. The full audited financial statements for the years end 31 December 2010 and 31 December 2009 do comply with IFRS.

2. Auditor's Opinion

The auditors have issued an unqualified opinion in respect of the financial statements which does not contain any statements under the Companies Act 2006, Section 498(2) or Section 498(3). The Auditors have raised and Emphasis of Matter in relation to the availability of Project Finance as follows:

"In forming our conclusion, which is not qualified, we have considered the adequacy of the disclosures made in note 1 a) to the financial statements concerning the availability of project finance. If the company is unable to secure such additional funding, this may have a consequential impact on the carrying value of the related assets and the investment and intercompany debtor in the company balance sheet. The outcome of any future fundraising cannot presently be determined, and no adjustments to asset carrying values that may be necessary should the company be unsuccessful have been recognised in the financial statements."

NB : The reference to note 1(a) in the above is a reference to the Basis of Preparation note contained within the Financial Statements from which the extracts reproduced below referring to Going Concern and Impairment are taken.

3. Basis of preparation

The financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") in force at the reporting date and their interpretations issued by the International Accounting Standards Board ("IASB") as adopted for use within the European Union and with IFRS and their interpretations adopted by the IASB. The consolidated financial statements have also been prepared in accordance with those parts of the Companies Act 2006 applicable to companies reporting under IFRS.

Attention is drawn to the detailed disclosures made in the audited Financial Statements regarding the Basis of Preparation and in particular the following disclosures extracted directly from the audited Financial Statements in respect of Going Concern and Impairment.

Going concern and availability of project finance

In common with many companies in the exploration and development stages, the Company raises its finance for exploration and development programmes in discrete tranches. The directors have prepared cash flow projections for the period to June 2012 which indicate that existing funds will be sufficient to fund the group and its commitments for the foreseeable future. The directors have therefore concluded that it is appropriate to prepare the financial statements on a going concern basis.

However, further funds will be required in order to successfully develop any successful exploration targets and bring the Palito mine back into operation. Whilst the directors are confident that they are taking all the necessary steps to ensure that the funding will be available, there can be no certainty that this will be the case. Were the funding not to become available in an appropriate timescale the directors would need to consider alternative strategies and an impairment review would be required in respect of the capitalised expenditure on the Palito project. No adjustments to asset carrying values that may be necessary should the company be unsuccessful have been recognised in the financial statements.

Impairment

The Directors have undertaken a review of the carrying value of the mining and exploration assets of the Group, and considered the implications of the operational difficulties experienced and the current operational status of Palito. Following this review they have assessed the value of the existing assets on the basis of value in use involving a future recommencement of underground mining operations which is dependent on the ability of the Group to raise future finance and to operate the mine in line with the mine plan that forms the basis of the value in use calculation. The carrying values of assets have not been adjusted to reflect a failure to raise sufficient funds, only maintaining the current levels of operation or that if a sale transaction were undertaken the proceeds may not realise the value as stated in the accounts.

4. Loss per share

The calculation of the basic loss per share of 15.21 cents (2009 loss per share: 61.55 cents) is based on the loss attributable to ordinary shareholders of US$5,980,011 (2009: loss of US$9,990,502) and on the weighted average number of ordinary shares of 39,316,525 (2009: 16,230,937) in issue during the period. No diluted earnings per share is presented as the effect of the exercise of share options would be to decrease the loss per share.

5. Development and Deferred Exploration costs

	31 December 2010 $	31 December 2009 $
Cost		
Opening balance	**6,880,038**	5,351,921
Exploration and development expenditure	**2,502,829**	640,875
Write-off of past exploration costs	—	(495,138)
Exchange	**414,539**	1,570,728
Transfer to tangible assets (plant and equipment)	—	(188,348)
Total as at end of period	**9,797,406**	6,880,038

The value of these investments is dependent on the development of mineral deposits.

6. Tangible Assets

	Land and buildings – at cost $	**Mine Asset $**	**Plant and equipment – at cost $**	**Total $**
Cost				
Balance at 31 December 2009	**3,908,600**	**31,333,417**	**13,324,874**	**48,566,891**
Additions	—	—	7,225	7,225
Exchange	175,936	1,215,620	499,404	**1,890,960**
Disposals	—	—	(1,196,380)	(1,196,380)
At 31 December 2010	**4,084,536**	**32,549,037**	**12,635,123**	**49,268,696**
Depreciation				
Balance at 31 December 2009	**(2,632,403)**	**(4,237,381)**	**(6,369,319)**	**(13,239,103)**
Charge for period	(556,292)	—	(1,556,153)	**(2,112,445)**
Exchange	(148,422)	(86,344)	(302,234)	**(537,000)**
Eliminated on sale of asset	—	—	570,992	**570,992**
At 31 December 2010	(3,337,117)	(4,323,725)	(7,656,714)	**(15,317,556)**
Net book value at 31 December 2010	**747,419**	**28,225,312**	**4,978,409**	**33,951,140**
Net book value at 31 December 2009	**1,276,197**	**27,096,036**	**6,955,555**	**35,327,788**

Included in Plant and equipment, are assets acquired under finance leases with net book value of US$ nil (2009: US$237,282).

7. Impairment

The Directors have considered each of the Group's exploration and development assets on a project-by-project basis. It has considered three general cash generating units for the purpose of this assessment. These are:

- the Palito mine itself including the pre-operating cost, exploration expenditures on establishing the current declared reserve and resource base, land and buildings and plant and machinery associated with the mining operations
- exploration expenditures on areas within the Palito environs but which have not yet been exploited and do not form part of the current declared reserves and resources; and
- exploration expenditures on other tenements.

Following this review and making estimates of the value in use, the Directors have concluded the resulting Net Present Value still supports the carrying value of US$34.0 million and therefore the Directors have not made any adjustment to the impairment provision currently carried in the books of the group.

In accordance with IAS 36 – Impairment of Assets, any impairment must first be applied against any goodwill allocated to the unit that is impaired and thereafter allocated to the other assets of the unit pro-rata on the basis of the carrying amount of each asset in the unit.

The carrying value for the Group of the Palito cash generating unit comprises:

	Carrying Value before impairment US$	Impairment provision US$	Carrying value after impairment US$
Goodwill	1,752,516	1,752,516	–
Mining Property	30,262,994	2,037,682	28,225,312
Land and Buildings	833,551	86,132	747,419
Plant and Equipment	5,414,538	466,718	4,947,820
	38,263,599	4,343,048	33,920,551

No impairment provision has been made in respect of any of the other cash generating units.

Annual Report

The Annual Report will be posted to shareholders before 30 April 2011. Additional copies will be available to the public, free of charge, from the Company's offices at 2nd floor, 30 – 32 Ludgate Hill, London, EC4M 7DR and may be downloaded from the Company's website at www.serabimining.com.

This press release contains forward-looking statements. All statements, other than of historical fact, that address activities, events or developments that the Company believes, expects or anticipates will or may occur in the future (including, without limitation, statements regarding the estimation of mineral resources, exploration results, potential mineralization, potential mineral resources and mineral reserves) are forward-looking statements. Forward-looking statements are often identifiable by the use of words such as "anticipate", "believe", "plan", may", "could", "would", "might" or "will", "estimates", "expect", "intend", "budget", "scheduled", "forecasts" and similar expressions or variations (including negative variations) of such words and phrases. Forward-looking statements are subject to a number of risks and uncertainties, many of differ materially from those discussed in the forward-looking statements. Factors that could cause actual results or events to differ materially from current expectations include, among other things, without limitation, failure to establish estimated mineral resources, the possibility that future exploration results will not be consistent with the Company's expectations, the price of gold and other risks identified in the Company's most recent annual information form filed with the Canadian securities regulatory authorities on SEDAR.com. Any forward-looking statement speaks only as of the date on which it is made and, except as may be required by applicable securities laws, the Company disclaims any intent or obligation to update any forward-looking statement.