

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

### **Award of options and issue of new shares.**

The Company announces that the Board has agreed to award in aggregate 1,455,000 new options over ordinary shares to the Directors (representing 3.2% per cent. of the current issued share capital) exercisable at 41.0 pence per ordinary share, as follows:

<b>Director</b>	<b>Number of new options over Ordinary Shares</b>
Mike Hodgson	600,000
Clive Line	600,000
Graham Roberts	170,000
Bill Clough	85,000

The Options have been granted under the Serabi Mining 2011 Share Option Scheme (“the 2011 Scheme”) which the Company has adopted. Under the 2011 Scheme options granted will vest in three equal tranches, with one-third vesting and being exercisable immediately on award, one-third vesting on the first anniversary of the award and the remainder vesting on the second anniversary of the award and the options will lapse 10 years after the date of the award. Including the options issued by the Company in December 2009 over 1.9 million ordinary shares, the Company may only have in issue at any time, options over ordinary shares issued under the 2011 Scheme that represent no more than 10% of the issued capital. Options may be issued with an exercise price no less than the volume weighted average price for the five days immediately preceding the date of grant. Other standard provisions consistent with the terms of the similar share option schemes apply in respect of any corporate restructuring, re-organisation or other variation in the ordinary shares of the Company.

The Company has terminated all other options and incentive schemes that it had in place and no new options will be issued under these previous arrangements.

The Board has made further option awards to other employees of the Company representing a further 450,000 new options over ordinary shares with an exercise price of 37 pence but otherwise these options are on the same terms and conditions.

The Company also announces that the Board has agreed to settle through the issue of 49,000 Ordinary Shares to each of Michael Hodgson and Clive Line at a price of 41.0 pence, a bonus payment of £20,090 in recognition of their efforts over the preceding 12 months. Following the issue of these new Ordinary Shares Mr Hodgson is interested in a total of 441,320 Ordinary Shares (representing 1.0% of the issued share capital of the Company) and Mr Line is interested in a total of 466,653 Ordinary Shares representing 1.0% of the issued share capital of the Company. The Board has also agreed to issue 26,470 new Ordinary Shares at a price of 34 pence per share (equivalent to £9,000) to a consultant to the Company in settlement of contracted services. The new Ordinary Shares will rank pari passu with the existing Ordinary Shares in issue and application will be made for these new Ordinary Shares to be admitted to trading on AIM, which is expected to be on 4 February 2011.

Following the issue of new Ordinary Shares described above, there will be a total of 44,898,529 Ordinary Shares in issue and the total number of Ordinary Shares in the Company with voting rights will be 44,898,529. The above figure of 44,898,529 Ordinary Shares may be used by shareholders in the Company as the denominator for the calculations by which they will determine if they are required to notify their interest in, or a change to their interest in, the share capital of the Company under the Financial Service Authority’s Disclosure and Transparency Rules.

### **Enquiries:**

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Copies of this release are available from the company's website [www.serabimining.com](http://www.serabimining.com).