

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

UPDATE ON PALITO GOLD PROJECT IN BRAZIL

Serabi, the AIM-traded gold exploration and production is pleased to provide a progress update on the Company's 100% owned Palito gold project in the Tapajos region of northern Brazil.

- Geophysical and geochemical exploration programme on 18 targets at Palito gold project now underway
- Palito district is highly prospective for gold with extensive artisanal workings
- Objective of expanding gold resources above 1.5 million ounces
- Cash on hand year end 2009 of £2.5m
- Gold production from small scale surface mining operations continues

Mike Hodgson, Chief Executive comments:

“Serabi has developed considerably over the last twelve months, culminating in our successful financing December last year. The Company's prime focus is on expanding the project's hard rock resource to over one and a half million ounces, from its present 630,000 ounces of gold equivalent. With a reduced burn rate, highly prospective targets and an established small scale oxide mining operation, Serabi is well positioned to see significant further progress in 2010. I look forward to updating shareholders on our exploration results in due course.”

Exploration programme

In 2008 the Company undertook an airborne geophysical survey over the Palito project area. The electromagnetic survey combined with other exploration data defined at least eighteen priority targets which exhibit similar geophysical responses to the existing Palito mine area. Fifteen of the targets are within three kilometers of the mine and of these fifteen, seven are situated within the Company's existing mine licence. The remaining targets are located within the Company's surrounding exploration licences. Serabi is focused on exploring these initial eighteen targets for quartz vein and massive sulphide hosted gold resources, with the objective of increasing Palito's global resource to above one million ounces.

First pass ground geophysics (electromagnetic and induced polarization) will be undertaken on the ten targets closest to the mine site during the current wet season, which ends in April. In tandem with the geophysical survey, shallow (<10m depth) auger drilling will be undertaken to generate geochemical

data below the surface horizon, which otherwise has the potential to be contaminated by garimpeiro gold mining activities. The results will be used to guide a 4,000 - 5,000m diamond drill programme that is planned to commence in July. The exploration budget for the Palito project in 2010 is approximately US\$1.7 million.

The company's exploration activities over the next 12 months are summarized below:

TASK	Q1 - 2010			Q2 - 2010			Q3 - 2010			Q4 - 2010		
GEOPHYSICS ON ANOMALIES 1-10 (TENDERS, MOBILISATION AND SURVEY)	■											
GEOPHYSICAL INTERPRETATION				■								
DIAMOND DRILLING ANOMALIES							■					
DEEP GEOCHEMISTRY – AUGUR ANOMALIES 1-10 WHERE REQUIRED				■								
PROSPECTING ANOMALIES 11-18										■		

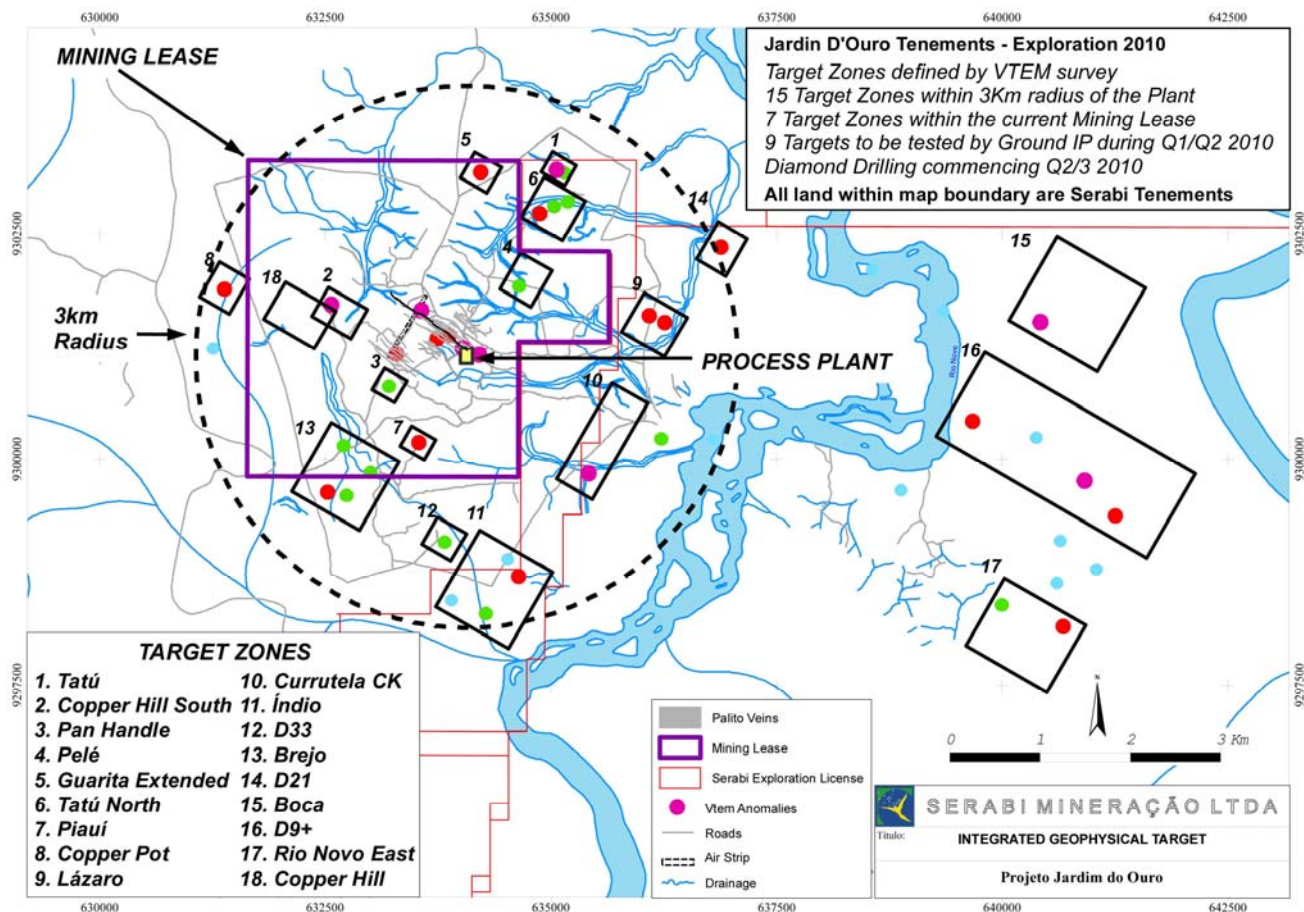
The Company's exploration assets outside the Palito project remain in good standing and discussions with third parties in respect of potential joint ventures or sale of these assets are being advanced in order that the Company can maintain its focus on expanding resources at Palito.

Mining Operations

Gold is presently being produced at Palito from the mining of free-digging surface oxide deposits. Generally this ore does not require crushing and is processed directly through the existing CIP plant. There are no resource figures for the extent of the oxide ores and while additional areas of potential continue to be assessed, the Company remains mindful that the quantity of suitable ore material will be finite.

Mining of the primary (hard rock) gold and copper bearing quartz veins is not being undertaken and the underground portion of the mine remains on care and maintenance. The mine has produced 110,000 gold equivalent ounces since 2005 and has a gold equivalent JORC resource of 660,000 ounces of which 187,000 ounces is in the reserve category at a grade of 7.3 g/t Au.

By the end of 2009 the company produced 5,500 ounces of gold from surface mining of veins at the Senna and Palito West zones. The Company is also investigating the potential for retreatment of gold bearing tailings. Revenues from the Company's surface oxide mining activities continue to approximately cover the cost of maintaining the operations and overheads at the Palito project.



Map showing EM target areas

About Serabi Mining plc

Serabi is a AIM traded gold explorer and producer focused on Brazil. The Company's flagship asset is its 100% owned Palito gold project in the Tapajos region of northern Brazil. The Tapajos region is highly prospective for gold and is estimated to have yielded 30 million ounces in the last 35 years from artisanal mining activities. The Palito project hosts the Palito mine, which has a JORC gold equivalent resource of 660,000 ounces within a series of high grade gold (>5 g/t) and copper bearing quartz veins in granite. The Palito district is subject to extensive artisanal alluvial gold mining and Serabi is undertaking an exploration programmes to define new hard rock sources, with an initial objective of increasing Palito's gold resource beyond one million ounces. Further information on the company is available at www.serabimining.com

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Forward-looking statements

This press release includes certain forward-looking statements. All statements, other than statements of historical fact, included herein, including without limitation, statements regarding the future plans and objectives of Serabi, are forward-looking statements that involve various known and unknown risks and uncertainties as well as other factors. Such forward-looking statements are subject to a number of risks and uncertainties that may cause actual results or events to differ materially from current expectations, including delays in obtaining or failure to obtain required regulatory approvals. There can be no assurance that such statements will prove to be accurate and actual results and future events could differ materially from those anticipated in such statements. Any forward-looking statements speak only as of the date hereof and, except as may be required by applicable law, Serabi disclaim any obligation to update or modify such forward-looking statements, either as a result of new information, future events or for any other reason.

Qualified Persons Statement

The information contained within this announcement has been reviewed and verified by Michael Hodgson as required by the AIM Guidance Note on Mining, Oil and Gas Companies dated March 2006. Michael Hodgson is an Economic Geologist by training with 20 years experience in the mining industry. He holds a BSc (Hons) Geology, University of London, a MSc Mining Geology, University of Leicester and is a Fellow of the Institute of Materials, Minerals and Mining and a Chartered Engineer of the Engineering Council of UK