

SERABI MINING plc (“Serabi” or “the Company”) Notice of General Meeting

Serabi Mining plc (AIM: SRB), announces that it has posted a circular (the “Circular”) to all shareholders comprising a notice convening a General Meeting to consider certain resolutions relating to a reorganisation of the share capital of the Company.

The Chairman in his letter to shareholders that forms part of the Circular has made the following comments regarding the need for the Company to take the actions that are being proposed:

“At the end of the third quarter of 2008 the Company announced the need to undertake a strategic review of the business and in particular the Palito mine. This reflected the fact that delays in the delivery of equipment had not allowed the Company during the first six months of the year to carry out the necessary level of planned development of the mine required to sustain required production levels. It had become apparent during the third quarter that it would not be possible to recover the situation without undertaking a substantial development programme which in turn required the availability of working capital that was beyond the Company’s existing resources. At the time, equity markets were already showing significant deterioration in the face of global credit concerns, a situation which became even worse over the following months.

The Company has previously advised shareholders that it is in preliminary discussions with other parties that may or may not lead to an offer being made for the entire share capital of the Company or some other transaction relating to the Company’s assets taking place.

The Company has also advised that it will consider the raising of new finance and continues to evaluate the opportunities for this. However, since 12 September 2008, the Company’s shares have been trading at a level below the current par value of 10 pence and current company law restricts companies from issuing new shares at a price below their par value. The current par value is therefore a barrier to the Company raising new equity. Whilst the Company has not currently identified any new source of capital, it wishes to be in the position to take advantage of the availability of new funds should the opportunity arise. Accordingly it wishes to undertake a reorganisation of its share capital in order to reduce the par value of its ordinary shares as it considers that it will assist the Company in the process of raising future capital. Shareholders should, however, be aware that there is no guarantee that any new capital can be raised.

Any new funds raised will be applied to meet the ongoing working capital requirements of the business and to permit the Company to carry out further exploration programmes on its existing tenements in the Tapajos region of Brazil.”

Share Capital Reorganisation

The closing mid-market price of an existing Ordinary Share was 1.45 pence on 30 December 2008, being the last dealing date prior to publication of the Circular. The Company’s share price is therefore below the nominal value of an ordinary share of 10 pence. This prohibits the Company from raising any further equity capital since, in order to comply with the Act, any further shares would have to be issued at a price at or above the nominal value. In order to assist the Company with its ongoing and future activities, the Board wishes to increase the current authorised share capital of the Company and have the ability to raise further equity finance. Accordingly, it is necessary to reduce the nominal value of the existing Ordinary Shares from the present level of 10 pence per share.

It is proposed that:

1. the authorised share capital of the Company be increased from £25,000,000 to £30,000,000;
2. each issued Ordinary Share will be sub-divided and reclassified into one New Ordinary Share of 0.5 pence and one Deferred Share of 9.5 pence; and
3. each authorised but unissued Ordinary Share will be sub-divided into twenty New Ordinary Shares of 0.5 pence each.

The rights attaching to the New Ordinary Shares will, save for the change in nominal value and the entitlement of Shareholders in respect of a return of capital or other distributions arising therefrom, be identical in all respects to those of the existing Ordinary Shares.

The Deferred Shares created on the Share Capital Reorganisation becoming effective will have no voting or dividend rights and, on a return of capital, the right only to receive the amount paid up thereon after the holders of New Ordinary Shares have received the aggregate amount paid up thereon plus £100 per New Ordinary Share. They will in effect be valueless.

No share certificates will be issued in respect of the Deferred Shares, nor will CREST accounts of Shareholders be credited in respect of any entitlement to Deferred Shares, nor will they be admitted to trading on AIM or any other investment exchange. It is the Board's intention, at the appropriate time, to make application to the High Court for the Deferred Shares to be cancelled.

The effect of the Share Capital Reorganisation will mean that each New Ordinary Share held by Shareholders will have nominal value of 0.5 pence each and the number of shares held by the Shareholders shall remain the same. Consequently, the market price of a New Ordinary Share immediately after the completion of the Share Capital Reorganisation should be the same as the market price of an existing Ordinary Share immediately prior to the completion of the Share Capital Reorganisation.

Director's Recommendation

The Directors consider that the proposals to re-organise the share capital of the Company and to amend the Company's Articles are in the best interests of the Company and unanimously recommend shareholders vote in favour of the resolutions at the General Meeting and as they intend to do in respect of their beneficial holdings amounting to, in aggregate, 39,107,784 existing Ordinary Shares, representing 27.9 per cent of the issued share capital of the Company.

The General Meeting will be held at 11.00 a.m. on 28 January at the offices of Farrer & Co LLP, 66 Lincoln's Inn Fields, London WC2A 3LH.

Copies of the Circular are available free of charge from the Company's offices 30-32 Ludgate Hill, London EC4M 7DR or from the Company's website www.serabimining.com.

All defined terms in this announcement bear the meanings set out within the Circular save where the context otherwise requires.

For further information, please contact

Serabi Mining plc

Graham Roberts

Chairman

Tel: 020 7246 6830

Mobile: 07768 902 475

Clive Line

Finance Director

Tel: 020 7246 6830

Mobile: 07710 151 692

Email: contact@serabimining.com

Website: www.serabimining.com

Numis Securities Limited

John Harrison

Nominated Adviser

Tel: 020 7260 1000

James Black

Corporate Broking

Tel: 020 7260 1000