PRESS RELEASE

25 June 2009

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

Audited Results for the year ended 31 December 2008 and announcement of AGM

Serabi Mining plc (AIM: SRB), the gold Company with interests in Brazil, today releases audited results for the year ended 31 December 2008. It also advises that its Annual General Meeting will be held at 11.00 am on 18th August 2009 at the offices of Farrer & Co, 66 Lincoln's Inn Fields, London WC2A 3LH. Notice of the AGM is set out in the Company's Annual Report which is being mailed to shareholders.

A PDF version of Serabi's Annual Report for 2008 incorporating the full audited financial statements, is available from the Company's website – www.serabimining.com

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

CHAIRMAN'S REVIEW

The economic environment in which we find ourselves is unprecedented in recent times and has led to major new challenges and uncertainty for all, accompanied by regular and sometimes violent swings of business sentiment. The speed and severity of the economic downturn over the last year required a substantial and rapid response by many and for some just in order to survive. We have made every effort to focus on the issues that are within our control and act with caution and restraint in planning and decision making.

In the mining sector, there has been a subsequent partial recovery in some areas, mostly restricted to established producers and particularly those groups with a meaningful exposure to gold, which amongst the major metals has maintained its value in the face of the market turbulence.

However, market funding remains limited and current investor appetite is primarily for lower risk opportunities. With a few exceptions, what funding has been available in the mining sector for the mid-tier and junior companies has been mainly raised in North America and for companies listed on North American markets.

Against this demanding background, since September 2008 Serabi's management has been actively looking at opportunities to secure enhanced value at Palito and our other tenements. Discussions have been held with parties interested in providing new capital, or interested in some form of joint venture, and others who might acquire the Brazilian operations of the Company in their entirety. These discussions were somewhat overshadowed by the restructuring at Palito being undertaken in the latter part of 2008, coinciding with the market turmoil and general collapse in investor confidence.

The operational results at Palito since January of this year indicate that the action taken last year has resulted in some success and has reduced the operating risk of the Palito operation. In particular, the development of surface oxide mining has been very successful, resulting in a small operating cash surplus. This has brought some respite for the Company, providing further time to explore the options available and identify solutions to the future funding needs of Palito. We have also recently been assisted by the continuing improvement, and thus interest, in the gold sector, which, we believe, combined with the further reduction of operating risk at Palito, should make the Group's mining and exploration interests a more attractive investment opportunity.

Whilst we anticipate the current oxide-based production can be continued for some time, this is unlikely to be of sufficient scale to generate the surplus working capital that is required to allow the Company to expand once again. We remain positive about the Company's assets but believe the longer-term, full potential of Palito is best secured by the direct introduction of new capital, or through a joint venture arrangement or an outright sale of Palito to a third party which would return value to existing shareholders. Whilst to date our discussions have yet to result in a transaction, in an improved environment we believe that our perseverance will eventually allow us to achieve our objectives.

The mining problems at Palito unfortunately overshadowed what was a highly successful year in exploration. Whilst the need to suspend underground mining at Palito was a major setback for the Company, we remain confident of the area's considerable potential that last year's exploration results point to and that, with detailed evaluation, this could form the basis of a viable and valuable operation going forward. In the meantime, we will continue to develop the gold production potential of the oxide deposits at Palito and so far as we able further expand the known oxide resource base, with a view to extending and possibly slowly growing the scale of the current operations.

Last year turned out to be very difficult for Serabi and the current position is a disappointment to us all. However, throughout this period there has been a core group of management and employees who have worked diligently through the issues and endeavoured to take the necessary actions to preserve the assets and to re-build value. I am grateful for the dedication and tenacity that they have shown in difficult times. Their loyalty and teamwork, combined with improved market and operating conditions, give me reason to be more optimistic for the future.

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Nominated Adviser and Broker

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Consolidated Income Statement

For the year ended 31 December 2008

(expressed in US$)	Group For the year ended 31 December 2008	Group For the year ended 31 December 2007
Revenue	**16,523,577**	25,099,118
Operating expenses	**(16,964,067)**	(19,708,212)
(Loss)/profit from mining operations	**(440,490)**	5,390,906
Administration expenses	**(3,740,134)**	(3,446,849)
Share-based payments	**(123,498)**	(177,913)
Write-off of past exploration costs	**(1,174,269)**	(628,066)
Gain on asset disposals	**11,804**	—
Depreciation of plant and equipment	**(2,132,633)**	(1,530,243)
Depreciation of mine asset	**(997,473)**	(795,878)
Loss on ordinary activities before interest and other income	**(8,596,693)**	(1,188,043)
Foreign exchange (loss)/gain	**(1,629,138)**	1,725,397
Interest payable	**(1,219,107)**	(1,119,116)
Interest receivable	**471,283**	586,969
(Loss)/profit on ordinary activities before taxation	**(10,973,655)**	5,207
Taxation	**—**	(128,086)
Loss on ordinary activities after taxation	**(10,973,655)**	(122,879)
Loss per ordinary share (basic and diluted)	**(7.83c)**	(0.10c)

Balance Sheets
As at 31 December 2008

(expressed in US$)	Group 2008	Group 2007	Company 2008	Company 2007
Non-current assets				
Goodwill	**1,752,516**	1,752,516	**—**	—
Development and deferred exploration costs	**5,351,921**	13,254,658	**949,527**	1,112,164
Property, plant and equipment	**31,620,364**	25,831,006	**1,463,120**	1,877,933
Investments in subsidiaries	**—**	—	**10,126,330**	17,339,256
Other receivables	**—**	—	**16,976,355**	17,536,972
Total non-current assets	**38,724,801**	40,838,180	**29,515,332**	37,866,325
Current assets				
Inventories	**931,413**	3,341,954	**—**	—
Trade and other receivables	**992,698**	1,903,452	**646,046**	8,728
Prepayments	**1,401,627**	2,118,158	**47,050**	73,688
Cash at bank and in hand	**1,538,956**	18,629,402	**1,516,250**	18,526,555
Total current assets	**4,864,694**	25,992,966	**2,209,346**	18,608,971
Current liabilities				
Trade and other payables	**3,197,543**	4,163,638	**539,190**	567,021
Accruals	**136,762**	87,111	**136,762**	87,111
Interest bearing liabilities	**1,046,936**	839,986	**—**	—
Total current liabilities	**4,381,241**	5,090,735	**675,952**	654,132
Net current assets	**483,453**	20,902,231	**1,533,394**	17,954,839
Total assets less current liabilities	**39,208,254**	61,740,411	**31,048,726**	55,821,164
Non-current liabilities				
Trade and other payables	**25,467**	39,896	**—**	—
Provisions	**735,905**	920,135	**—**	—
Interest bearing liabilities	**182,340**	376,132	**—**	—
Total non-current liabilities	**943,712**	1,336,163	**—**	—
Net assets	**38,264,542**	60,404,248	**31,048,726**	55,821,164
Equity				
Called up share capital	**25,285,679**	25,285,679	**25,285,679**	25,285,679
Share premium reserve	**33,402,649**	33,402,649	**33,402,649**	33,402,649
Option reserve	**3,061,095**	2,923,543	**3,061,095**	2,923,543
Translation reserve	**(7,803,738)**	3,499,865	**—**	—
Profit and loss account	**(15,681,143)**	(4,707,488)	**(30,700,697)**	(5,790,707)
Equity shareholders' funds	**38,264,542**	60,404,248	**31,048,726**	55,821,164

Statements of Changes in Shareholders' Equity
For the year ended 31 December 2008

(expressed in US$) Group	Share Capital	Share premium	Share option reserve	Translation reserve	Profit and loss account	Total equity
Equity shareholders' funds at 31 December 2006	19,338,351	15,351,674	2,818,722	382,502	(4,693,443)	33,197,806
Foreign currency adjustments	—	—	—	3,117,363	—	3,117,363
Loss for year	—	—	—	—	(122,879)	(122,879)
Total recognised profit/(loss) for the year	—	—	—	3,117,363	(122,879)	2,994,484
Share option expense	—	—	213,655	—	—	213,655
Issue of ordinary shares	5,884,593	19,419,158	—	—	—	25,303,751
Conversion of options	62,735	31,368	(108,834)	—	108,834	94,103
Share issue expenses	—	(1,399,551)	—	—	—	(1,399,551)
Equity shareholders' funds at 31 December 2007	25,285,679	33,402,649	2,923,543	3,499,865	(4,707,488)	60,404,248
Foreign currency adjustments	—	—	—	(11,303,603)	—	(11,303,603)
Loss for year	—	—	—	—	(10,973,655)	(10,973,655)
Total recognised loss for the year	—	—	—	(11,303,603)	(10,973,655)	(22,277,258)
Share option expense	—	—	137,552	—	—	137,552
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**

(expressed in US$) Company	Share Capital	Share premium	Share option reserve	Profit and loss account	Total equity
Equity shareholders' funds at 31 December 2006	19,338,351	15,351,674	2,818,722	(4,223,446)	33,285,301
Loss for year	—	—	—	(1,676,095)	(1,676,095)
Share option expense	—	—	213,655	—	213,655
Issue of ordinary shares	5,884,593	19,419,158	—	—	25,303,751
Conversion of options	62,735	31,368	(108,834)	108,834	94,103
Share issue expenses	—	(1,399,551)	—	—	(1,399,551)
Equity shareholders' funds at 31 December 2007	25,285,679	33,402,649	2,923,543	(5,790,707)	55,821,164
Loss for year	—	—	—	(24,909,990)	(24,909,990)
Share option expense	—	—	137,552	—	137,552
Equity shareholders' funds at 31 December 2008	**25,285,679**	**33,402,649**	**3,061,095**	**(30,700,697)**	**31,048,726**

Cash Flow Statements

For the year ended 31 December 2008

(expressed in US$)	Group For the year ended 31 December 2008	Group For the year ended 31 December 2007	Company For the year ended 31 December 2008	Company For the year ended 31 December 2007
Cash outflows from operating activities				
Operating loss	**(8,596,693)**	(1,188,043)	**(24,909,990)**	(2,341,926)
Depreciation – plant, equipment and mining properties	**3,130,106**	2,326,121	**245,992**	210,857
Impairment charges	**—**	—	**21,528,139**	—
Option costs	**123,498**	177,913	**123,497**	177,913
Write-off of past exploration costs	**1,174,269**	628,066	**265,855**	16,546
Interest paid	**(1,219,107)**	(1,119,116)	**(158,314)**	(6,562)
Foreign exchange	**(1,496,018)**	(968,729)	**1,641,927**	96,565
Changes in working capital				
Decrease/(increase) in inventories	**2,024,099**	(348,915)	**—**	—
Decrease/(increase) in receivables, prepayments and accrued income	**1,049,230**	(691,942)	**(610,680)**	(7,291)
Increase/(decrease) in payables, accruals and provisions	**3,019**	(795,730)	**21,820**	(354,181)
Net cash flow from operations	**(3,807,597)**	(1,980,375)	**(1,851,754)**	(2,208,079)
Investing activities				
Proceeds of sale of fixed assets	**23,393**	—	**—**	—
Purchase of property, plant and equipment	**(5,608,449)**	(1,155,963)	**(331,089)**	(10,747)
Exploration and development expenditure	**(5,248,892)**	(6,017,472)	**(622,649)**	(710,356)
Capital and loan investments in subsidiaries	**—**	—	**(13,258,583)**	(5,894,367)
Interest received	**471,283**	586,969	**471,283**	584,621
Net cash outflow on investing activities	**(10,362,665)**	(6,586,466)	**(13,741,038)**	(6,030,849)
Financing activities				
Issue of ordinary share capital	**—**	25,303,751	**—**	25,303,751
Capital element of finance lease payments	**(1,402,482)**	(702,689)	**—**	—
Conversion of options	**—**	94,103	**—**	94,103
Payment of share issue costs	**—**	(1,399,551)	**—**	(1,399,551)
Net cash (outflow)/inflow from financing activities	**(1,402,482)**	23,295,614	**—**	23,998,303
Net (decrease)/increase in cash and cash equivalents	**(15,572,744)**	14,728,773	**(15,592,792)**	15,759,375
Cash and cash equivalents at beginning of period	**18,529,795**	3,791,202	**18,526,555**	2,739,201
Exchange difference on cash	**(1,418,095)**	9,820	**(1,417,513)**	27,979
Cash and cash equivalents at end of period	**1,538,956**	18,529,795	**1,516,250**	18,526,555

Notes

1. General Information

The financial information set out above for the years ended 31 December 2008 and 31 December 2007 does not constitute statutory accounts as defined in Section 240 of the Companies Act 1985, 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 2007 has been delivered to the Registrar of Companies and those for 2008 are being posted to shareholders. The full audited financial statements contained within its Annual Report and Accounts 2007 do comply with IFRS.

2. Auditors Opinion

The auditors have issued an unqualified opinion in respect of the financial statements but have raised an Emphasis of Matter in relation to Going Concern as follows :

"In forming our opinion, which is not qualified, we have considered the adequacy of the disclosure made in note 1(a) to the financial statements concerning the Company's and the Group's ability to continue as a going concern. The group incurred a net loss of £10,973,655 during the year ended 31 December 2008 and the ability of the Company's Brazilian subsidiary to continue operations is dependent on continuing to manage its existing liabilities and maintaining current production levels, pending either the receipt of new funding or a sale of the business by the Company. These conditions, along with the other matters explained in note 1(a) to the financial statements, indicate the existence of a material uncertainty which may cast significant doubt about the Company's and the Group's ability to continue as a going concern. The financial statements do not include the adjustments that would result if the Company and the Group was unable to continue as a going concern."

The auditors issued an unqualified report in respect of the 2007 Financial Statements.

3. Basis of preparation

The financial information has been prepared in accordance with the recognition and measurement criteria of International Financial Reporting Standards ("IFRSs") and with IFRSs as adopted for use in the European Union. 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

Following a review of the Company's financial position and its budgets and plans, the Directors have concluded that sufficient financial resources will be available to meet the Company's current and foreseeable working capital requirements, this being a period of not less than twelve months from the date of signing these financial statements. On this basis, they consider it appropriate to prepare the financial statements on the going concern basis. The Company has received expressions of interest regarding the exploration and mining assets of the Group and in the event that the Company undertakes a sale of whole or part of the interests of its operating subsidiary this may result in an injection of liquid or tradeable assets which may significantly enhance the liquidity of the Company.

However as noted under the section Liquidity Risk in note 23, the Group as a whole has limited cash resources and whilst its gold mining operations in Brazil have been cash generative during 2009, any disruption or significant decline in the current levels of operation could have a significant affect on the Group's liquidity. The viability of the Group's operations in Brazil is dependent upon the ability to continue to manage the accrued liabilities of the subsidiary entity, to identify additional sources of ore to maintain production and any operational difficulties not adversely affecting short term cash flow or requiring an injection of capital that is beyond the limited capability of the Company to provide. The Directors are currently seeking and have held discussions regarding terms relating to new sources of finance that would provide the Group with a stronger financial base but there can be no guarantee that such funding will be forthcoming. The use of any funds raised will be dependent on the levels of funding that are available and the Directors will determine the strategy of the Group accordingly. In the meantime the Group will continue to seek to conduct its operations in a manner that will allow it to continue to at least cover the cost base of its operating subsidiary, will dispose of assets if such action is necessary and continue to exercise tight control over its available working capital. In the event that it is necessary to dispose of assets to support the activities of the Group it is possible that such disposals may be undertaken at values below current carrying values. Ultimately if it is not possible to raise additional funds from any source and the Company cannot afford to provide funds to its operating subsidiary, it may become necessary to place the Group's Brazilian subsidiary into administration, in order that the Company can continue as a going concern.

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. Earnings per share

The calculation of the basic loss per share of 7.83 cents per share is based on the loss attributable to ordinary shareholders of $10,973,655 and on the weighted average number of ordinary shares of 140,139,065 in issue during the period.

5. Inventories

	31 December 2008 $	31 December 2007 $
Bullion and work in progress	**100,821**	948,437
Consumables	**830,592**	2,393,517
	931,413	3,341,954

6. Development and Deferred Exploration costs

	31 December 2008 $	31 December 2007 $
Cost		
Opening balance	**13,254,658**	6,454,074
Exploration and development expenditure (1)	**5,248,892**	6,017,472
Write-off of past exploration costs	**(1,174,269)**	(628,066)
Exchange	**(1,617,946)**	1,411,178
Transfer to tangible assets (mine asset)	**(10,359,414)**	-
Total as at 31 December 2008	**5,351,921**	13,254,658

The value of these investments is dependent on the development of mineral deposits. The Directors having undertaken an impairment review do not consider there is any impairment to the carrying vale of Development and Deferred Exploration Costs at this time. Details of the impairment review are set out in the Group's Financial Statements.

7. Tangible Assets

	Land and buildings – at cost $	Mine Asset $	Plant and equipment – at cost $	Total $
Cost				
Balance at 31 December 2007	2,653,614	16,462,008	12,209,624	**31,325,246**
Additions	69.226	3.352,765	3,641,646	**7,063,637**
Transfer from development and deferred exploration costs		10,359,414		**10,359,414**
Exchange	(670,562)	(6,097,060)	(3,574,322)	**(10,341,944)**
Disposals	-	-	(111,261)	**(111,261)**
At 31 December 2008	**2,052,278**	**24,077,127**	**12,165,687**	**38,295,092**
Depreciation				
Balance at 31 December 2007	(1,154,678)	(1,134,093)	(3,205,469)	**(5,494,240)**
Charge for period	(465,745)	(997,473)	(1,668,888)	**(3,130,106)**
Exchange	393,325	432,429	1,043,438	**1,869,192**
Eliminated on sale of asset			80,426	**80,426**
At 31 December 2008	**(1,227,098)**	**(1,699,137)**	**(3,748,493)**	**(6,674,728)**
Net book value at 31 December 2008	825,180	22,377,990	8,417,194	**31,620,264**
Net book value at 31 December 2007	1,498,936	15,327,915	9,004,155	25,831,006

Included in Plant and equipment, are assets acquired under finance leases with net book value of US$1,197,619 (2007:US$2,297,532). The associated liabilities are secured by the lessor's title to the leased assets. The Directors having undertaken an impairment review do not consider that there is any impairment to the carrying value of the Group's Tangible Assets at this time. Details of the impairment review are set out in the Group's Financial Statements.

8. Cash and cash equivalents

	31 December 2008 $	31 December 2007 $
Cash at bank and in hand	**1,538,956**	18,629,402
Bank overdrafts	—	(99,607)
Net cash holdings	**1,538,956**	18,529,795

9. Post balance sheet events

On 28 January 2009 shareholders approved the sub-division of the issued share capital at that date of 140,139,065 shares of 10 pence each into 140,139,065 ordinary shares of 0.5 pence each and 140,139,065 shares of 9.5 pence each.

On 13 May 2009 the Company settled lease commitments which at 31 December 2008 represented a liability excluding future interest of $871,209 through the sale of certain assets.

Annual Report

The Annual Report is being posted to shareholders on 29 June 2009. 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