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If you have sold or otherwise transferred all of your Existing Ordinary Shares in Serabi Mining plc (“the Company”) prior to the date the Company’s shares were traded “ex rights”, please immediately forward this Document, together with the accompanying Application Form and/or CREST Excess Application Form to the purchaser or transferee, or to the stockbroker, bank or other agent through whom the sale or transfer was effected, for delivery to the purchaser or transferee. If you have sold only part of your holding of Existing Ordinary Shares, please contact your stockbroker, bank or other agent through whom the sale or transfer was effected immediately. However, this Document and any accompanying Documents should not be sent or transmitted in or into any jurisdiction where to do so might constitute a violation of local security laws or restrictions, including, but not limited to, the United States, Canada, Japan, Australia, the Republic of Ireland or the Republic of South Africa.

This Document is not a prospectus for the purposes of the Prospectus Rules. Accordingly, this Document has not been, and will not be, reviewed or approved by the Financial Services Authority of the United Kingdom (“FSA”), pursuant to sections 85 and 87 of FSMA, London Stock Exchange plc or any other authority or regulatory body.

The Existing Ordinary Shares are admitted to trading on AIM. Application will be made to London Stock Exchange plc for the Offer Shares to be admitted to trading on AIM. AIM is a market designed primarily for emerging or smaller companies to which a higher investment risk tends to be attached than to larger or more established companies. AIM securities are not admitted to the Official List of the UK Listing Authority. A prospective investor should be aware of the potential risks in investing in such companies and should make the decision to invest only after careful consideration and consultation with his or her own independent financial adviser. London Stock Exchange plc has not itself examined or approved the contents of this Document.

It is expected that Admission will become effective and that dealings in the Offer Shares will commence on 9 December 2009.

SERABI MINING PLC

(Incorporated and registered in England and Wales with registered number 5131528)

Open Offer of up to 21,151,613 Ordinary Shares at 1.5 pence per Ordinary Share on the basis of 1 Offer Share for every 14 Existing Ordinary Shares

Nominated Adviser and Broker

Beaumont Cornish Limited

The Offer Shares will rank *pari passu* in all respects with the Existing Ordinary Shares, including the right to receive all dividends and other distributions declared, made or paid on the Existing Ordinary Shares after Admission.

The Open Offer closes at 3.00 p.m. on 2 December 2009. If you are a Eligible Shareholder and wish to apply for Offer Shares under the Open Offer you should follow the procedure set out in Part V of this Document and, where relevant, complete and return the accompanying Application Form and/or CREST Excess Application Form.

Beaumont Cornish Limited, which is authorised and regulated by the Financial Services Authority, is acting as Nominated Adviser exclusively for the Company for the purposes of the AIM Rules in relation to the Open Offer and is not acting for and will not be responsible to any other person other than the Company for providing the protections afforded to customers of Beaumont Cornish Limited or for advising any other person on the contents of this Document or any transaction or arrangement referred to in this Document. Beaumont Cornish Limited’s responsibilities as the Nominated Adviser to the Company are solely owed to the London Stock Exchange and the Company. No representation or warranty, express or implied, is made by Beaumont Cornish Limited as to any of the contents of this Document for which the Directors whose names appear on page 6 of this Document are solely responsible including individual and collective responsibility for compliance with the AIM Rules. Beaumont Cornish Limited has not authorised the contents of, or any part of, this Document and (without limiting the statutory rights of any person to whom this Document is issued) no liability whatsoever is accepted by Beaumont Cornish Limited for the accuracy of any information or opinions contained in this Document or for the omission of any material information, for which the Company and the Directors are solely responsible.

This Document does not constitute an offer for sale or an invitation to subscribe for, or the solicitation of an offer to buy or subscribe for, Offer Shares in any jurisdiction where such an offer or solicitation is unlawful. Overseas Shareholders in any such jurisdiction should read the notes set out in Page 3 and Part V of this Document.

CONTENTS

	<i>Page</i>
Forward Looking Statements	3
Overseas Shareholders	3
Expected Timetable of Principal Events	4
Open Offer Statistics	5
Part I Letter from the Chairman	6
Part II Description of the projects	12
Part III Risk factors	16
Part IV Additional information	20
Part V Details of the Open Offer	25
Definitions	42
Glossary	45

ENCLOSURES

Eligible Shareholders holding their Ordinary Shares in certificated form	Application Form
Eligible CREST Shareholders holding their Ordinary Shares in un-certificated form in CREST	CREST Excess Application Form

FORWARD-LOOKING STATEMENTS

This Document contains forward-looking statements. These statements relate to the Company's future prospects, developments and business strategies. Forward-looking statements are identified by their use of terms and phrases such as "believe", "could", "envisage", "estimate", "intend", "may", "plan", "will" or the negative of those, variations or comparable expressions, including references to assumptions. These statements are primarily contained in Part I of this Document. The forward-looking statements in this Document are based on current expectations and are subject to risks and uncertainties that could cause actual results to differ materially from those expressed or implied by those statements. Certain risks to and uncertainties for the Company are specifically described in Part III of this Document headed "Risk Factors". If one or more of these risks or uncertainties materialises, or if underlying assumptions prove incorrect, the Company's actual results may vary materially from those expected, estimated or projected. Given these risks and uncertainties, potential investors should not place any reliance on forward-looking statements. These forward looking statements speak only as at the date of this Document. Neither the Directors nor the Company undertake any obligation to update forward-looking statements or the Risk Factors described in Part III of this Document other than as required by the Prospectus Rules, the AIM Rules or by the rules of any other relevant securities regulatory authority, whether as a result of new information, future events or otherwise.

OVERSEAS SHAREHOLDERS

This Document does not constitute an offer for sale or an invitation to subscribe for, or the solicitation of an offer to buy or subscribe for, Offer Shares in any jurisdiction where such an offer or solicitation is unlawful ("Restricted Jurisdiction"). In particular, this Document is not for distribution in or into the United States, Canada, Japan, Australia, the Republic of Ireland, the Republic of South Africa or any other Restricted Jurisdiction. The Offer Shares will not be registered under the United States Securities Act of 1933 (as amended) or under the securities laws of any state of the United States or under any of the relevant securities laws of Canada, Australia, Japan, the Republic of Ireland, the Republic of South Africa or any other Restricted Jurisdiction, nor has any prospectus in relation to the Offer Shares been filed, or registration made, under any securities law of any province or territory of Canada or been lodged with or registered by the Australian Securities and Investments Commission or the Japanese Ministry of Finance. Overseas Shareholders and any person (including, without limitation, custodians, nominees and trustees) who has a contractual or other legal obligation to forward this Document to a jurisdiction outside the UK should seek appropriate advice before taking any action. No action has been taken by the Company or by Beaumont Cornish Limited that would permit a public offer of Shares or possession or distribution of this Document where action for that purpose is required. Persons into whose possession this Document comes should inform themselves about, and observe any such restrictions. Any failure to comply with these restrictions may constitute a violation of the securities laws of any such jurisdiction.

No Application Form and/or CREST Excess Application Form will be accepted from any Shareholder who is unable to give the warranty set out in the Application Form and/or CREST Excess Application Form or who the Company or its agent has reason to believe is ineligible to apply.

The Company and its agents reserves the right to treat as invalid any application, or purported application, to subscribe for Offer Shares pursuant to the Open Offer which appears to the Company or its agents to have been executed, effected or despatched in a manner which may involve a breach of the securities legislation of any Restricted Jurisdiction.

It is the responsibility of any person receiving a copy of this Document or an Application Form and/or CREST Excess Application Form and wishing to make an application to subscribe for Offer Shares to satisfy himself/herself as to the full observance of the laws and regulatory requirements of any relevant territory, including the obtaining of all necessary governmental or other consents which may be required or observing any other formalities needing to be observed in such territory and the payment of any taxes due in such jurisdiction.

EXPECTED TIMETABLE OF PRINCIPAL EVENTS

<i>Event</i>	<i>Expected time/date</i>
Open Offer Record Date	5.00 p.m. on 16 November 2009
Publication of this Document	17 November 2009
Open Offer entitlements credited to stock accounts in CREST of Eligible CREST holders	18 November 2009
Recommended latest time for requesting withdrawal of Open Offer Entitlements from CREST	4.30 p.m. 25 November 2009
Latest time and date for depositing Open Offer Entitlements into CREST	11.00 a.m. on 27 November 2009
Latest time and date for splitting Application Forms (to satisfy <i>bona fide</i> market claims only)	3.00 p.m. on 30 November 2009
Latest time and date for receipt of completed Application Forms and/or CREST Excess Application Form and payment in full under the Open Offer or settlement of relevant CREST instruction (as appropriate)	3.00 p.m. on 2 December 2009
Admission effective and dealings commence on AIM	8.00 a.m. on 9 December 2009
Crediting of Offer Shares to CREST accounts	By 8.00 a.m. on 9 December 2009
Despatch of definitive certificates for Offer Shares	By 17 December 2009

The dates set out in the timetable of principal events above and mentioned throughout this Document and in the Application Form and/or CREST Excess Application Form may be adjusted by the Company, in which event the details will be notified to the London Stock Exchange and, where appropriate, to Shareholders.

In order to subscribe for Offer Shares under the Open Offer, Eligible Shareholders will need to follow the procedure set out in Part V of this Document and, where relevant, complete the accompanying Application Form and/or CREST Excess Application Form. If Eligible Shareholders have any queries on the procedure for acceptance and payment, or to receive another Application Form and/or CREST Excess Application Form, they should contact the Registrars on 0870 707 1316 or, if calling from outside the United Kingdom, +44 870 707 1316, where relevant, quoting the serial number of their Application Forms and/or CREST Excess Application Form. Calls to the Registrar's 0870 number are charged at up to 10 pence per minute (including VAT) plus any of your service provider's additional network charges. Calls to the Registrar's +44 870 number from outside the UK are charged at applicable international rates. Different charges may apply to calls made from mobile telephones and calls may be recorded and monitored randomly for security and training purposes. The Registrars cannot provide advice on the merits of the Open Offer nor give any financial, legal or tax advice.

OPEN OFFER STATISTICS*

Offer Price per Offer Share	1.5 pence
Number of Existing Ordinary Shares	296,122,583
Number of Offer Shares to be issued pursuant to the Open Offer	21,151,613
Proceeds of the Open Offer (before expenses)	£317,274
Enlarged Ordinary Shares in issue at Admission	317,274,196
Percentage of the Enlarged Share Capital represented by the Offer Shares	6.7 per cent.

* *Assuming full take up of entitlements under the Open Offer.*

PART I

LETTER FROM THE CHAIRMAN

SERABI MINING PLC

(Incorporated and registered in England and Wales with registered number 5131528)

Directors:

Graham Roberts (*Non-Executive Chairman*)
Michael Hodgson (*Chief Executive*)
Clive Line (*Finance Director*)
Bill Clough (*Non-Executive Director*)

Registered Office:

66 Lincoln's Inn Fields
London WC2A 3LH

17 November 2009

To the Shareholders, and for information only, to the holders of Options over Ordinary Shares and Warrant holders

Dear Shareholder,

**Open Offer of up to 21,151,613 Ordinary Shares at 1.5 pence per Ordinary Share
on the basis of
1 Offer Share for every 14 Existing Ordinary Shares**

1. Introduction

On 10 November 2009 the Board of Serabi announced that the Company had placed in aggregate 144,534,500 Ordinary Shares at a price of 1.5 pence per Ordinary Share to raise £2,168,017 (before expenses) to fund the Company's next stage of exploration at the Palito mine. The Placing was completed on 16 November 2009.

In addition, the Company issued 5,054,551 Ordinary Shares to certain suppliers and consultants in satisfaction of outstanding liabilities of £77,503 and 6,394,467 Ordinary Shares to the Directors in settlement of accrued but unpaid remuneration and benefits under the terms of their existing service contracts amounting to £95,917 at the Placing Price.

The Board considers it important that, where reasonably practicable, Shareholders have an opportunity to participate in the fundraising at the Placing Price. Accordingly, the Board proposes to raise up to £317,274 (before expenses) by way of an open offer to be made to Eligible Shareholders of up to 21,151,163 New Ordinary Shares at the Placing Price. The Open Offer is not underwritten.

The purpose of this Document is, *inter alia*, to provide you with details of the Open Offer, to explain the background to and the reasons for the Open Offer and to explain why the Board considers that the Open Offer will promote the success of the Company for the benefit of its members as a whole.

Further details of the Open Offer are set out in paragraph 5 of this letter and Part V of this Document.

2. Information on the Company

Serabi is a mineral exploration and development company focussed on the Tapajos region of Para State in northern Brazil. The Group's principal project is the Palito mine, a high grade narrow-vein gold deposit which the Group has operated since 2004. In addition, the Group has rights to exploration tenements around Palito in what is referred to as the Jardim do Ouro region totalling approximately 60,000 hectares and also additional exploration licences totalling approximately 97,000 hectares over the Pison and Modelo gold prospects located approximately 300 kilometres to the north-west of Palito.

The Board of Serabi has decided to pursue a strategy that has the objective of identifying a series of satellite ore bodies around the current Palito mine and infrastructure, capable of collectively increasing the reserve

and resource base of the Palito operation and sufficient to support a mining operation capable of producing at least 70,000 gold equivalent ounces per annum. The Group is seeking joint venture partners in respect of its exploration tenements at Modelo and Pison. Although these tenements are considered by the Directors to be highly prospective, they are of the opinion that these prospects are of lower priority to the Group than the Palito mine and accordingly the Group's capital and human resources should be focused on Palito and developing this opportunity which in the opinion of the Directors offers the greatest potential to add value in the short-term.

Further information on Serabi and on the Group's projects is set out in Parts II and IV of this Document.

3. Background to and reasons for the Open Offer

Following the decision to suspend the underground mining operation at Palito towards the end of 2008, the Directors have considered a variety of options to introduce new capital into the Group's projects and in particular the Palito mine. A number of contributing factors led to the failure to maintain necessary rates of mine development and ultimately, in the absence of sufficient working capital to finance this development, the need to suspend underground mining operations. The Directors have, however, concluded that even if the necessary finance could be raised it would, having placed the underground mine on care and maintenance, be the wrong strategy to pursue a near term re-establishment of underground mining at the Palito mine. The Directors are of the opinion that whilst they believe that the current Palito mine can be operated profitably, ultimately the long term value will be derived from the discovery and development of an enlarged reserve base.

In January 2008, the Group commissioned a 6,000 hectare helicopter borne geophysical survey over and around the Palito mine. The full independent interpretation and evaluation of the results of this survey was completed in September 2008. The gold mineralisation at Palito is hosted within sulphide ore bodies which are conductors. The survey identified 66 anomalous areas where conductivity readings were greater than those of the surrounding area. Orientation readings were obtained by taking measurements over the Palito mine itself. Interpretation of the anomalous readings and correlation with other exploration data held by the Group has resulted in the prioritisation of 18 specific targets.

The Directors believe that the general geological characteristics around Palito, the existence of past garimpeiro activity in the area of the survey and the hydrothermal nature of the Palito deposit itself, are indicative that the Palito deposit is unlikely to be the only occurrence of gold mineralisation within the surveyed area. They therefore feel that evaluation through further exploration of the 18 prioritised anomalies provides an excellent opportunity to identify the Board's target of two to three Palito "look-a-likes". Assuming that each of these would be of a similar size to Palito, such an outcome could support a total reserve (including Palito) of up to 500,000 to 600,000 gold equivalent ounces and an additional resource of up to 1.2 million gold equivalent ounces. This in turn could be expected to support a mining and processing operation capable of producing at least 70,000 gold equivalent ounces per annum.

The first stage of exploration will focus on conducting a variety of geophysical and geochemical analyses over the anomalies to improve the geological understanding of each of these. The Group anticipates that, if the results of these initial studies are suitably encouraging, the programme could result in 7–10 targets being advanced to a drill-ready status during the next 12 months and it plans to conduct an initial small scale drill programme over three of these targets during this time. Subject to results, the Group intends over the following year to drill the remaining drill-ready targets and in addition, undertake further geophysical and geochemical analysis to advance the remaining anomalies to a drill-ready status. This programme would require additional capital to be raised of a similar amount to the Placing, at that time. Should two to three Palito "look-a-likes" be identified by this process, subsequent further in-fill drilling would be undertaken together with initial mine development and on-lode exploration to establish formal reserves and resources required for any bankable feasibility study. The Group anticipates that with an estimated cost of US\$4–US\$5 million to bring the Palito deposit back into production, a further US\$8–US\$10 million for the development cost of two additional deposits and an allowance of US\$4–US\$5 million for plant expansion and upgrades, the future costs to reach full scale production of 70,000 gold equivalent ounces per annum could be between US\$16 million and US\$20 million.

Based on such an enlarged resource, the Directors consider that a new operation whereby the Group has three concurrent but discrete mines in close proximity each at production rates of circa 25,000 gold equivalent ounces per annum feeding a central processing plant, would provide the best opportunity to develop the Palito area into an interesting and profitable operation, generating cash flow to support the Group's future exploration needs.

The Group has during 2009 operated Palito as a small scale surface mining operation focussed on the near surface oxide ore zones. The revenues from this operation have to date helped to minimise the working capital needs of the Group when taken in conjunction with significant cost reduction measures that have been taken. However, in the long term, the development and exploration at Palito as outlined above requires additional capital.

4. The Placing

On 10 November 2009 the Board of Serabi announced that the Company had placed in aggregate 144,534,500 Ordinary Shares at a price of 1.5 pence per New Ordinary Share to raise £2,168,017 (before expenses) to fund the Company's next stage of exploration at the Palito mine. The Placing was completed on 16 November 2009. Dealings in the Placing Shares on AIM commenced at 8.00 a.m. on 16 November 2009.

As part of the Placing, Greenwood subscribed for 81,384,000 Ordinary Shares at the Placing Price. Greenwood is a private company incorporated in England and Wales, of which the controlling shareholder and sole director is Mr. Christopher Kingsman, who had an existing beneficial interest in Ordinary Shares. Mr. Kingsman worked as an analyst and fund manager in London from 1998 to 2005 and currently manages a family office based in Munich, Germany. Greenwood and Christopher Kingsman together hold a beneficial interest over 85,534,000 Ordinary Shares representing, at the date of this Document, 28.88 per cent. of the Existing Ordinary Shares. The Board understands that Greenwood intends to hold the Ordinary Shares as a medium-term strategic investor.

If any person (or group of persons acting in concert) acquire an interest in securities (as defined in the City Code on Takeovers and Mergers (the "City Code")) which, taken together with shares in which he and persons acting in concert are interested, carry 30 per cent. or more of the voting rights of a company, that person or those persons may be required by Rule 9 of the Takeover Code to make a general offer to all of the shareholders to acquire the remaining issued share capital. Greenwood did not wish to subscribe for Ordinary Shares as part of the Placing which would (together with any person with whom it is acting in concert) have increased its interest in securities to or above such 30 per cent. threshold.

Accordingly, in addition to its subscription under the Placing, on 9 November 2009 Greenwood entered into a convertible loan agreement with the Company ("Convertible") under which Greenwood made available a facility of £300,000 to the Company. The Convertible is unsecured and will pay a coupon of one per cent. per annum. The full value of the loan (plus any accrued interest) is convertible at the election of Greenwood into Ordinary Shares at the Placing Price at any time up to 31 October 2014. A maximum of 20,000,000 Ordinary Shares may be issued on conversion of the Convertible (excluding any accrued interest). Further details of the terms of the Convertible are set out in paragraph 5.2 of Part IV of this Document.

As part of the Placing, Greenwood entered into an Orderly Marketing Agreement with the Company and Beaumont Cornish on 9 November 2009 in which, Greenwood agreed that it will not dispose of any Ordinary Shares (including any Ordinary Shares subscribed pursuant to the Open Offer) for the period of one year from the date of the Orderly Marketing Agreement, subject to certain exemptions, further details of which are set out in paragraph 5.1 of Part IV of this Document.

The Company has also agreed that, for as long as Greenwood holds Ordinary Shares representing 15 per cent. or more of the entire issued share capital of Serabi from time to time, Greenwood shall have the right to nominate a director to the Board of the Company.

5. Details of the Open Offer

The Company considers it important that, where reasonably practicable, Shareholders have an opportunity to participate in any fundraising. Accordingly the Company is proposing to raise up to approximately £317,724 (before expenses) by way of the Open Offer.

On and subject to the terms and conditions of the Open Offer, the Company invites Eligible Shareholders to apply for the Offer Shares at the Offer Price.

In the event that the Open Offer is over-subscribed the applications will be scaled back at the discretion of the Directors. In particular, in the event that any Eligible Shareholder applies for a proportionately larger number of Offer Shares compared to other applicants that Eligible Shareholder's application will be scaled back so as to allow the smaller applicants to participate. To the extent that Offer Shares are not subscribed for by Existing Shareholders, the Company reserves the right to offer such excess shares to third parties.

The Offer Price represents a discount of 25 per cent. to the Closing Price of 2 pence per Existing Ordinary Share on 16 November 2009, being the last dealing day prior to the publication of this Document.

Part V of this Document, together with the accompanying Application Form and/or CREST Excess Application Form, contains the terms and conditions of the Open Offer. Your attention is drawn to the Risk Factors set out in Part III of this Document.

Principal terms and conditions of the Open Offer

Eligible Shareholders may apply for, on and subject to the terms and conditions set out in Part V of this Document and in the accompanying Application Form and/or CREST Excess Application Form, any whole number of Offer Shares at the Offer Price subject to the minimum subscription set out below.

Excess applications must be in multiples of £30 (equivalent to 2,000 Offer Shares). Applicants may apply for any number of Offer Shares provided that an applicant's shareholding, when taken alone, or together with the shareholding of those of persons acting in concert (as defined in the City Code) with that applicant, must be less than 30 per cent. of the Enlarged Share Capital.

The Offer Shares will, when issued and fully paid, rank *pari passu* in all respects with the Existing Ordinary Shares including the right to receive all dividends and other distributions declared, made or paid after the date of their issue. The allotment and issue of the Offer Shares will be made upon and be subject to the terms and conditions set out in this Document and in the Application Form and/or CREST Excess Application Form. Eligible Shareholders will only be entitled to participate in the Open Offer in accordance with the procedure set out below in this letter, in Part V of this Document and in the Application Form and/or CREST Excess Application Form.

Application will be made to the London Stock Exchange for the Offer Shares to be admitted to trading on AIM. It is expected that Admission will become effective and that dealings in the Offer Shares will commence on AIM at 8.00 a.m. on 9 December 2009.

Condition of the Open Offer

The Open Offer is subject to Admission becoming effective by no later than 8.00am on 16 December 2009 or such later time and/or date as the Company may determine (but, in any event, not later than 23 December 2009).

The Open Offer is not conditional on subscription in full of the Offer Shares. If the Open Offer is not subscribed in full, the Directors will allot and issue those Offer Shares for which valid applications have been received.

Procedure for Application and Payment

Eligible Shareholders who hold their Ordinary Shares through a nominee and who wish to apply for Offer Shares must contact their nominee as such Eligible Shareholders will not be able to apply for Offer Shares directly using the Application Form and/or CREST Excess Application Form.

Eligible Shareholders who wish to apply for Offer Shares in accordance with the terms of the Open Offer should complete the enclosed Application Form and/or CREST Excess Application Form in accordance with the instructions on it and post it or (during normal business hours only) deliver it by hand, together with payment in full for the number of Offer Shares applied for, to Computershare Investor Services PLC, Corporate Actions Projects, The Pavilions, Bridgwater Road, Bristol BS99 6AH so as to arrive not later than 3.00 p.m. on 2 December 2009.

After this time, applications may not be accepted by the Company. Applications will be irrevocable, will not be acknowledged and receipts will not be issued for amounts paid on applications. The Company reserves the right (but shall not be obliged) to treat any application not strictly complying with the terms and conditions of application or not accompanied by a power of attorney, if required, as nevertheless valid. **If you post your Application Form you are recommended to use first class post and to allow at least five working days for delivery. However, given the uncertainties over delivery dates due to recent industrial action from the postal service, you are encouraged to return your application early. In any event, if you are concerned about the receipt of your application please call the number set out on page 4 of this Document.**

Eligible Shareholders who do not wish to apply for any Offer Shares under the Open Offer should not complete or return the Application Form and/or CREST Excess Application Form.

Cheques or bankers' drafts should be made payable to "Computershare Investor Service PLC re: "Serabi Mining Open Offer plc A/C" and crossed "A/C payee only" and should be rounded up to the nearest penny. Cheques and bankers' drafts must be drawn in sterling on a bank or building society in the UK which is either a settlement member of the Cheques & Credit Clearing Company Limited or the CHAPS & Town Clearing Company Limited or a member of the Committee of Scottish or Belfast Clearing Houses or which has arranged for its cheques and bankers' drafts to be cleared through facilities provided for the members of either of those companies or committees and must bear the appropriate sorting code in the top right hand corner. No application will be considered unless these requirements are fulfilled. Eurocheques will not be accepted.

Cheques should be drawn on the personal account to which the Eligible Shareholder has sole or joint title to the funds. Third party cheques may not be accepted with the exception of bankers' drafts/building society cheques where the bank/building society has confirmed the name of the account holder on the back of the draft/cheque and has added their stamp. The account name must be the same as that of the applicant.

Cheques and bankers' drafts are liable to be presented for payment upon receipt and it is a term of the Open Offer that cheques will be honoured on first presentation. If cheques or bankers' drafts are presented for payment before the conditions of the Open Offer are fulfilled, the application monies will be kept in a separate bank account pending fulfilment of such conditions. If the condition of the Open Offer has not been fulfilled by 16 December 2009 (or such later date as the Company and its advisers may agree but in any event not later than 23 December 2009), application monies will be returned, without interest, by crossed cheque in favour of the applicant(s) (at the applicant's risk) through the post as soon as is practicable after that date.

The instructions, notes and other terms set out in the Application Form and/or CREST Excess Application Form constitute part of the terms of the Open Offer.

Overseas Shareholders

Overseas Shareholders should refer to page 3 and Part V of this Document which contain important information relevant to such persons.

Taxation

If you are in any doubt about your tax position, you should consult your independent professional adviser.

6. Use of Proceeds

Assuming full subscription under the Open Offer, the Open Offer will raise a further £317,274 (before expenses) payable by the Company. The Company intends to use the net proceeds of the Placing and Offer (amounting to approximately £2,326,291, assuming full subscription under the Open Offer) to commence the first stage of exploration and further evaluation of the 18 prioritised anomalies identified within the surveyed area and to fund the general working capital requirements of the Group.

Based on current forecasts, and as set out further in paragraph 3 of this letter, the Directors believe that the Placing proceeds alone will be sufficient to commence the first stage of exploration and further evaluation of the 18 prioritised anomalies identified within the surveyed area and the Company's general working capital requirements for at least the next 12 months, even if no funds are raised under the Open Offer.

7. Shareholder authorities

At the Annual General Meeting of the Company held on 18 August 2009, Shareholders granted authority to the Directors to allot Ordinary Shares up to the level of the authorised but unissued share capital of the Company for cash, namely 3,197,218,700 Ordinary Shares. Accordingly, the Open Offer or any conversion into Ordinary Shares under the Convertible does not require further approval of Shareholders and may be concluded without the requirement for the Company to obtain the approval of Shareholders in General Meeting.

8. Action to be taken by Shareholders

In respect of the Open Offer

Eligible Shareholders who wish to participate in the Open Offer should carefully read the Application Form and/or CREST Excess Application Form and the accompanying instructions and further details set out in Part V of this Document and send the Application Form and/or CREST Excess Application Form along with the appropriate remittance to **Computershare Investor Services PLC, Corporate Actions Projects, The Pavilions, Bridgwater Road, Bristol BS99 6AH** by no later than the Closing Date.

9. Further Information

Your attention is drawn to the Risk Factors relating to the Group set out in Part III of this Document, the additional information set out in Parts II and IV of this Document and the terms and conditions of the Open Offer set out in Part V of this Document and the Application Form and/or CREST Excess Application Form.

Yours faithfully

Graham Roberts
Non-executive Chairman

PART II

DESCRIPTION OF THE PROJECTS

PALITO MINE AND THE JARDIM DO OURO

The Palito mine is an historical garimpeiro operation which was acquired by the Group in 2001. The gold mineralisation at Palito is hosted within the upper levels of a large adamellite granite intrusive associated with felsic volcanics (rhyolites and dactites) and felsic breccias. The gold mineralisation is contained within vertical to sub-vertical, mesothermal quartz-chalcopyrite-pyrite veins filling brittle extensional fault systems. Typically, high gold grades are associated with semi-massive, chalcopyrite-pyrite blowouts within the quartz veins.

The Palito mine is located close to the town of Jardim do Ouro and is situated within the geologically important Tocantinzinho shear zone. This shear zone extends for hundreds of kilometres to the northwest and southeast of Palito and is believed to control much of the mineralisation in this area of the Tapajos Gold Province. In total the Company controls a continuous series of exploration tenements covering a total of 60,000 hectares located primarily to the south and south east of Palito.

In January 2008, the Group commissioned a geophysical survey using a helicopter borne VTEM system over a 6,000 hectare area around the Palito mine. The purpose was to confirm the Directors' opinion that the geological environment around Palito was such that the occurrence of gold mineralisation at Palito was unlikely to be unique and that a screening of the immediate vicinity could be expected to highlight a number of other potential sources of gold mineralisation. This opinion was supported by a limited level of other geophysical work and geochemical sampling that had already been undertaken by the Group and the occurrence of other garimpeiro activity within the survey area.

The chalcopyrite-pyrite veins are conductors and the geophysical survey identified areas of anomalous conductivity. Final results from the geophysical survey, correlated with all other available data, were available at the end of September 2008. In total 66 anomalies were identified of which the Company, in conjunction with the Group's geophysical consultant who interpreted the survey data, have prioritised 18. The Directors' target is that, although follow-up geological work on each of these anomalies is required, the Group may be able to identify from amongst these 18, two or three viable deposits of similar reserve and resource size to the Palito mine. The survey was flown over the Palito mine itself and as a result the Group was able to secure orientation data for the ore body at Palito itself.

The Palito mine has a mineral resource of 0.67 million gold equivalent ounces as set out in the following table. The mineral resource estimate outlined is based on a total of 25 different veins of a minimum 70 cm width, located within the larger mineralised sections of the Palito Main Zone (PMZ), the Palito West zone (PW), Chico da Santa area (CS) and the Ruari's Ridge zone (RR).

Table 1: Serabi Mining plc Mineral Resource Statement^{(1) (2) (3) (5)}, as at 31 March 2008

<i>Mineral Resource</i>	<i>Tonnage</i>	<i>Gold (g/t Au)</i>	<i>Copper (% Cu)</i>	<i>Contained Gold Ounces</i>	<i>Contained Gold Equivalent Ounces⁽⁴⁾</i>
Measured Resources					
Palito Main Zone (PMZ)	97,448	9.51	0.26	29,793	32,045
Palito West (PW)	–	–	–	–	–
Chico da Santa (CS)	–	–	–	–	–
Ruari Ridge (RR)	–	–	–	–	–
Total Measured Resources	97,448	9.51	0.26	29,793	32,045
Indicated Resources					
Palito Main Zone (PMZ)	593,175	7.15	0.23	136,417	148,546
Palito West (PW)	46,844	13.16	0.26	19,825	20,902
Chico da Santa (CS)	78,987	5.91	0.23	15,011	16,681
Ruari's Ridge (RR)	34,740	4.85	0.22	5,420	6,100
Total Indicated Resources	753,745	7.29	0.23	176,673	192,228
TOTAL Measured + Indicated	851,193	7.54	0.23	206,466	224,272
Inferred Resources					
Palito Main Zone (PMZ)	821,405	6.04	0.18	159,614	172,927
Palito West (PW)	200,256	8.22	0.23	52,934	57,140
Chico da Santa (CS)	434,664	6.01	0.23	84,036	93,100
Ruari's Ridge (RR)	631,417	4.74	0.43	96,232	120,789
Total Inferred Resources	2,087,741	5.85	0.27	392,817	443,956

⁽¹⁾ Mineral resources are reported at a cut-off grade of 1.0 g/t.

⁽²⁾ The Mineral Resources as set out in the table above have been estimated by Rodrigo Mello, from NCL, who is a competent person under the JORC Code, for mineral deposits such as Palito. The Mineral Resources are classified as Measured, Indicated and Inferred, in compliance with the JORC Code. NCL understands and has given its consent to the inclusion of the Mineral Resources in this Document to be published in accordance with the AIM Rules of the London Stock Exchange and the AIM guidance note for mining, oil and gas companies.

⁽³⁾ Numbers may not add up due to rounding.

⁽⁴⁾ Equivalent gold is calculated using an average long-term gold price of US\$700 per ounce, a long-term copper price of US\$2.75 per pound, average metallurgical recovery of 90.3 per cent. for gold and 93.9 per cent. for copper.

⁽⁵⁾ It should be noted that the definition of the Inferred mineral resource category typically has lower certainty as to resource existence and economic viability.

Within the total mineral resource estimate, NCL Brasil Ltda has estimated an ore reserve of 187,500 ounces gold equivalent, comprising of 732,500 tonnes @ 7.34 g/t gold and 0.22 per cent. copper. It should be noted that these reserves are derived from the Measured and Indicated resource categories within the Total Mineral Resource of 0.67 million ounces tabulated above, and are NOT additional.

Table 2: Serabi Mining plc Ore Reserve Statement^{(1) (2) (3) (5)} as at 31 March 2008

<i>Ore Reserve</i>	<i>Tonnage</i>	<i>Gold (g/t Au)</i>	<i>Copper (%Cu)</i>	<i>Contained Gold Ounces</i>	<i>Contained Gold Equivalent Ounces⁽⁴⁾</i>
Proved Reserves					
Palito Main Zone (PMZ)	56,464	9.06	0.29	16,456	17,910
Palito West (PW)	–	–	–	–	–
Chico da Santa (CS)	–	–	–	–	–
Ruari's Ridge (RR)	–	–	–	–	–
Total Proved Reserves	56,464	9.06	0.29	16,456	17,910
Probable Reserves					
Palito Main Zone (PMZ)	547,535	6.92	0.22	121,904	132,614
Palito West (PW)	54,642	10.85	0.20	19,063	20,063
Chico da Santa (CS)	55,485	6.52	0.23	11,639	12,786
Ruari's Ridge (RR)	18,365	6.39	0.24	3,773	4,166
Total Probable Reserves	676,028	7.19	0.22	156,379	169,628
TOTAL Proved + Probable	732,492	7.34	0.22	172,836	187,538

⁽¹⁾ Ore reserves are reported at a cut-off grade of 4.7 g/t. 2007 and 2008 year to date costs have been assumed. An exchange rate of US\$1 = R\$1.90 has been considered over the reserve life.

⁽²⁾ Minimum mining widths of 1.2 m have been assumed.

⁽³⁾ The Ore Reserves as set out in the table above have been estimated by Carlos Guzmán, from NCL, who is a competent person under the JORC Code. The Ore Reserves are classified as Proved and Probable, in compliance with the JORC Code. NCL understands and has given its consent to the inclusion of the Ore Reserves in this Document to be published in accordance with the AIM Rules of the London Stock Exchange and the AIM guidance note for mining, oil and gas companies.

⁽⁴⁾ Equivalent gold is calculated using an average long-term gold price of US\$700 per ounce, a long-term copper price of US\$2.75 per pound, average metallurgical recovery of 90.3 per cent. for gold and 93.9 per cent. for copper.

⁽⁵⁾ Numbers may not add up due to rounding.

The Group has operated the underground Palito mine from late 2004 until the end of 2008, during which time over 110,000 gold equivalent ounces were produced. The underground mine was placed on care and maintenance at the end of 2008 following a succession of delays in receipt of underground mining equipment. These delays resulted in the mine development plan falling significantly behind planned levels during the first six months of 2008 and led the Group to conclude during September 2008 that the mining operation needed to be placed under a sustained period of development of up to 12 months in order to return the mine to long-term sustainable production. The consequence of such a strategy would have required operating the mine at a loss for this period and the Group did not have, and considered it unlikely that it would raise, the necessary working capital to pursue this option. In the absence of a feasible alternative the decision to wind down the mining operations was taken during September 2008 and the process completed at the end of December 2008.

During 2009 the Group has operated the Palito mine as a small scale, open-pit operation focused on mining the oxide ores. This oxide ore represents the surface and near surface outcropping of the vein structures and is essentially the same type of material that the garimpeiros have exploited in the past both at Palito and across the Tapajos. The oxide ore is free-digging and generally requires little or no blasting, the operation is relatively simple and requires little in the way of specialised equipment. Over the first 9 months of 2009 the Group produced 4,945 ounces of gold from this operation. The objective of this operation has, and currently continues to be, to cover the day-to-day costs of the Group in Brazil and in so doing limit the working capital needs for the Group. Whilst oxide mining operations continue at this time, insufficient ore sources have been identified to date to allow any estimation or indication of the expected life or future production levels of gold from this mining activity. Exploration to identify additional oxide ore sources are on-going. Mining of the

oxide ore may be suspended at any time if there is insufficient mineable material identified to maintain the viability of this operation.

The Group has conducted a limited level of exploration over the remaining Jardim do Ouro tenements outside of the VTEM survey area to which the Group has rights. It is not currently proposing to carry out further exploration over these tenements. If suitable terms can be agreed it will seek to advance these prospects through joint ventures.

PISON

The Pison prospect is an isolated site with access being primarily by light aircraft. The original tenement holding secured by the Group showed gold mineralisation occurring in a stockwork system consisting of quartz-mica-sulphide veinlets with occasional veins reaching up to one to two metres in width in acid volcanic rocks. The site has been worked by garimpeiros but this was limited and reached the practical extraction limit using traditional methods. Exploration prior to Serabi's involvement has been very limited. Rio Tinto having drilled only a few diamond holes with the best results including 32 m at 5.32 g/t gold within strongly altered rhyolites.

Serabi considered that despite its location the exploration potential was high and expanded its land position and at the end of 2007 held over 120,000 hectares around the original tenement area. The Group conducted and completed during 2008 a stream sediment sampling programme over the entire tenement holding and as a result have prioritised certain areas and reduced the land holding to some 50,000 hectares.

The programme identified significant anomalous areas of which the best catchment anomaly covered an area of 15 kilometres by 5 kilometres and producing one sample of 4.02 g/t gold from a -80# fraction and multiple results of gold in stream sediments of over 0.5 g/t.

Whilst the Directors are encouraged by these results, they are of the view that to fully explore the potential of Pison will require the involvement of a joint venture partner able to dedicate financial and personnel resources to an exploration programme.

MODELO

This project covers a land tenement holding of some 50,000 hectares and lies to the south of the Tocantinzinho structure on broadly north/south mineralised structures similar to that hosting the Ouro Roxo, Villa Porto Rico and Bom Jardim deposits. The project exhibits similar geology to Pison (volcanic and granites) and the Directors are of the opinion that it may have the potential for granite hosted vein and epithermal style gold mineralisation in the volcanics. This project is not currently a priority for the Group and it is the intention of the Directors to secure a joint venture partner before committing further funding to its evaluation.

PART III

RISK FACTORS

ALL THE INFORMATION SET OUT IN THIS DOCUMENT SHOULD BE CAREFULLY CONSIDERED, IN PARTICULAR THE ATTENTION OF PROSPECTIVE INVESTORS AND SHAREHOLDERS IS DRAWN TO THE RISKS DESCRIBED BELOW. THE ORDINARY SHARES SHOULD BE REGARDED AS A SPECULATIVE INVESTMENT AND AN INVESTMENT IN ORDINARY SHARES SHOULD ONLY BE MADE BY THOSE WITH THE NECESSARY EXPERTISE TO FULLY EVALUATE THE INVESTMENT.

INVESTMENTS MAY FALL AS WELL AS RISE IN VALUE. THE DIRECTORS BELIEVE THAT THE FOLLOWING RISKS SHOULD BE CONSIDERED CAREFULLY BY INVESTORS BEFORE ACQUIRING ORDINARY SHARES. PROSPECTIVE INVESTORS ARE ADVISED TO CONSULT AN INDEPENDENT ADVISER AUTHORISED UNDER FSMA.

IF ANY OF THE FOLLOWING RISKS ACTUALLY MATERIALISE, THE GROUP'S BUSINESS, FINANCIAL CONDITION, AND PROSPECTS COULD BE MATERIALLY AND ADVERSELY AFFECTED TO THE DETRIMENT OF THE COMPANY AND ITS SHAREHOLDERS. IN THAT CASE, THE MARKET PRICE AND LIQUIDITY OF ORDINARY SHARES COULD DECLINE AND ALL OR PART OF AN INVESTMENT IN THE ORDINARY SHARES COULD BE LOST.

THE DIRECTORS CONSIDER THE FOLLOWING RISKS TO BE MATERIAL. THE RISKS SET OUT BELOW DO NOT NECESSARILY COMPRISE ALL THOSE ASSOCIATED WITH AN INVESTMENT IN THE COMPANY AND THE ORDINARY SHARES. THERE MAY BE ADDITIONAL RISKS WHICH, FOR EXAMPLE, THE DIRECTORS DO NOT CURRENTLY CONSIDER TO BE MATERIAL OR OF WHICH THE DIRECTORS ARE NOT CURRENTLY AWARE. NO INFERENCE OUGHT TO BE DRAWN AS TO THE RELATIVE IMPORTANCE, OR THE LIKELIHOOD OF THE OCCURRENCE, OF ANY OF THE FOLLOWING RISKS BY REFERENCE TO THE ORDER IN WHICH THEY APPEAR.

RISKS SPECIFIC TO THE GROUP

Exploration and development risk

The Company is engaged in the exploration of mineral properties, an inherently risky business, and there is no assurance that an economically viable mineral deposit will be discovered. Most exploration projects do not result in the discovery or development of commercially mineable ore deposits. A significant amount of the Placing proceeds will be used towards exploration in evaluating the 18 anomalies identified and there is a risk that no economically viable mineral deposits will be found.

Reserve and resource estimates

The estimation of mineral resources and reserves is in part an interpretative process and the accuracy of any such estimates is a function of the quality of available data, and of engineering and geological interpretation and judgement. No assurances can be given that the volume and grade of reserves recovered, and rates of production achieved, will not be less than anticipated. The Company contracts the services of independent professional experts to prepare resource and reserve estimates.

Political risk

Political risk is the risk that assets will be lost through expropriation, unrest or war. Brazil, the only country in which the Group has operations, currently has a stable political systems with established fiscal and mining codes and a respect for the rule of law but there can be no guarantee that the Group will not be adversely affected by political risk. Elections are due in 2010 and the current president will not be eligible for a further term which may lead to a period of change and political uncertainty.

Surface Oxide risk

Whilst oxide mining operations continue at this time, insufficient ore sources have been identified to date to allow any estimation or indication of the expected life or future production levels of gold from this mining activity. Exploration to identify additional oxide ore sources is on-going. Mining of the oxide ore may be suspended at any time if there is insufficient mineable material identified to maintain the viability of this operation.

Commodity risk

Commodity risk is the risk that the price earned for minerals will fall to a point where it becomes uneconomic to extract them from the ground. The principal metals in Serabi's portfolio are gold and copper. The prices of these metals are affected by numerous factors beyond the control of the Company, including producer hedging activities, demand, political and economic conditions and production levels. Future commodity prices may go down as well as up.

Liquidity risk

Liquidity risk is the risk of running out of working and investment capital. Serabi's goal is to finance its exploration activities with cash flow from operations, but in the absence of such cash flow, the Group relies on the issue of equity share capital, joint venture and option agreements to finance its activities. There can be no assurance that adequate funding will be available when required to finance the Group's activities.

Currency risk

Fluctuations in currency exchange risks can significantly impact cash flows. The Group finances its overseas operations by transferring US dollars from the UK to meet local operating costs in its Brazilian subsidiary. The Group currently receives income from gold sales in Brazilian Reais although the price at which these sales are calculated is made by reference to world market prices which are quoted in US dollars. Any income of the Group may become subject to exchange control or similar restrictions.

Because the primary market for the Ordinary Shares and the underlying business of the Company are in a currency other than Euro, investors from countries whose currency is the Euro are reminded that changes in exchange rates may also have an adverse effect on the value, price or income of the Ordinary Shares.

Changes in legislation

Exploration and production activities are subject to local laws and regulations governing prospecting, development, production, exports, taxes, labour standards, occupational health and safety, mine safety and other matters. Such laws and regulations are subject to change and can become more stringent, and compliance can therefore become more costly.

Environmental protection

The Group's exploration, development and production activities are subject to extensive laws and regulations governing environmental protection. The Group is also subject to various reclamation-related requirements.

A failure to comply with environmental laws and regulations may result in enforcement actions causing operations to cease or be curtailed, the imposition of fines and penalties, and may include corrective measures requiring significant capital expenditures. In addition, certain types of operations require the submission and approval of environmental impact assessments.

Title to mineral properties

While the Company has undertaken due diligence in the verification of title to its mineral properties, this should not be construed as a guarantee of title. The properties may be subject to prior unregistered agreements or transfers and title may be affected by undetected defects.

RISKS RELATING TO THE COMPANY'S SHARES

Value of Ordinary Shares and liquidity

It is likely that the Company's share price will fluctuate and may not accurately reflect the underlying value of the Group's business and assets. The price of the Ordinary Shares may go down as well as up and investors may realise less than the original sum invested. The price that investors may realise for their holdings of Ordinary Shares, if and when they are able to do so, may be influenced by a large number of factors, some of which are specific to the Group and others of which are extraneous. Such factors may include the possibility that the market for the Ordinary Shares is less liquid than for other equity securities and that the price of the Ordinary Shares is relatively volatile.

The Directors are unable to predict when and if substantial numbers of Ordinary Shares will be sold in the open market. Any such sales, or the perception that such sales might occur, could result in a material adverse effect on the market price of the Ordinary Shares.

Dividends

There can be no assurance as to the level of future dividends, if any. The declaration, payment and amount of any future dividends of the Company are subject to the discretion of the Shareholders or, in the case of interim dividends, to the discretion of the Directors, and will depend upon, among other things, the Group's earnings, financial position, cash requirements, availability of profits, as well as relevant laws or generally accepted accounting principles from time to time. For the time being the Company does not pay dividends and this is unlikely to change in the near future.

Suitability

An investment in the Company involves a high degree of risk and may not be suitable for all investors.

Investors are reminded that the price at which they may realise their Ordinary Shares and the timing of any disposal of them may be influenced by a large number of factors, some specific to the Group and its proposed operations, some which may affect the sector in which the Group operates and some which relate to the operation of financial markets generally. These factors could include the performance of the Group's operations, large purchases or sales of shares in the Company, liquidity or absence of liquidity in the Ordinary Shares, legislative or regulatory changes relating to the business of the Group and general economic conditions.

GENERAL RISKS

Financial markets and global economic outlook

The performance of the Group will be influenced by global economic conditions and, in particular the conditions prevailing in the United Kingdom and Brazil. The global economy has been experiencing difficulties during 2008 and 2009, with the natural resources sector, in particular, being affected from the autumn of 2008 onwards. The financial markets have deteriorated dramatically in this period. This has led to unprecedented levels of illiquidity, resulting in the development of significant problems at a number of the world's largest banks and insurance companies and considerable downward pressure and volatility in share prices. In addition, recessionary conditions are present in the United Kingdom, as well as in other countries around the world.

If these levels of market disruption and volatility continue, worsen or abate and then recur, the Company is likely to experience difficulty in securing debt finance, if required, to fund its long term development strategy. The Group may be exposed to increased counterparty risk as a result of business failures in the countries in which it operates and will continue to be exposed if counterparties fail or are unable to meet their obligations to the Group. The precise nature of all the risks and uncertainties the Group faces as a result of the current global financial crisis and global economic outlook cannot be predicted and many of these risks are outside of the Group's control.

Changes in tax and other legislation

The information in this document is based upon current tax and other legislation and any changes in legislation or in the levels and basis of, and reliefs from, taxation may affect the value of an investment in the Company. There can be no certainty that the current taxation regime in the UK and in Brazil where the Company operates will remain in force or that the current levels of corporation taxation will remain unchanged. There can be no assurance that there will be no amendment to the existing taxation laws applicable to the Group's operations, which may have a material adverse effect on the financial position of the Group. Individual tax circumstances may differ from investor to investor and persons acquiring Ordinary Shares are advised to seek tax advice based upon their personal circumstances.

Additional capital requirements

The Group will require additional capital in the future, which may not be available to it, in which case the ongoing financial viability of the Group will be adversely affected. Future financings to provide this capital may dilute Shareholders' proportionate ownership in the Company. The Company may raise capital in the future through public or private equity financings or by raising debt securities convertible into Ordinary Shares, or rights to acquire these securities. Any such issues may exclude the pre-emption rights pertaining to the then outstanding shares. If the Company raises significant amounts of capital by these or other means, it could cause dilution for the Company's existing Shareholders. Moreover, the further issue of Ordinary Shares could have a negative impact on the trading price and increase the volatility of the market price of the Ordinary Shares. The Company may also issue further Ordinary Shares, or create further options over Ordinary Shares, as part of its employee remuneration policy, which could in aggregate create a substantial dilution in the value of the Ordinary Shares and the proportion of the Company's share capital in which investors are interested.

Forward looking statements

Events in the past, or experience derived from these, or indeed present facts, beliefs or circumstances, or assumptions derived from any of these, do not predetermine the future. Hopes, aims, targets, plans or intentions contained in this Document are no more than that and should not be construed as forecasts.

This Document contains certain forward-looking statements that are subject to certain risks and uncertainties, in particular statements regarding the Group's plans, goals and prospects. These statements and the assumptions that underpin them are based on the current expectations of the Directors and are subject to a number of factors, many of which are beyond their control. As a result, there can be no assurance that the actual performance of the Group will not differ materially from the matters described in this Document.

Admission to trading on AIM

The Existing Ordinary Shares are, and the New Ordinary Shares will be, admitted to trading on AIM a market designed primarily for emerging or smaller companies to which a higher investment risk tends to be attached than to larger or more established companies. The Ordinary Shares will not be admitted to the Official List. An investment in AIM quoted shares may carry a higher risk than an investment in shares quoted on the Official List.

The investment described in this Document is speculative and may not be suitable for all recipients of this document. Potential investors are accordingly advised to consult a person authorised under FSMA who specialises in advising in investments of this kind before making any investment decisions. A prospective investor should consider carefully whether an investment in the Company is suitable in the light of his/her personal circumstances and the financial resources available to him/her.

PART IV

ADDITIONAL INFORMATION

1. Responsibility

The Company and the Directors whose names appear on page 6 accept responsibility both collectively and individually for the information contained in this Document. To the best of the knowledge and belief of the Company and the Directors (who have taken all reasonable care to ensure that such is the case), the information contained in this Document is in accordance with the facts and does not omit anything likely to affect the import of such information.

2. Share capital

- 2.1 The current authorised share capital of the Company is £30,000,000 divided into 3,337,357,765 Ordinary Shares of 0.5 pence each and 140,139,065 Deferred shares of 9.5 pence each.
- 2.2 The issued share capital of the Company as at the date of this Document is 296,122,583 Ordinary Shares all of which are fully paid and 140,139,065 Deferred Shares all of which are fully paid.
- 2.3 At the Annual General Meeting of the Company on 18 August 2009 resolutions of the members of the Company were passed authorising the Directors to allot, grant options over, deal with or dispose of any relevant securities free of applicable statutory pre-emption rights up to an aggregate nominal amount of the authorised but unissued share capital of the Company. This authority was granted for a period expiring at the conclusion of the next Annual General Meeting of the Company.
- 2.4 With the exception of outstanding options and warrants over a total of 14,845,855 Ordinary Shares (representing 4.47 per cent. of the fully diluted Enlarged Share Capital (assuming full take up under the Open Offer and 4.77 per cent. assuming no take up under the Open Offer)) there are no Ordinary Shares under option.
- 2.5 Since the Accounts the Company has issued or agreed to issue the following Ordinary Shares in the Company.

<i>Date</i>	<i>Amount</i>	<i>Number of Ordinary Shares</i>	<i>Price per share (pence)</i>	<i>Reason</i>
9 November 2009	£2,098,017	139,867,833	1.5	Pursuant to the Placing, announced on 10 December 2009
9 November 2009	£68,300	4,553,373	1.5	In satisfaction of services provided to the Company by certain suppliers and consultants
9 November 2009	US\$15,000	501,178	1.836	In satisfaction of services provided to the Company by a supplier
10 December 2009	£95,917	6,394,467	1.5	In settlement of accrued but unpaid remuneration and benefits to Directors
10 December 2009	£70,000	4,666,667	1.5	Pursuant to an additional placing, announced on 10 December 2009

- 2.6 The Open Offer (assuming full subscription under the Open Offer) will result in the issue of up to 21,151,613 Offer Shares. The Company's authorised and issued share capital as at the date of this

Document is, and (assuming full subscription under the Open Offer) immediately following Admission will be:

	<i>As at the date of this Document</i>			<i>Immediately following Admission</i>		
	<i>Amount (£)</i>	<i>Number of Ordinary Shares</i>	<i>Number of Deferred Shares</i>	<i>Amount (£)</i>	<i>Number of Ordinary Shares</i>	<i>Number of Deferred Shares</i>
Authorised	30,000,000	3,337,357,765	140,139,065	30,000,000	3,337,357,765	140,139,065
Issued	140,793,824.09	296,122,583	140,139,065	14,899,582.16	317,274,196	140,139,065

- 2.7 On Admission, assuming full subscription under the Open Offer, Shareholders who do not participate in the Open Offer by subscribing for their *pro rata* entitlement in full will suffer an immediate dilution of 6.7 per cent. of their interests in the Company.

3. Directors' interests

- 3.1 The interests of each of the Directors in the share capital of the Company (all of which are beneficial unless otherwise stated) which have been or will be required to be notified to the Company pursuant to section 5.1 of the FSA's Disclosure and Transparency Rules or which will be required to be entered into the register maintained under the provisions of Section 808 of the Act (or which are interests of a person connected with a Director within the meaning of Sections 252 to 254 of the Act ("connected person")), which interests would be required to be disclosed pursuant to the FSA's Disclosure Rules and Transparency Rules, and the existence of which is known to the Directors or could with reasonable diligence be ascertained by them as at the date of this Document (being the last date practicable prior to the publication of this Document) and are expected to be at Admission, are as set out below:

3.1.1. Ordinary Shares

<i>Director</i>	<i>As at the date of this Document</i>	
	<i>Number of Ordinary Shares held</i>	<i>Percentage of Share Capital</i>
Bill Clough	39,078,617	13.20%
Mike Hodgson	1,690,000	0.57%
Clive Line	1,943,333	0.66%
Graham Roberts	2,790,301	0.94%

3.1.2. Share Options

<i>Director</i>	<i>As at the date of this Document</i>		
	<i>Number of Ordinary Shares over which options have been granted</i>	<i>Option price</i>	<i>Exercise period</i>
Bill Clough	1,029,916	15p	30 November 05– 1 April 16
	686,611	30p	1 April 06– 1 April 16
Mike Hodgson	600,000	32.25p	18 January 08– 17 January 17
	400,000	36.85p	15 November 08– 14 November 17

<i>As at the date of this Document</i>			
<i>Director</i>	<i>Number of Ordinary Shares over which options have been granted</i>	<i>Option price</i>	<i>Exercise period</i>
Clive Line	572,176	15p	30 November 05– 1 April 16
	572,176	30p	1 April 06– 1 April 16
Graham Roberts	1,373,222	15p	30 November 05– 1 April 16
	915,481	30p	1 April 06– 1 April 16

- 3.2 Save as disclosed above, at the date of this Document, no Director, or any connected person, has any interest, beneficial or otherwise, in the share or loan capital of the Group.
- 3.3 Save for the options that have been granted to the Directors detailed in paragraph 3.1.2 of this Part IV and the details set out below in this paragraph 3.3, the Directors receive no Ordinary Shares or options over Ordinary Shares in lieu of remuneration or as any form of compensation except for the allotment of 6,394,467 new Ordinary Shares issued to the Directors in settlement of accrued but unpaid remuneration and benefits under the terms of their existing service contracts amounting to £95,917 at 1.5 pence per share.
- 3.4 The Company granted warrants to Beaumont Cornish on 9 November 2009 to subscribe for up to 1,550,000 new Ordinary Shares at an exercise price of 1.5 pence per new Ordinary Share. Beaumont Cornish shall be entitled to exercise these warrants at any time within the period commencing 12 months after the date of grant and ending on the date four years from the date of grant. If, within the 12 month period following the date of grant, Beaumont Cornish ceases, at the Company's election, to be appointed as the nominated adviser to the Company, Beaumont Cornish may then exercise the warrants within the 12 month period, subject to the four year long-stop date.
- 3.5 None of the Directors has any contractual or other right to receive any bonus from the Company and there is no arrangement under which any Director has waived or agreed to waive future emoluments.

4. Litigation

Neither the Company nor its subsidiary is, nor has either of them been engaged in the previous 12 months, in any governmental, legal or arbitration proceedings which may have, or have had, any significant effect on the Group's financial position or profitability nor, so far as the Company is aware, are there any such proceedings pending or threatened by or against the Company or its subsidiary.

5. Material contracts

Save for the following contracts (not being contracts entered into in the ordinary course of business) the Group has not, since the date of the Accounts, entered into any contract which is or may be material or any other contract (not being a contract entered into in the ordinary course of business) which contains any provision under which the Company or its subsidiaries have any obligation or entitlements which are material to it at the date of this Document:

- 5.1 An Orderly Market Agreement dated 9 November 2009 between the Company, Beaumont Cornish and Greenwood pursuant to which Greenwood has undertaken not to dispose of any of its Ordinary Shares for a period of twelve months after Admission. Pursuant to the Orderly Market Agreement Greenwood shall have the right to nominate a director to the Board of the Company for as long as

Greenwood holds Ordinary Shares representing 15 per cent. or more of the entire issued capital of the Company from time to time. The Orderly Market Agreement shall not apply to a transfer of shares:

5.1.2 Pursuant to:

- (a) an acceptance of a takeover offer for the entire issued share capital of the Company (or such share capital other than any shares held or acquired or contracted to be acquired by the offeror or by any associate of the offeror within the meaning of section 988 of the Act) recommended for acceptance by the Board (or, if applicable, the independent Board members in relation to such takeover offer) or which has become unconditional as to acceptances;
- (b) a compromise or arrangement between the Company and its creditors or any class of them or between the Company and its members or any class of them which is agreed to by the creditors or members and sanctioned under sections 895 to 901 of the Act or section 110 of the Insolvency Act 1986;
- (c) any offer by the Company to purchase its own shares which is made on identical terms to the holders of shares of the same class and otherwise complies with the Act;
- (d) any disposal to a member of the same group of companies as that of which Greenwood is a member, provided that such transferee enters into an undertaking in the same terms as hereof;

5.1.3 in order to prevent Greenwood being required to make a mandatory offer pursuant to Rule 9 of the City Code; or

5.1.4 on the sale by Greenwood of shares in Serabi arising on the exercise of a right to subscribe such shares under a Serabi open offer or rights issue, provided that (in any case):

- (a) such exercise is made by Greenwood in respect of a larger number of shares than those so sold;
- (b) the number sold is no more than is necessary to make such exercise (taking into account such sale) a self-financing transaction; and
- (c) the sale is made on or as soon as practicable after such exercise.

5.2 A convertible loan agreement dated 9 November 2009 between the Company and Greenwood pursuant to which Greenwood has made a loan facility of £300,000 to the Company on the following terms:

5.2.1 the loan may be drawn down by the Company at any time on or before 31 December 2010;

5.2.2 interest shall accrue at the rate of 1 per cent. per annum and is compounded;

5.2.3 the loan is repayable by the Company on 31 October 2014. Repayment is subject to the right of Greenwood 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 1.5 pence per Ordinary Share up to a maximum of 20 million Ordinary Shares (excluding any accrued interest);

5.2.4 if Greenwood is not able to convert any amounts of the loan into Ordinary Shares as a result of being prevented by applicable rules and legislation or in the event that the conversion is unduly onerous on Greenwood (which includes an obligation under Rule 9 of the City Code to make a mandatory offer) the repayment date will be extended;

5.2.5 the Company has no ability to pre-pay any amounts drawn down without the prior written consent of Greenwood; and

- 5.2.6 the loan may be treated by Greenwood as repayable in the event of the happening of certain events of default. The relevant events of default include circumstances where the Company is unable to pay its debts as they fall due, the Company commences negotiations with any one or more of its creditors with a view to the re-adjustment or rescheduling of all or part of its indebtedness, the Company makes a general assignment for the benefit of or a composition with its creditors or the Company takes any corporate action or other steps are taken or legal or other proceedings are started for its winding-up dissolution or reorganisation or for the appointment of a receiver, administrative receiver, administrator, trustee or similar officer of it or any of its assets over the Company or any of its assets.
- 5.3 A letter of Engagement dated 9 November 2009 between the Company and Beaumont Cornish under which Beaumont Cornish agreed to act as nominated adviser and broker for the Company in connection with the Placing.
- 5.4 An agreement dated 9 November 2009 between the Company and Computershare Investor Services PLC under which Computershare Investor Services PLC agreed to act as receiving agent in connection with the Open Offer.
- 6. General**
- 6.1 NCL has given and not withdrawn its written consent to the inclusion in this Document of its name and the references thereto in the form and context in which they appear.
- 6.2 Beaumont Cornish Limited has given and not withdrawn its written consent to the inclusion in this Document of its name and the references thereto in the form and context in which they appear.
- 6.3 Save as disclosed in this Document, there are no employee incentive arrangements involving a share in the capital of the Company in place at the date of this Document.
- 6.4 The Offer Price represents a premium of 1 pence over the nominal value of one half pence per Ordinary Share. The premium arising on the Open Offer, assuming full subscription under the Open Offer, amounts to approximately £211,516.13 in aggregate and, assuming no subscription under the Open Offer, amounts to £Nil.
- 6.5 The total amount of the expenses (excluding commissions) of the Open Offer is estimated at £45,000 which is payable out of the proceeds of the Placing and Open Offer.
- 6.6 This Document will be available on the Company's website at www.serabimining.com free of charge in accordance with the requirements of the AIM Rules.

PART V

DETAILS OF THE OPEN OFFER

1. Introduction

The Open Offer has been structured so as to allow Eligible Shareholders to subscribe for New Ordinary Shares at the Offer Price *pro rata* to their existing shareholdings. Eligible Shareholders may in addition make applications for additional Offer Shares in excess of their initial *pro rata* entitlement under the Open Offer. Once initial *pro rata* entitlements have been satisfied, the Company shall, in its absolute discretion, determine whether to meet any excess applications in full or in part. To the extent that Offer Shares are not subscribed for by existing Shareholders, the Company reserves the right to offer such excess shares to third parties and the Open Offer Entitlements will lapse for nil value to the relevant Shareholders.

2. Open Offer

The Company hereby invites Eligible Shareholders to apply, on and subject to the terms and conditions set out herein and in the Application Form and/or CREST Excess Application Form, and subject to the Articles of Association of the Company, for Offer Shares at a price of 1.5 pence per Offer Share, free from all expenses, payable in cash in full on application.

Subject to fulfilment of the conditions set out below and in the Application Form and/or CREST Excess Application Form, Eligible Shareholders are being given the opportunity to subscribe for the Offer Shares at the Offer Price payable in full on application and free of all expenses, *pro rata* to their existing shareholdings, on the basis of:

1 Open Offer Share for every 14 Existing Ordinary Shares

held at the Open Offer Record Date and so on in proportion for any greater number of Ordinary Shares then held. Entitlements of Eligible Shareholders will be rounded down to the nearest whole number of Offer Shares. Fractional entitlements which would have otherwise arisen will not be issued. The entitlements of Eligible CREST Shareholders is equal to the number of Open Offer Entitlements standing to the credit of their stock account in CREST and in addition Eligible CREST Shareholders will receive a personalised CREST Excess Application Form. Any monies paid in excess of the amount due in respect of an application will be returned to the applicant (at the applicant's risk and without interest) within 14 days by way of cheque. The action to be taken in relation to the Open Offer depends on whether, at the time at which application and payment is made, you have an Application Form in respect of your entitlement under the Open Offer or have Open Offer Entitlements credited to your stock account in CREST in respect of such entitlement.

The Offer Shares issued pursuant to the Open Offer will, when issued and fully paid, rank *pari passu* in all respects with and will carry the same voting and dividend rights as, the Existing Ordinary Shares.

The Open Offer is conditional, *inter alia*, on Admission. It is expected that Admission will occur and dealings in the Open Offer Shares will commence on 9 December 2009. If such condition is not fulfilled on or before 8.00 a.m. on 16 December 2009 (or such later date, being not later than 8.00 a.m. on 23 December 2009, as the Company may decide) application monies are expected to be returned without interest by crossed cheque in favour of the applicant(s) (at the applicant's risk) by post as soon as practicable after that date and any Open Offer Entitlements admitted to CREST will be disabled. Any interest earned on the application monies will be retained for the benefit of the Company.

The Open Offer is not a rights issue. Eligible Shareholders should note that the Application Form and/or CREST Excess Application Form is not a negotiable document and cannot be traded. Eligible Shareholders should also be aware that in the Open Offer, unlike in a rights issue, any Offer Shares not applied for will not be sold in the market or placed for the benefit of Eligible Shareholders who do not apply under the Open Offer.

Completed Application Forms, accompanied by full payment, should be returned by post or by hand (during normal business hours only) to Computershare Investor Services PLC, Corporate Actions Projects, The Pavilions, Bridgwater Road, Bristol BS99 6AH so as to arrive as soon as possible and in any event so as to be received no later than 3.00 p.m. on 2 December 2009.

3. Procedure for Application

The action to be taken by you in respect of the Open Offer depends on whether at the relevant time you have an Application Form in respect of your entitlement under the Open Offer or you have Open Offer Entitlements credited to your CREST stock account in respect of such entitlement. CREST sponsored members should refer to their CREST sponsor, as only their CREST sponsor will be able to take the necessary action specified below to apply under the Open Offer in respect of the Open Offer Entitlements of such members held in CREST. CREST members who wish to apply under the Open Offer in respect of their Open Offer Entitlements in CREST should refer to the CREST Manual for further information on the CREST procedures referred to below. If for any reason it becomes necessary to adjust the expected timetable as set out in this Document, the Company will make an appropriate announcement to a Regulatory Information Service operated by the London Stock Exchange giving details of the revised dates.

Eligible non-CREST Shareholders (Shareholders who hold share certificates)

(i) *If you have an Application Form in respect of your entitlement under the Open Offer*

(a) General

Subject to the provisions set out in this Part V in relation to the Overseas Shareholders, Eligible non-CREST Shareholders will have received an Application Form enclosed with this Document. The Application Form shows the number of Existing Ordinary Shares registered in your name on the Open Offer Record Date. It also shows the number of Offer Shares for which you are entitled to apply under the Open Offer, (on an initial *pro rata* basis) as shown by the total number of Offer Shares allocated to you. You may apply for more than your initial *pro rata* entitlement should you wish to do so. You may also hold such an Application Form by virtue of a legitimate market claim. The instructions and other terms set out in the Application Form constitute part of the terms of the Open Offer.

(b) Market Claims

Applications may only be made on the Application Form which is personal to the Eligible Shareholder(s) named thereon and may not be assigned, transferred or split except in the circumstances described below. **The Application Form represents the right to apply for Offer Shares and is not a document of title and cannot be separately traded.** It is transferable only to satisfy legitimate market claims in relation to market purchases pursuant to the rules of the London Stock Exchange prior to the Existing Ordinary Shares being marked “ex” the entitlement to the Open Offer. Applications may be split or consolidated only to satisfy legitimate market claims up to 3.00 p.m. on 30 November 2009. Any Eligible non-CREST Shareholder who has sold or transferred all or part of his holding of Existing Ordinary Shares prior to the date upon which the Existing Ordinary Shares were marked “ex” the entitlement to the Open Offer, should consult his stockbroker or other professional adviser as soon as possible since the invitation to acquire Offer Shares under the Open Offer may represent a benefit which can be claimed from him by the purchaser or transferee under the rules of the London Stock Exchange. Eligible non-CREST Shareholders who have sold all or part of their registered holdings should, if the market claim is to be settled outside CREST, complete Box J on the Application Form and immediately send it to the purchaser or transferee or the bank, stockbroker or other agent through whom or by whom the sale or transfer was effected for transmission to the purchaser or transferee.

The Application Form should not, however, subject to certain exceptions, be forwarded to or transmitted in or into the United States of America, Australia, New Zealand, Canada, the Republic of Ireland, Japan or the Republic of South Africa.

(c) Application Procedures

Eligible non-CREST Shareholders wishing to apply for Offer Shares should complete the Application Form in accordance with the instructions printed thereon and post it in the accompanying reply paid envelope or return it, together with payment in full for the number of Offer Shares applied for, to Computershare Investor Services PLC, Corporate Actions Projects, The Pavilions, Bridgwater Road, Bristol BS99 6AH, so as to arrive not later than 3.00 p.m. on 2 December 2009. After this time, applications will not be accepted.

If any Application Form is sent by first class post within the United Kingdom, Eligible non-CREST Shareholders are recommended to allow at least five business days for delivery. The Company may elect in its absolute discretion to accept Application Forms and remittances received after 3.00 p.m. on 2 December 2009. The Company may also in its sole discretion elect to treat an Application Form as valid and binding on the person(s) by whom or on whose behalf it is lodged, even if it is not completed in accordance with the relevant instructions, or if it does not strictly comply with the terms and conditions of application. Applications will not be acknowledged.

The Company, also reserves the right (but shall not be obliged) to accept applications in respect of which remittances are received prior to 3.00 p.m. on 2 December 2009 from an authorised person (as defined in FSMA) specifying the number of Offer Shares concerned and undertaking to lodge the relevant Application Form in due course.

(d) Excess Application Facility

Eligible non-CREST Shareholders who wish to make applications for additional Offer Shares (in excess of their initial *pro rata* entitlement) should complete and sign the enclosed Application Form in accordance with the instructions thereon and send or deliver it in the reply paid envelope together with a remittance for the full amount payable for the Offer Shares applied for, by post to **Computershare Investor Services PLC, Corporate Actions Projects, The Pavilions, Bridgwater Road, Bristol BS99 6AH**, or by hand (during normal business hours only) to **Computershare Investor Services PLC, Corporate Actions Projects, The Pavilions, Bridgwater Road, Bristol BS13 8AE** so as to arrive as soon as possible and in any event so as to be received not later than 3.00 p.m. on 2 December 2009 at which time the Open Offer will close. Applications, once made, will be irrevocable. If an Application Form is sent within the UK by first class post, Eligible non-CREST Shareholders are recommended to allow at least five business days for delivery.

Payments must be made by cheque or bankers' draft in pounds sterling drawn on a branch in the United Kingdom of a bank or building society and must bear the appropriate sort code in the top right hand corner. Cheques, which must be drawn on the personal account of the individual investor where they have sole or joint title to the funds, should be made payable to "**Computershare Investor Services PLC** re: "Serabi Mining plc Open Offer A/C"" and crossed "A/C payee only". Third party cheques may not be accepted with the exception of building society cheques or bankers' drafts where the building society or Bank has confirmed the name of the account holder by stamping or endorsing the building society cheque/bankers' draft to such effect. The account name should be the same as that shown on the application. Cheques or bankers' drafts will be presented for payment upon receipt. The Company reserves the right to instruct **Computershare Investor Services PLC** to seek special clearance of cheques and bankers' drafts to allow the Company to obtain value for remittances at the earliest opportunity. No interest will be allowed on payments made before they are due and any interest earned on such payments will accrue for the benefit of the Company. It is a term of the Open Offer that cheques will be honoured on first presentation, and the Company may elect in its absolute discretion to treat as invalid, acceptances in respect of which cheques are not so honoured. If cheques or bankers' drafts are presented for payment before the conditions of the Open Offer are fulfilled, the application monies will be kept in a separate bank account pending fulfilment of such conditions. If the condition of the Open Offer has not been fulfilled by 8.00 a.m. on 16 December 2009 (or such later date as the Company may, in its absolute discretion, elect, but in any event not later than 8.00 a.m. on 23 December 2009), the Open Offer will lapse and application monies will be returned to applicants (at the applicants' risk), without interest, by crossed cheque in favour of the applicant(s) within 14 days after that date.

The provisions of this paragraph apply to all applications made by Eligible non-CREST Shareholders in respect of excess applications and Eligible non-CREST Shareholders are advised to read these paragraphs in full before completing the Application Form.

All enquiries in connection with the procedure for making an excess application and completing the Application Form should be addressed to Computershare Investor Services PLC, Corporate Actions Projects, The Pavilions, Bridgwater Road, Bristol BS99 6AH.

(e) Payments

Under the Money Laundering Regulations 2007, Computershare Investor Services PLC may be required to check the identity of persons who subscribe for in excess of the sterling equivalent of €15,000 of Offer Shares. Computershare Investor Services PLC may therefore undertake electronic searches for the purposes of verifying identity. To do so Computershare Investor Services PLC may verify the details against the Applicant's identity, but also may request further proof of identity. Computershare Investor Services PLC reserve the right to withhold any entitlement (including any refund cheque) until such verification of identity is completed to its satisfaction.

Payments must be made by cheque or bankers' draft in pounds sterling drawn on a branch in the United Kingdom of a bank or building society and must bear the appropriate sort code in the top right hand corner. Cheques, which must be drawn on the personal account of the individual investor where they have sole or joint title to the funds, should be made payable to "**Computershare Investor Services PLC** re: "Serabi Mining plc Open Offer A/C"" and crossed "A/C payee only". Third party cheques may not be accepted with the exception of building society cheques or banker's drafts where the building society or Bank has confirmed the name of the account holder by stamping or endorsing the building society cheque/bankers' draft to such effect. The account name should be the same as that shown on the application. Cheques or bankers' drafts will be presented for payment upon receipt. The Company reserves the right to instruct Computershare Investor Services PLC to seek special clearance of cheques and bankers' drafts to allow the Company to obtain value for remittances at the earliest opportunity. No interest will be allowed on payments made before they are due and any interest earned on such payments will accrue for the benefit of the Company. It is a term of the Open Offer that cheques will be honoured on first presentation, and the Company may elect in its absolute discretion to treat as invalid, acceptances in respect of which cheques are not so honoured. If cheques or bankers' drafts are presented for payment before the conditions of the Open Offer are fulfilled, the application monies will be kept in a separate bank account pending fulfilment of such conditions. If all the conditions of the Open Offer have not been fulfilled or (where appropriate) waived by 8.00 a.m. on 16 December 2009 (or such later date as the Company may, in its absolute discretion, elect, but in any event not later than 8.00 a.m. on 23 December 2009), the Open Offer will lapse and application monies will be returned to applicants (at the applicants' risk), without interest, by crossed cheque in favour of the applicant(s) within 14 days after that date.

(f) Effect of Application

All documents and remittances sent by post by or to an applicant (or as the applicant may direct) will be sent at the applicant's own risk. By completing and delivering an Application Form, you (as the applicant(s)):

- (i) agree that all applications, and contracts resulting therefrom, under the Open Offer shall be governed by, and construed in accordance with, the laws of England;
- (ii) confirm that in making the application you are not relying on any information or representations relating to the Company other than such as may be contained in this Document and you accordingly agree that no person responsible solely or jointly for this Document or any part thereof or involved in the preparation thereof shall have any liability for any such information or representation not contained in this Document;
- (iii) represent and warrant that if you have received some or all of your entitlements under the Open Offer from a person other than the Company, you are entitled to apply under the Open Offer in relation to such entitlements under the Open Offer by virtue of a legitimate market claim;

- (iv) represent and warrant that either (i) you are not a US person and are not applying on behalf or with a view to the re-offer, re-sale or delivery of the New Ordinary Shares directly or indirectly in, into or from the United States or to a US person or (ii) you are a US person pursuant to an express agreement with the Company, after having satisfied or after such US person has/have satisfied the Company that a relevant exemption from the registration requirements of the Securities Act applies to you or such US person;
- (v) represent and warrant that you are not a citizen or a resident of, or have a registered or mailing address in the United States (except as permitted under Rule 903 of Regulation S), Canada, Australia, the Republic of Ireland, Republic of South Africa or Japan that you do not hold and have not acquired the Existing Ordinary Shares for the account or benefit of a US person, a Canadian person, an Australian person, an Irish person, South African person or a Japanese person or with a view to the offer, sale, transfer or delivery, directly or indirectly, of any of the Existing Ordinary Shares (or any rights in respect of such shares) incurring in, into the United States, Canada, Australia, the Republic of Ireland, Republic of South Africa or or Japan to such a person; and
- (vi) represent and warrant that you are not applying as a person (or as nominee or agent for such a person) who is or may be liable to notify and account for tax under the Stamp Duty Reserve Tax Regulations 1986 at any of the increased rates referred to in sections 67, 70, 93 or 96 (depository receipts and clearance services) of the Finance Act 1986.

The instructions, notes and other terms set out in the Application Form, form part of the terms of the Open Offer.

If you do not wish to apply for any of the Offer Shares to which you are entitled under the Open Offer, you should not complete and return the Application Form.

If you are in doubt whether or not you should apply for any of the Offer Shares under the Open Offer, you should consult your independent financial adviser immediately.

All enquiries in relation to the procedure for application for Eligible non-CREST Shareholders under the Open Offer should be addressed to Computershare Investor Services PLC.

Eligible CREST Shareholders (Shareholders who hold shares in CREST)

- (ii) *If you have Open Offer Entitlements credited to your stock account in CREST in respect of your entitlement under the Open Offer*
- (a) General

The Directors will apply for the Offer Shares to be admitted to CREST with effect from Admission so that settlement of transactions in the Offer Shares following Admission may take place within the CREST system if the relevant Shareholder so wishes. CREST is a voluntary system and holders of Ordinary Shares who wish to receive and retain share certificates will be able to do so. Persons subscribing for Offer Shares as part of the Open Offer may, however, elect to receive Ordinary Shares in uncertificated form if they are a “system member” (as defined in the CREST Regulations).

In general, the Ordinary Shares that are held in uncertificated form under CREST will be subject to the rules, regulations and procedures governing CREST and its system members as in effect from time to time. Ownership of an Ordinary Share held in uncertificated form under CREST may only be transferred in compliance with the procedures of CREST in effect from time to time.

Subject to the provisions set out in the relevant paragraph dealing with Overseas Shareholders in this Part V, each Eligible CREST Shareholder will receive a credit to his stock account in CREST of his Open Offer Entitlements equal to the number of Offer Shares for which he is entitled to apply under the Open Offer.

The CREST stock account to be credited will be an account under the participant ID and member account ID that apply to the Existing Ordinary Shares held on the Open Offer Record Date by the

Eligible CREST Shareholder in respect of which the Open Offer Entitlements have been allocated. If for any reason the Open Offer Entitlements cannot be admitted to CREST, or the stock accounts of Eligible CREST Shareholders cannot be credited by close of business on 25 November 2009, or such later time as the Company may decide, an Application Form will be sent out to each Eligible CREST Shareholder in substitution for the Open Offer Entitlements credited to his stock account in CREST. In these circumstances the expected timetable as set out in this Document will be adjusted as appropriate and the provisions of this Document applicable to Eligible non-CREST Shareholders with Application Forms will apply to Eligible CREST Shareholders who receive Application Forms.

CREST members who wish to apply for some or all of their entitlements to Offer Shares should refer to the CREST Manual for further information on the CREST procedures referred to below. Should you need advice with regard to these procedures, please contact the CREST Service Desk on 08459 645 648 (+44 20 7849 0199 if you are calling from outside the UK). If you are a CREST sponsored member you should consult your CREST sponsor if you wish to apply for Offer Shares as only your CREST sponsor will be able to take the necessary action to make this application in CREST.

(b) Market claims

The Open Offer Entitlements will constitute a separate security for the purposes of CREST. Although Open Offer Entitlements will be admitted to CREST and be enabled for settlement, applications in respect of Open Offer Entitlements may only be made by the Eligible CREST Shareholder originally entitled or by a person entitled by virtue of a legitimate market claim transaction. Transactions identified by the CREST Claims Processing Unit as “cum” the Open Offer Entitlement will generate an appropriate market claim transaction and the relevant Open Offer Entitlement(s) will thereafter be transferred accordingly.

(c) Excess Application Facility

Eligible CREST Shareholders who wish to make applications for additional Offer Shares (in excess of their initial *pro rata* entitlement) should complete and sign the enclosed CREST Excess Application Form in accordance with the instructions thereon and send or deliver it in the reply paid envelope together with a remittance for the full amount payable for the Offer Shares applied for, by post or by hand (during normal business hours only) to **Computershare Investor Services PLC, Corporate Actions Projects, The Pavilions, Bridgwater Road, Bristol BS13 8AE** so as to arrive as soon as possible and in any event so as to be received not later than 3.00 p.m. on 2 December 2009 at which time the Open Offer will close. Applications, once made, will be irrevocable. If a CREST Excess Application Form is sent within the UK by first class post, Eligible CREST Shareholders are recommended to allow at least five business days for delivery.

Payments must be made by cheque or bankers’ draft in pounds sterling drawn on a branch in the United Kingdom of a bank or building society and must bear the appropriate sort code in the top right hand corner. Cheques, which must be drawn on the personal account of the individual investor where they have sole or joint title to the funds, should be made payable to “**Computershare Investor Services PLC**, re: “Serabi Mining plc Open Offer A/C”” and crossed “A/C payee only”. Third party cheques may not be accepted with the exception of building society cheques or bankers’ drafts where the building society or Bank has confirmed the name of the account holder by stamping or endorsing the building society cheque/bankers’ draft to such effect. The account name should be the same as that shown on the application. Cheques or bankers’ drafts will be presented for payment upon receipt. The Company reserves the right to instruct **Computershare Investor Services PLC** to seek special clearance of cheques and bankers’ drafts to allow the Company to obtain value for remittances at the earliest opportunity. No interest will be allowed on payments made before they are due and any interest earned on such payments will accrue for the benefit of the Company. It is a term of the Open Offer that cheques will be honoured on first presentation, and the Company may elect in its absolute discretion to treat as invalid, acceptances in respect of which cheques are not so honoured. If cheques or bankers’ drafts are presented for payment before the conditions of the Open Offer are fulfilled, the application monies will be kept in a separate bank account pending fulfilment of such conditions. If

all the conditions of the Open Offer have not been fulfilled or (where appropriate) waived by 8.00 a.m. on 16 December 2009 (or such later date as the Company may, in its absolute discretion, elect, but in any event not later than 8.00 a.m. on 23 December 2009), the Open Offer will lapse and application monies will be returned to applicants (at the applicants' risk), without interest, by crossed cheque in favour of the applicant(s) within 14 days after that date.

The provisions of this paragraph apply to all applications made by Eligible CREST Shareholders in respect of excess applications and Eligible CREST Shareholders are advised to read these paragraphs in full before completing the CREST Excess Application Form. All enquiries in connection with the procedure for making an excess application and completing the CREST Excess Application Form should be addressed to **Computershare Investor Services PLC, Corporate Actions Projects, The Pavilions, Bridgwater Road, Bristol BS99 6AH.**

(d) USE Instructions

CREST members who wish to apply for Offer Shares in respect of all or some of their Open Offer Entitlements in CREST must send (or, if they are CREST sponsored members, procure that their CREST sponsor sends) an Unmatched Stock Event ("USE") instruction to Euroclear which, on its settlement, will have the following effect:

- (i) the crediting of a stock account of capital under the participant ID and member account ID specified below, with a number of Open Offer Entitlements corresponding to the number of Offer Shares applied for; and
- (ii) the creation of a CREST payment, in accordance with the CREST payment arrangements, in favour of the payment bank of capital in respect of the amount specified in the USE instruction which must be the full amount payable on application for the number of Offer Shares referred to in paragraph (i) above.

(e) Content of USE Instructions

The USE instruction must be properly authenticated in accordance with Euroclear's specifications and must contain, in addition to the other information that is required for settlement in CREST, the following details:

- (i) the number of Offer Shares for which application is being made (and hence the number of the Open Offer Entitlement(s) being delivered to the Registrar);
- (ii) the ISIN of the Open Offer entitlement. This is GB00B57ZYC29;
- (iii) the participant ID of the accepting CREST member;
- (iv) the member account ID of the accepting CREST member from which the Open Offer Entitlements are to be debited;
- (v) the participant ID of the Registrar, in its capacity as a CREST receiving agent. This is 3RA26;
- (vi) the member account ID of the Registrar, in its capacity as a CREST receiving agent. This is SERABI01;
- (vii) the amount payable by means of a CREST payment on settlement of the USE instruction. This must be the full amount payable on application for the number of Offer Shares referred to in paragraph (i) above;
- (viii) the intended settlement date. This must be on or before 2.00 p.m. on 2 December 2009; and
- (ix) the Corporate Action Number for the Open Offer. This will be available by viewing the relevant corporate action details in CREST.

In order for an application under the Open Offer to be valid, the USE instruction must comply with the requirements as to authentication and contents set out above and must settle on or before 2.00 p.m. on 2 December 2009.

In order to assist prompt settlement of the USE instruction, CREST members (or their sponsors, where applicable) may consider adding the following non-mandatory fields to the USE instruction:

- (i) a contact name and telephone number (in the free format shared note field); and
- (ii) a priority of at least 80. CREST members and, in the case of CREST sponsored members, their CREST sponsors, should note that the last time at which a USE instruction may settle on 2 December 2009 in order to be valid is 2.00 p.m. on that day. In the event that the Open Offer does not become unconditional by 8.00 a.m. on 16 December 2009 or such later time and date as the Company may, in its absolute discretion, elect (being no later than 8.00 a.m. on 23 December 2009), the Open Offer will lapse, the Open Offer Entitlements admitted to CREST will be disabled and the Registrar will refund the amount paid by a Eligible CREST Shareholder by way of a CREST payment, without interest, within 14 days thereafter. The interest earned on such monies will be retained for the benefit of the Company.

(f) Deposit of Open Offer Entitlements into and withdrawal from CREST

An Eligible non-CREST Shareholder's entitlement under the Open Offer as shown by the number of Open Offer Entitlements set out in his Application Form may be deposited into CREST (either into the account of the Eligible non-CREST Shareholder named in the Application Form or into the name of a person entitled by virtue of a legitimate market claim). Similarly, Open Offer Entitlements held in CREST may be withdrawn from CREST so that the entitlement under the Open Offer is reflected in an Application Form. Normal CREST procedures (including timings) apply in relation to any such deposit or withdrawal, subject (in the case of a deposit into CREST) as set out in the Application Form.

A holder of an Application Form who is proposing to so deposit the Open Offer Entitlements set out in such form is recommended to ensure that the deposit procedures are implemented in sufficient time to enable the person holding or acquiring the Open Offer Entitlements following their deposit into CREST to take all necessary steps in connection with taking up the Open Offer Entitlements prior to 2.00 p.m. on 2 December 2009. In particular, having regard to normal processing times in CREST and on the part of the Registrar, the recommended latest time for depositing an Application Form with the CREST Courier and Sorting Service, where the person entitled wishes to hold the Open Offer Entitlements under the Open Offer set out in such Application Form as Open Offer Entitlements in CREST, is 3.00 p.m. on 27 November 2009, and the recommended latest time for receipt by Euroclear of a dematerialised instruction requesting withdrawal of Open Offer Entitlements from CREST is 4.30 p.m. on 25 November 2009, in either case so as to enable the person acquiring or (as appropriate) holding the Open Offer Entitlements following the deposit or withdrawal (whether as shown in an Application Form or held in CREST) to take all necessary steps in connection with applying in respect of the Open Offer Entitlements prior to 2.00 p.m. on 2 December 2009. Delivery of an Application Form with the CREST Deposit Form duly completed whether in respect of a deposit into the account of the Eligible non-CREST Shareholder named in the Application Form or into the name of another person, shall constitute a representation and warranty to the Company and the Registrar by the relevant CREST member(s) that it/they is/are not in breach of the provisions of the notes under the paragraph headed "Instructions for Depositing entitlements under the Open Offer into CREST" on page 2 of the Application Form, and a declaration to the Company and the Registrar from the relevant CREST member(s) that it/they is/are not citizen(s) or resident(s) of the United States, Australia, Canada, Japan or the Republic of Ireland or the Republic of South Africa and, where such deposit is made by a beneficiary of a market claim, a representation and warranty that the relevant CREST member(s) is/are entitled to apply under the Open Offer by virtue of a legitimate market claim.

(g) Validity of Application

A USE instruction complying with the requirements as to authentication and contents set out above which settles by no later than 2.00 p.m. on 2 December 2009 will constitute a valid application under the Open Offer.

(h) CREST Procedures and Timings

CREST members and (where applicable) their CREST sponsors should note that Euroclear does not make available special procedures in CREST for any particular corporate action. Normal system timings and limitations will therefore apply in relation to the input of a USE instruction and its settlement in connection with the Open Offer. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST sponsored member, to procure that his CREST sponsor takes) such action as shall be necessary to ensure that a valid application is made as stated above by 2.00 p.m. on 2 December 2009. In this connection CREST members and (where applicable) their CREST sponsors are referred in particular to those sections of the CREST Manual concerning practical limitations of the CREST system and timings.

(i) Incorrect or Incomplete Applications

If a USE instruction includes a CREST payment for an incorrect sum, the Company through the Registrar reserves the right: (i) to reject the application in full and refund the payment to the CREST member in question; (ii) in the case that an insufficient sum is paid, to treat the application as a valid application for such lesser whole number of Offer Shares as would be able to be applied for with that payment at the Issue Price, refunding any unutilised sum to the CREST member in question; or (iii) in the case that an excess sum is paid, to treat the application as a valid application for all the Offer Shares referred to in the USE instruction refunding any unutilised sum to the CREST member in question.

(j) Effect of Valid Application

A CREST member who makes or is treated as making a valid application in accordance with the above procedures will thereby:

- (i) pay the amount payable on application in accordance with the above procedures by means of a CREST payment in accordance with the CREST payment arrangements (it being acknowledged that the payment to the Registrar's payment bank in accordance with the CREST payment arrangements shall, to the extent of the payment, discharge in full the obligation of the CREST member to pay to the Company the amount payable on application);
- (ii) request that the Offer Shares to which he will become entitled be issued to him on the terms set out in this Document and subject to the Memorandum and Articles of Association of the Company;
- (iii) agree that all applications and contracts resulting therefrom under the Open Offer shall be governed by, and construed in accordance with, the laws of England and Wales;
- (iv) represent and warrant that he is not applying on behalf of any Shareholder who is a citizen or resident or which is a corporation, partnership or other entity created or organised in or under any laws of the United States, Australia, Canada, Japan, the Republic of Ireland or Republic of South Africa and he is not applying with a view to reoffering, reselling, transferring or delivering any of the Offer Shares which are the subject of this application to, or for the benefit of, a Shareholder who is a citizen or resident or which is a corporation, partnership or other entity created or organised in or under any laws of the United States, Australia, New Zealand, Canada, Japan, the Republic of Ireland or the Republic of South Africa except where proof satisfactory to the Company has been provided to the Company and that he is able to accept the invitation by the Company of any requirement which it (in its absolute discretion) regards as unduly burdensome, nor acting on behalf of any such person on a non-discretionary basis nor

- (a) person(s) otherwise prevented by legal or regulatory restrictions from applying for Offer Shares under the Open Offer;
 - (v) represent and warrant that he is not and nor is he applying as nominee or agent for, a person who is or may be liable to notify and account for tax under the Stamp Duty Reserve Tax Regulations 1986 at any of the increased rates referred to in Section 93 (depository receipts) or Section 96 (clearance services) of the Finance Act 1986;
 - (vi) confirm that in making such application he is not relying on any information in relation to the Company other than that contained in this Document and agrees that no person responsible solely or jointly for this Document or any part thereof or involved in the preparation thereof, shall have any liability for any such other information and further agree that having had the opportunity to read this Document, he will be deemed to have had notice of all the information concerning the Company contained therein; and
 - (vii) represent and warrant that he is the Eligible CREST Shareholder originally entitled to the Open Offer Entitlements or that he has received such Open Offer Entitlements by virtue of a legitimate market claim.
- (k) Company's discretion as to Rejection and Validity of Applications
- The Company may in its sole discretion:
- (i) treat as valid (and binding on the CREST member concerned) an application which does not comply in all respects with the requirements as to validity set out or referred to in this section entitled "Procedure for Application";
 - (ii) accept an alternative properly authenticated dematerialised instruction from a CREST member or (where applicable) a CREST sponsor as constituting a valid application in substitution for or in addition to a USE instruction and subject to such further terms and conditions as the Company may determine;
 - (iii) treat a properly authenticated dematerialised instruction (in this sub-paragraph the "first instruction") as not constituting a valid application if, at the time at which the Registrar receives a properly authenticated dematerialised instruction giving details of the first instruction or thereafter, either the Company or the Registrar have received actual notice from Euroclear of any of the matters specified in Regulation 35(5)(a) in relation to the first instruction. These matters include notice that any information contained in the first instruction was incorrect or notice of lack of authority to send the first instruction; and
 - (iv) accept an alternative instruction or notification from a CREST member or CREST sponsored member or (where applicable) a CREST sponsor, or extend the time for settlement of a USE instruction or any alternative instruction or notification, in the event that, for reasons or due to circumstances outside the control of any CREST member or CREST sponsored member or (where applicable) CREST sponsor, the CREST member or CREST sponsored member is unable validly to apply for Offer Shares by means of the above procedures. In normal circumstances, this discretion is only likely to be exercised in the event of any interruption, failure or breakdown of CREST (or any part of CREST) or on the part of the facilities and/or systems operated by the Registrar in connection with CREST.

4. Money Laundering Regulations

It is a term of the Open Offer that, to ensure compliance with the Money Laundering Regulations 2007, the money laundering provisions of the Criminal Justice Act 1993, Part VIII of the Financial Services and Markets Act 2000 and the Proceeds of Crime Act 2002 (together with the provisions of the Money Laundering Sourcebook of the Financial Services Authority and the manual guidance produced by the Joint Money Laundering Steering Company in relation to financial sector firms) (together, **Regulations**), that may, in its absolute discretion, require verification of your identity to the extent that you have not already provided the same. Pending the provision to the Registrar of evidence of your identity, definitive certificates in respect

of Offer Shares may be retained at its absolute discretion. If within a reasonable time after a request for verification of identity the Registrar has not received evidence satisfactory to it, the Company may, in its absolute discretion, terminate your Open Offer participation in which event the monies payable on acceptance of the Open Offer participation will, if paid, be returned without interest and net of bank charges by cheque to the applicant(s). To comply with the money laundering requirements, payment in respect of your Open Offer participation should be drawn from an account in your own name on a branch of a building society or bank in the United Kingdom and must bear the appropriate sort code in the top right hand corner. If this is not practicable and you must use a cheque or bankers' draft drawn on a building society or bank then:

- (i) you should write your name and address on the back of the cheque and record your date of birth against your name; and
- (ii) request the building society or bank to print or write on the back of the cheque the full name and account number of the person whose building society or bank account is being debited and add their stamp.

For applications over £10,000 (being the approximate equivalent to €15,000 for these purposes), Eligible non-CREST Shareholders are also requested to submit with the Application Form as documentary evidence of identity and address one certified copy document from each of the following lists (as appropriate):

Personal identity documents (UK resident individuals):

- current signed passport;
- Northern Ireland Voter's Card;
- current full UK driving licence;
- benefits book or original notification letter from the Benefits Agency confirming the right to benefit; or
- HM Revenue & Customs tax notifications e.g. tax assessment, statement of account or notice of coding.

Evidence of address (UK resident individuals):

- recent utility bill or utility statement (mobile telephone bills are not acceptable);
- local authority tax bill (current year);
- current UK driving licence (if not used for evidence of name);
- benefits book or original notification letter from the Benefits Agency confirming the right to benefit (provided one or other has not been used as evidence of personal identity); or
- HM Revenue & Customs correspondence addressed to you at stated address (provided HM Revenue & Customs notifications have not been used as evidence of personal identity).

If you are not a UK resident individual such proof of identity may include:

- a certified copy of an official identity card;
- a certified copy of a driving licence;
- a certified extract from a full passport (i.e. a copy of the front cover and pages showing photograph, personal details and signature, date and place of issue and serial number); or
- a certified copy of satisfactory evidence of an address (e.g. utility bill or bank statement).

If you are a corporation, please supply:

- a certified copy of your articles of association or statutes or published accounts; or
- certificate of incorporation or trade register entry or certificate of trade; and
- the names and addresses of all directors and specimen signatures; and
- evidence of identity and address as stated above for each director.

All certified documents must be certified by a professional person such as a lawyer or attorney, notary or an official entity such as an embassy, consulate or high commission of the country of issue.

5. Taxation and Stamp Duty

If you are in any doubt as to your tax position, or if you are subject to tax in a jurisdiction other than the United Kingdom, you should consult your professional adviser without delay.

6. Overseas Shareholders

The making of the Open Offer to persons resident in, or who are citizens of, or who have a registered address in, countries other than the United Kingdom may be affected by the law or regulatory requirements of the relevant jurisdiction. The comments set out in this paragraph 6 are intended as a general guide only and any Overseas Shareholders who are in any doubt as to their position should consult their professional advisers without delay.

6.1 General

The distribution of this Document and the Application Form and/or CREST Excess Application Form and/or a credit of Open Offer Entitlements to a stock account in CREST in any territory other than the United Kingdom and the making of the Open Offer to persons who have registered addresses in, or who are resident or ordinarily resident in, or citizens of, or which are corporations, partnerships or other entities created or organised under the laws of countries other than the United Kingdom or to persons who are nominees of or custodians, trustees or guardians for citizens, residents in or nationals of, countries other than the United Kingdom may be affected by the laws or regulatory requirements of the relevant jurisdictions. Those persons should consult their professional advisers as to whether they require any governmental or other consents or need to observe any applicable legal requirement or other formalities to enable them to apply for Offer Shares under the Open Offer.

No action has been or will be taken by the Company or any other person, to permit a public offering or distribution of this Document (or any other offering or publicity materials or application form(s) relating to the Offer Shares) in any jurisdiction where action for that purpose may be required, other than in the United Kingdom.

No person receiving a copy of this Document and/or an Application Form and/or CREST Excess Application Form and/or a credit of Open Offer Entitlements to a stock account in CREST in any territory other than the United Kingdom may treat the same as constituting an invitation or offer to him or her, nor should he or she in any event use any such Application Form and/or CREST Excess Application Form and/or credit of Open Offer Entitlements to a stock account in CREST unless, in the relevant territory, such an invitation or offer could lawfully be made to him or her and such Application Form and/or CREST Excess Application Form and/or credit of Open Offer Entitlements to a stock account in CREST could lawfully be used, and any transaction resulting from such use could be effected, without contravention of any registration or other legal or regulatory requirements. In circumstances where an invitation or offer would contravene any registration or other legal or regulatory requirements, this Document and/or the Application Form and/or CREST Excess Application Form must be treated as sent for information only and should not be copied or redistributed.

It is the responsibility of any person (including, without limitation, custodians, agents, nominees and trustees) outside the United Kingdom wishing to apply for Offer Shares under the Open Offer to satisfy himself or herself as to the full observance of the laws of any relevant territory in connection therewith, including obtaining any governmental or other consents that may be required, observing any other formalities required to be observed in such territory and paying any issue, transfer or other taxes due in such territory.

None of the Company nor any of its respective representatives, is making any representation to any offeree or purchaser of the Offer Shares regarding the legality of an investment in the Offer Shares by such offeree or purchaser under the laws applicable to such offeree or purchaser.

Persons (including, without limitation, custodians, agents, nominees and trustees) receiving a copy of this Document and/or an Application Form and/or CREST Excess Application Form and/or a credit of Open Offer Entitlements to a stock account in CREST, in connection with the Open Offer or otherwise, should not distribute or send either of those Documents nor transfer Open Offer Entitlements in or into any jurisdiction where to do so would or might contravene local securities laws or regulations. If a copy of this Document and/or an Application Form and/or CREST Excess Application Form and/or a credit of Open Offer Entitlements to a stock account in CREST is received by any person in any such territory, or by his or her custodian, agent, nominee or trustee, he or she must not seek to apply for Offer Shares in respect of the Open Offer unless the Company determines that such action would not violate applicable legal or regulatory requirements. Any person (including, without limitation, custodians, agents, nominees and trustees) who does forward a copy of this Document and/or an Application Form and/or CREST Excess Application Form and/or transfers Open Offer Entitlements into any such territory, whether pursuant to a contractual or legal obligation or otherwise, should draw the attention of the recipient to the contents of this Part V and specifically the contents of this paragraph 6.1.

The Company reserves the right to treat as invalid any application or purported application for Offer Shares that appears to the Company or its agents to have been executed, effected or dispatched from the United States or a Restricted Jurisdiction or in a manner that may involve a breach of the laws or regulations of any jurisdiction or if the Company or its agents believe that the same may violate applicable legal or regulatory requirements or if it provides an address for delivery of the share certificates of Offer Shares or in the case of a credit of Open Offer Entitlements to a stock account in CREST, to a CREST member whose registered address would be, in the United States or a Restricted Jurisdiction or any other jurisdiction outside the United Kingdom in which it would be unlawful to deliver such share certificates or make such a credit.

The attention of Overseas Shareholders is drawn to paragraphs 6.2 to 6.6 below.

Notwithstanding any other provision of this Document or the Application Form and/or CREST Excess Application Form, the Company reserves the right to permit any person to apply for Offer Shares in respect of the Open Offer if the Company, in its sole and absolute discretion, is satisfied that the transaction in question is exempt from, or not subject to, the legislation or regulations giving rise to the restrictions in question.

Overseas Shareholders who wish, and are permitted, to apply for Offer Shares should note that payment must be made in sterling denominated cheques or bankers' drafts or where such Overseas Shareholder is a Qualifying CREST Shareholder, through CREST.

Due to restrictions under the securities laws of the United States and the Restricted Jurisdictions, Qualifying Shareholders who have registered addresses in, or who are resident or ordinarily resident in, or citizens of the United States or any Restricted Jurisdiction will not qualify to participate in the Open Offer and will not be sent an Application Form and/or CREST Excess Application Form nor will their stock accounts in CREST be credited with Open Offer Entitlements.

No public offer of Offer Shares is being made by virtue of this Document or the Application Form and/or CREST Excess Application Form and/or a credit of Open Offer Entitlements to a stock account

in CREST in any territory other than the United Kingdom into the United States or any Restricted Jurisdiction. Receipt of this Document and/or an Application Form and/or CREST Excess Application Form and/or a credit of an Open Offer Entitlement to a stock account in CREST will not constitute an invitation or offer of securities for subscription, sale or purchase in those jurisdictions in which it would be illegal to make such an invitation or offer and, in those circumstances, this Document and/or the Application Form and/or CREST Excess Application Form must be treated as sent for information only and should not be copied or redistributed.

6.2 *United States*

The New Ordinary Shares have not been and will not be registered under the US Securities Act or with any securities regulatory authority of any state or other jurisdiction of the United States and, accordingly, may not be offered, sold, resold, taken up, transferred, delivered or distributed, directly or indirectly, in, into or within the United States except in reliance on an exemption from the registration requirements of the US Securities Act and in compliance with any applicable securities laws of any state or other jurisdiction of the United States.

Accordingly, the Company is not extending the Open Offer into the US. Neither this Document, the Application Form, the CREST Excess Application Form nor a credit of Open Offer Entitlements to a stock account in CREST in any territory other than the United Kingdom constitutes or will constitute an offer or an invitation to apply for or an offer or an invitation to acquire any New Ordinary Shares in the US. Neither this Document nor an Application Form and/or CREST Excess Application Form will be sent to, and no New Ordinary Shares will be credited to a stock account in CREST of, any Qualifying Shareholder with a registered address in the US. An Application Form and/or CREST Excess Application Form sent from or postmarked in the US will be deemed to be invalid and all persons acquiring New Ordinary Shares and wishing to hold such New Ordinary Shares in registered form must provide an address for registration of the New Ordinary Shares issued upon exercise thereof outside the US.

Any person who acquires New Ordinary Shares will be deemed to have declared, warranted, represented and agreed, by accepting delivery of this Document or the Application Form and/or CREST Excess Application Form and delivery of the New Ordinary Shares, that they are not, and that at the time of acquiring the New Ordinary Shares they will not be, in the US or acting on behalf of, or for the account or benefit of a person on a non-discretionary basis in the US or any state of the US.

The Company reserves the right to treat as invalid any Application Form and/or CREST Excess Application Form that appears to the Company or its agents to have been executed in, or despatched from, the US, or that provides an address in the US for the receipt of New Ordinary Shares, or which does not make the warranty set out in the Application Form and/or CREST Excess Application Form to the effect that the person accepting and/or renouncing the Application Form and/or CREST Excess Application Form does not have a registered address and is not otherwise located in the US and is not acquiring the New Ordinary Shares with a view to the offer, sale, resale, transfer, delivery or distribution, directly or indirectly, of any such New Ordinary Shares in the US or where the Company believes acceptance of such Application Forms may infringe applicable legal or regulatory requirements. The Company will not be bound to issue any New Ordinary Shares to any person with an address in, or who is otherwise located in, the US in whose favour such an Application Form or any New Ordinary Shares may be transferred or renounced. In addition, the Company, Beaumont Cornish Limited reserve the right to reject any USE instruction sent by or on behalf of any CREST member with a registered address in the US in respect of the New Ordinary Shares.

In addition, until 40 days after the commencement of the Open Offer, an offer, sale or transfer of the New Ordinary Shares within the US by a dealer (whether or not participating in the Open Offer) may violate the registration requirements of the US Securities Act.

6.3 *Restricted Jurisdictions*

Due to restrictions under the securities laws of the Restricted Jurisdictions, Qualifying Shareholders who have registered addresses in, or who are resident or ordinarily resident in, or citizens of, any of the Restricted Jurisdictions will not qualify to participate in the Open Offer and will not be sent an Application Form and/or CREST Excess Application Form nor will their stock accounts in CREST be credited with Open Offer Entitlements.

The Offer Shares have not been and will not be registered under the relevant laws of any Restricted Jurisdiction or any state, province or territory thereof and may not be offered, sold, resold, delivered or distributed, directly or indirectly, in or into any Restricted Jurisdiction or to, or for the account or benefit of, any person with a registered address in, or who is resident or ordinarily resident in, or a citizen of, any Restricted Jurisdiction except pursuant to an applicable exemption.

No offer of Offer Shares is being made by virtue of this Document or the Application Form and/or CREST Excess Application Form and/or a credit of Open Offer Entitlements to a stock account in CREST in any territory other than the United Kingdom into any Restricted Jurisdiction.

6.4 *Other overseas territories*

This Document and the Application Form will be sent to Qualifying Non-CREST Shareholders and a CREST Excess Application Form sent the registered address and Open Offer Entitlements credited to the stock account in CREST of Qualifying CREST Shareholders. Qualifying Shareholders in jurisdictions other than the United States or the Restricted Jurisdictions may, subject to the laws of their relevant jurisdiction, take up Offer Shares under the Open Offer in accordance with the instructions set out in this Document and, in the case of Qualifying Non-CREST Shareholders only, the Application Form, and for Qualifying CREST Shareholders the CREST Excess Application Form

Each person to whom the New Ordinary Shares or the Application Form and/or CREST Excess Application Form are distributed, offered or sold outside the US will be deemed by its subscription for, or purchase of, the New Ordinary Shares to have represented and warranted and agreed, on its behalf and on behalf of any investor accounts for which it is subscribing for or purchasing the New Ordinary Shares, as the case may be, that:

- (a) it is acquiring the New Ordinary Shares from the Company in an “offshore transaction” as defined in Regulation S; and
- (b) the New Ordinary Shares have not been offered to it by the Company by means of any “directed selling efforts” as defined in Regulation S.

Qualifying Shareholders who have a registered address in or who are resident in, or who are citizens of, countries other than the UK should consult their professional advisers as to whether they require any governmental or other consents or need to observe any other formalities to enable them to take up their Open Offer Entitlements or acquire Offer Shares.

If you are in any doubt as to your eligibility to accept the offer of Offer Shares or to deal with Open Offer Entitlements, you should contact your professional adviser immediately.

6.5 *Representations and warranties relating to Overseas Shareholders*

(a) *Qualifying Non-CREST Shareholders*

Any person completing and returning an Application Form and/or CREST Excess Application Form or requesting registration of the Offer Shares comprised therein represents and warrants to the Company and the Registrar that, except where proof has been provided to the Company’s satisfaction that such person’s use of the Application Form and/or CREST Excess Application Form will not result in the contravention of any applicable legal requirements in any jurisdiction: (i) such person is not requesting registration of the relevant Offer Shares from within the United States or any Restricted Jurisdiction; (ii) such person is not in any territory in which it is unlawful to make or accept an offer to acquire Offer Shares in respect of the Open

Offer or to use the Application Form and/or CREST Excess Application Form in any manner in which such person has used or will use it; (iii) such person is not acting on a non-discretionary basis for a person located within any Restricted Jurisdiction (except as agreed with the Company) or any territory referred to in (ii) above at the time the instruction to accept was given; and (iv) such person is not acquiring Offer Shares with a view to the offer, sale, resale, transfer, delivery or distribution, directly or indirectly, of any such Offer Shares into any of the Restricted Jurisdictions or any territory referred to in (ii) above. The Company and/or the Registrar may treat as invalid any acceptance or purported acceptance of the allotment of Offer Shares comprised in an Application Form and/or CREST Excess Application Form if it: (i) appears to the Company or its agents to have been executed, effected or dispatched from the United States or a Restricted Jurisdiction or in a manner that may involve breach of the laws or regulations of any jurisdiction or if the Company or its agents believe that the same may violate applicable legal or regulatory requirements; or (ii) provides an address in the United States or a Restricted Jurisdiction for delivery of the share certificates of Open Offer Shares (or any other jurisdiction outside the United Kingdom in which it would be unlawful to deliver such share certificates); or (iii) purports to exclude the representation and warranty required by this subparagraph (a).

(b) *Qualifying CREST Shareholders*

A CREST member or CREST sponsored member who makes a valid acceptance in accordance with the procedures set out in this Part V represents and warrants to the Company that, except where proof has been provided to the Company's satisfaction that such person's acceptance will not result in the contravention of any applicable legal requirement in any jurisdiction: (i) neither it nor its client is within the United States or any Restricted Jurisdiction; (ii) neither it nor its client is in any territory in which it is unlawful to make or accept an offer to acquire Offer Shares; (iii) it is not accepting on a non-discretionary basis for a person located within the United States or any Restricted Jurisdiction (except as otherwise agreed with the Company) or any territory referred to in (ii) above at the time the instruction to accept was given; and (iv) neither it nor its client is acquiring any Offer Shares with a view to the offer, sale, resale, transfer, delivery or distribution, directly or indirectly, of any such Offer Shares into the United States or any Restricted Jurisdiction or any territory referred to in (ii) above.

The Company reserves the right to reject any USE Instruction and/or CREST Excess Application Form from the United States or any of the Restricted Jurisdictions or any territory referred to in (ii) above or by a CREST member who is acting on a non-discretionary basis for a person located within the United States or any of the Restricted Jurisdictions or any territory referred to in (ii) above.

6.6 *Waiver*

The provisions of this paragraph 6 and of any other terms of the Open Offer relating to Overseas Shareholders may be waived, varied or modified as regards specific Shareholders or on a general basis by the Company in its absolute discretion. Subject to this, the provisions of this paragraph 6 supersede any terms of the Open Offer inconsistent herewith. References in this paragraph 6 to Shareholders shall include references to the person or persons executing an Application Form and/or CREST Excess Application Form and, in the event of more than one person executing an Application Form and/or CREST Excess Application Form, the provisions of this paragraph 6 shall apply to them jointly and to each of them.

7. **Settlement and Dealings**

Application will be made to the London Stock Exchange for the Offer Shares to be admitted to trading on AIM. It is expected that the Offer Shares will be admitted to trading on AIM and that dealings will commence on 9 December 2009. None of the Ordinary Shares are being made available to the public except under the terms of the Open Offer. For Eligible non-CREST Shareholders, definitive share certificates for the Offer Shares are expected to be dispatched by first class post by 17 December 2009. For Eligible CREST

Shareholders, it is expected that the relevant account will be credited on the day of Admission. Notwithstanding any other provision of this Document, the Company reserves the right to issue any Offer Shares in certificated form. This right is only likely to be exercised in the event of any interruption, failure or breakdown of CREST (or any part of CREST) or on the part of the facilities and/or systems operated by the Company's registrars in connection with CREST. No temporary documents of title will be issued and pending despatch of the definitive share certificates, transfers of the Offer Shares will be certified against the register. All documents and remittances sent by or to an applicant (or his/her agent, as appropriate) will be sent through the post at the risk of the person entitled thereto.

DEFINITIONS

“Accounts”	the audited accounts of the Company to 31 December 2008
“Act”	the Companies Act 2006
“Admission”	admission of the New Ordinary Shares to trading on AIM becoming effective in accordance with the AIM Rules
“AIM”	a market operated by the London Stock Exchange
“AIM Rules”	the AIM Rules for Companies published by the London Stock Exchange as amended from time to time governing admission to, and the operation of, AIM
“Application Form”	the application form to be used by Eligible non- CREST Shareholders in connection with the Open Offer
“Beaumont Cornish”	Beaumont Cornish Limited, the Company’s nominated adviser and broker, a member of the London Stock Exchange and authorised and regulated by the Financial Services Authority
“certificated” or “in certificated form”	an Ordinary Share which is not in uncertificated form
“City Code”	the City Code on Takeovers and Mergers as published from time to time
“Closing Date”	the date on which the Open Offer will close being 3.00 p.m. on 2 December 2009 or such later date as the Company may decide
“Company” or “Serabi”	Serabi Mining Plc
“Convertible”	the convertible loan agreement between the Company and Greenwood dated 9 November 2009, further details of which are set out in paragraph 5.2 of Part IV of this Document
“CREST Regulations”	the Uncertificated Securities Regulations 2001
“CREST”	the computerised settlement system operated by CRESTCo Limited to facilitate the transfer of title to shares in uncertificated form. The Relevant System (as defined in the CREST Regulations) in respect of which CRESTCo Limited is the Operator (as defined in the CREST Regulations)
“CREST Excess Application Form”	the application form to be used by Eligible CREST Shareholders in connection with the Open Offer
“Directors” or the “Board”	the directors of the Company, as at the date of this Document, whose names are set out on page 6 of this Document
“Disclosure and Transparency Rules”	the Disclosure and Transparency Rules issued by the FSA
“Eligible CREST Shareholders”	Eligible Shareholders whose Existing Ordinary Shares on the register of members of the Company on the Open Offer Record Date are held in uncertificated form
“Eligible non-CREST Shareholders”	Eligible Shareholders whose Existing Ordinary Shares on the register of members of the Company on the Open Offer Record Date are held in certificated form

“Eligible Shareholders”	holders of Existing Ordinary Shares at the Open Offer Record Date with addresses for service within the United Kingdom (excluding for the avoidance of doubt the Channel Islands)
“Enlarged Share Capital”	the Ordinary Shares in issue on Admission, assuming full subscription under the Open Offer
“Excess Application Facility”	the facility to Shareholders to enable them to apply for New Ordinary Shares under the Open Offer, in excess of their entitlement under the Open Offer
“Excess Shares”	any Offer Shares applied for by an Eligible Shareholder in excess of his Open Offer Entitlement
“Existing Ordinary Shares”	the Ordinary Shares of the Company in issue at the date of this Document
“FSA”	the Financial Services Authority of the UK
“FSMA”	the Financial Services and Markets Act 2000 (as amended)
“Greenwood”	means Greenwood Investments Limited, a company limited by shares registered in England and Wales with registered number 7057380 and a registered office at Lubbock Fine City Forum, 250 City Road, London EC1V 2QQ
“Group”	the Company and its subsidiaries
“London Stock Exchange”	London Stock Exchange plc
“New Ordinary Shares”	the Ordinary Shares to be issued pursuant to the Open Offer
“NCL”	NCL Brasil Ltda
“Offer Price”	the price of 1.5 pence for each Offer Share
“Offer Shares”	the 21,151,613 New Ordinary Shares which are to be made available for subscription by Eligible Shareholders under the Open Offer
“Official List”	the Official List of the UK Listing Authority
“Open Offer”	the conditional offer to Eligible Shareholders to subscribe for the Offer Shares at the Offer Price being made by the Company on the terms set out in this Document
“Open Offer Entitlements”	entitlements to subscribe for Open Offer Shares, allocated to a Eligible Shareholder pursuant to the Open Offer
“Open Offer Record Date”	5.00 p.m. on 16 December 2009
“Orderly Market Agreement”	the orderly market agreement between the Company, Greenwood and Beaumont Cornish dated 9 November 2009, further details of which are set out in paragraph 5.1 of Part IV of this Document
“Ordinary Shares”	ordinary shares of 0.5 pence each in the capital of the Company
“Overseas Shareholders”	Shareholders resident in, or citizens of, jurisdictions outside the United Kingdom

“Placing”	the placing of Ordinary Shares completed on 16 November 2009, further details of which are set out in paragraph 4 of Part I of this Document
“Placing Price”	1.5 pence per Ordinary Share
“Prospectus Rules”	the rules made by the Financial Services Authority pursuant to sections 73A(1) and (4) of FSMA
“R”, “Real” or “Reais”	Real, the official currency of Brazil
“Restricted Jurisdiction”	any jurisdiction where offer for sale or an invitation to subscribe for, or the solicitation of an offer to buy or subscribe for, Offer Shares is unlawful
“Shareholder”	a holder of Ordinary Shares from time to time
“UK”	the United Kingdom of England, Scotland, Wales and Northern Ireland
“US”, “USA” or “United States”	the United States of America, each State thereof (including the District of Columbia), its territories, possessions and all areas subject to its jurisdiction

GLOSSARY

“On-lode exploration”	exploration by the establishment of underground mineral development which follows the mineralised structure
“Free-digging”	ore that is sufficiently soft and at surface so that drilling and blasting before extraction is generally not required
“Garimpeiro”	an artisanal miner
“Mineral Resource”	<p>a concentration or occurrence of material of intrinsic economic interest in or on the Earth’s crust in such form, quality and quantity that there are reasonable prospects for eventual economic extraction. The location, quantity, grade, geological characteristics and continuity of a Mineral Resource are known, estimated or interpreted from specific geological evidence and knowledge. Mineral Resources are sub-divided, in order of increasing geological confidence, into Inferred, Indicated and Measured categories An Inferred Mineral Resource is that part of a Mineral Resource for which tonnage, grade and mineral content can be estimated with a low level of confidence. It is inferred from geological evidence and assumed but not verified geological and/or grade continuity. It is based on information gathered through appropriate techniques from locations such as outcrops, trenches, pits, workings and drill holes which may be limited or of uncertain quality and reliability. An Indicated Mineral Resource is that part of a Mineral Resource for which tonnage, densities, shape, physical characteristics, grade and mineral content can be estimated with a reasonable level of confidence. It is based on exploration, sampling and testing information gathered through appropriate techniques from locations such as outcrops, trenches, pits, workings and drill holes. The locations are too widely or inappropriately spaced to confirm geological and/or grade continuity but are spaced closely enough for continuity to be assumed. A Measured Mineral Resource is that part of a Mineral Resource for which tonnage, densities, shape, physical characteristics, grade and mineral content can be estimated with a high level of confidence. It is based on detailed and reliable exploration, sampling and testing information gathered through appropriate techniques from locations such as outcrops, trenches, pits, workings and drill holes. The locations are spaced closely enough to confirm geological and grade continuity</p>
“Ore Reserve”	<p>the economically mineable part of a Measured and/or Indicated Mineral Resource. It includes diluting materials and allowances for losses, which may occur when the material is mined. Appropriate assessments and studies have been carried out, and include consideration of and modification by realistically assumed mining, metallurgical, economic, marketing, legal, environmental, social and governmental factors. These assessments demonstrate at the time of reporting that extraction could reasonably be justified. Ore Reserves are sub-divided in order of increasing confidence into Probable Ore Reserves and Proved Ore Reserves. A Probable Ore Reserve is the economically mineable part of an Indicated, and in some circumstances, a Measured Mineral Resource. It includes diluting materials and allowances for losses which may occur when the material is mined. Appropriate assessments and studies have</p>

been carried out, and include consideration of and modification by realistically assumed mining, metallurgical, economic, marketing, legal, environmental, social and governmental factors. These assessments demonstrate at the time of reporting that extraction could reasonably be justified. A Proved Ore Reserve is the economically mineable part of a Measured Mineral Resource. It includes diluting materials and allowances for losses which may occur when the material is mined. Appropriate assessments and studies have been carried out, and include consideration of and modification by realistically assumed mining, metallurgical, economic, marketing, legal, environmental, social and governmental factors. These assessments demonstrate at the time of reporting that extraction could reasonably be justified

“VTEM”

Versa time domain electromagnetic – a particular type of electromagnetic geophysical survey to prospect for conductive bodies below surface