

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

UPDATE ON PALITO GOLD PROJECT, BRAZIL

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

Serabi announce that, in accordance with its 2010 exploration work programme (set out in the Company's press release of 28 January 2010), the initial follow-up ground-induced polarisation (“IP”) geophysical survey at the Company's Jardim do Ouro project in Para, Northern Brazil commenced in mid-March. This is the next stage of a systematic exploration programme with the objective of building Serabi's resources to 1.5 million ounces through the identification of satellite ore deposits in close proximity to its Palito gold mine.

Geophysical contractor, Fugro, mobilised to site in mid-March to undertake this initial survey totalling 45 line km, which is estimated to be completed during the latter part of May. The area covered by this initial survey all lies within a 3km radius of the Palito Mine. The planned survey area covers 10 of the 18 prioritised target anomalies identified during the 2008 airborne Electromagnetic (“EM”) geophysical survey undertaken by the Company.

The IP survey lines are spaced 200m apart, perpendicular to the dominant mineralised trends. Further infill lines at 100m spacing maybe required to better define any anomalous zones, which will be drill-tested in 2010 and 2011. As at 31 March, 37 line km of the initial 45 line km had been opened for access and prepared with 19.5 line km pegged and a total of 14 line km having been surveyed. Subject to weather conditions, the Company expects that approximately 1.0 line km can be surveyed daily.

The resulting data is being streamed live to the Company's geophysical consultants off-site for immediate assessment thus enabling the survey programme to be amended, where appropriate, as results are generated. Diamond drilling contractors are currently scheduled to mobilize to Palito in June 2010 to commence drilling the best integrated geophysical and geological targets.

Background

Palito and near mine mineralised zones are characterised by quartz-sulphide and massive sulphide veins. The vast bulk of the ore mined from the underground Palito mine was hosted in quartz-sulphide veins, with higher grade bonanza shoots existing in small diameter, plunge continuous, massive sulphide pods or shoots.

The nature of the quartz and sulphide content of the ore zones lends itself to detection via electrical geophysical methods, due to the conductivity in the sulphides and the resistivity provided by the quartz. Historically ground electrical geophysical exploration methods such as EM and IP have yielded good success in the Palito area reinforcing their importance as a primary exploration tool in identifying these types of mineralisation.

In 2006, Serabi trialled ground EM surveying at Palito. The positive results led to Serabi commissioning the helicopter-borne VTEM geophysical survey over the Palito deposit and surrounding 6,000 hectare area.

The benefit of the EM technique is that it can highlight the massive sulphide component of the Palito style of mineralization, and therefore immediately provides a focus point for exploration within the dense vegetation surrounding Palito.

The 2008 airborne EM survey identified 47 discrete anomalies and 19 anomalous complex conductive zones. These geophysical targets were then integrated with the other geological datasets including soil geochemistry, drilling data, lineament analysis and geology for the project. As a result 18 "target areas" were defined for further follow-up exploration. These 18 targets now provide the focal point for discovering potential mineralised zones.

Bearing in mind that the bulk of Palito ore was sourced from quartz-sulphide vein material and not massive sulphide, the VTEM survey represented the first step in the identification of additional resources whilst the application of IP should help delineate the quartz-sulphide veins. It is expected that the combination of both EM and IP and the subsequent 3D modeling will provide a direct focus for drilling activities and the subsequent expansion of resources at Palito and Jardim do Ouro. Fifteen of the targets are within three kilometres of the mine and of these fifteen, seven are situated within the Company's existing mine licence. The remaining targets are located within the Company's surrounding exploration licences.

Further information on the company is available at www.serabimining.com

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Forward-looking statements

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

Qualified Persons Statement

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