



Placing of 27,300,000 Units to raise £2.73 million at a price of 10.0 pence per Unit

Summary

Serabi Gold plc (AIM:SRB, TSX:SBI and SBI.WT), the Brazilian-focused gold exploration Company, is pleased to announce that it has conditionally placed ("the Placing") 27,300,000 Units at a price of 10.0 pence per Unit (the "Placing Price"). Each Unit comprises one new Ordinary Share of 5.0 pence each and one sixth of a share purchase warrant whereby each whole warrant (a "Warrant") entitles the holder to subscribe for one new Ordinary Share at a price of 15.0 pence at any time for a period of two years expiring 23 January 2014. The new Ordinary Shares issued pursuant to the Placing (the "Placing Shares") represent 29.9% of the enlarged share capital of the Company. The Placing is conditional on the new Ordinary Shares being admitted to trading on the TSX and AIM. Application has been made to both the TSX and AIM for the new Ordinary Shares to be admitted to trading.

Dealings on AIM in the new Ordinary Shares are expected to commence at 8.00 am on 31 January 2012. Ordinary Shares that have been subscribed for by purchasers resident in Canada are subject to a four month hold period under applicable Canadian securities laws. The new Ordinary Shares will when issued and fully paid, rank in all other respects *pari passu* with the existing Ordinary Shares in issue including the right to receive all dividends and other distributions declared, made or paid after the date of their issue.

Background to the Placing

The Company has pursued its stated objective of organic resource growth over the last 18 months and the Board has been pleased with the exploration success the Company has achieved during this period. As recently announced, the Company has made two discoveries from the initial nine mine site targets at its Jardim do Ouro project which incorporates the existing Palito deposit and process plant. In addition, final analytical results from shallow extension drilling on the south-eastern strike extension of the Palito deposit have returned "Bonanza" grade gold and high grade copper results (as announced on 24 November 2011 and 24 January 2012). The Board is encouraged both by these new potential targets for resources and the continued strong gold price (which has more than doubled since the Palito Operation was placed on care and maintenance in late 2008). Accordingly, given that the Company has maintained its current production licences and process plant at Palito, the Board has decided to commission a Preliminary Economic Assessment ("PEA") of the viability of recommencing underground operations at Palito. The study will focus initially on the existing resources before embarking on the next stage of evaluation and exploration activity. The PEA study will consider a selective mining methodology, focused on maximising grade and initially limited to production levels around 20,000 ounces per annum. With improved gold prices and a return to selective high grade mining rather than returning to bulk mining methods, initial internal assessments demonstrate potentially attractive returns. Furthermore, the Palito plant can accommodate considerably more capacity than the initial throughputs being considered, and the general development of the region and elevated gold prices have in turn generated additional nearby high grade gold feed opportunities potentially available for processing at Palito. The Company is therefore considering additional opportunities which can enhance throughputs at Palito.

The Placing

The Company has conditionally placed 27,300,000 Units at a price of 10.0 pence per Unit with a number of existing and new institutional investors resulting in the issue of 27,300,000 new Ordinary Shares and



PRESS RELEASE 24 JANUARY 2012

SERABI GOLD plc ("Serabi" or "the Company")



4,549,998 Warrants. The proceeds of the Placing (which amount to £2.73 million before estimated expenses of £30,000) will be used for general working capital and to fund the expenses associated with the PEA. A total of 13,625,000 Units have been subscribed for by Fratelli Investments Limited ("Fratelli") as a result of which Fratelli has acquired 13,625,000 new Ordinary Shares representing 14.9% of the enlarged share capital of the Company. Following the placing Fratelli has a total interest in the share capital of the Company of 17,616,000 Ordinary Shares representing 19.30% of the enlarged share capital of the Company. Fratelli is a private investment company managed by Megeve Investments which is the family office of the Chilean family Solari Donaggio. The Solari Donaggio family has significant business interests in Chile and other parts of South America. They are significant shareholders in the Falabella retail group, the second largest retail chain in South America and have interests in a variety of other sectors including mining, energy and real estate. The subscription agreement also entitles Fratelli to nominate a Director to the Board of the Company for so long as Fratelli continues to own 15 per cent. or more of the issued share capital of the Company. The Company has also entered into an option agreement with Fratelli entitling Fratelli to subscribe for such number of new Ordinary Shares as would enable Fratelli to maintain its percentage interest in the share capital of the Company in the event that the Company issues new Ordinary Shares for cash (or cash equivalent). The option agreement ceases immediately upon Fratelli holding less than 15 per cent. of the issued Ordinary Shares of the Company.

In addition, Fratelli has entered into an orderly market agreement with the Company and Beaumont Cornish Limited, in which Fratelli has agreed that it will not dispose of any Ordinary Shares for a period of one year following admission, subject to certain exemptions.

As announced on 16 June 2010, the Company granted an option to Eldorado Gold Corporation ("Eldorado") entitling Eldorado to subscribe for such number of new Ordinary Shares as would enable Eldorado to maintain its percentage interest in the Ordinary Share capital of the Company in the event that the Company issued further Ordinary Shares for cash, provided that Eldorado owned 15 per cent. or more of the issued Ordinary Share capital at that time (the "Option"). Eldorado, which is currently interested in 26.3 per cent. of the issued share capital, has exercised its rights pursuant to the Option and has conditionally subscribed for 4,500,000 new Ordinary Shares at the Placing Price. Eldorado waived its rights granted under the Option to participate to the full extent possible in the Placing to facilitate the subscriptions of other parties. In recognition of this the Board has varied the terms of the Option such that at the time of the next issue of new Ordinary Shares for cash as contemplated by the Option, Eldorado would be entitled to take such share of new Ordinary Shares issued at that time as would allow them to restore their interest to 26.3 per cent (subject to any adjustments as set out in the Option), of the issued share capital at that time.

Greenwood Investments Limited ("Greenwood"), which is currently interested in 18.1 per cent. of the issued share capital, has also conditionally subscribed for 5,625,000 new Ordinary Shares at the Placing Price. Mr Christopher Kingsman, a Director of Serabi, is the sole shareholder of Greenwood.

As Eldorado and Greenwood are each interested in more than 10 per cent. of the issued Ordinary Share capital of the Company, the subscription by each of Eldorado and Greenwood and the variation of the Eldorado Option are related party transactions for the purposes of Rule 13 of the AIM Rules. For the purposes of the AIM Rules, the independent Directors (being the Board excluding Mr Christopher Kingsman) of Serabi, having consulted with the Company's nominated adviser, consider that the subscription by Eldorado and Greenwood pursuant to the Placing and the variation of the Eldorado Option are fair and reasonable insofar as the Shareholders are concerned. The independent Directors have taken into account in particular that Eldorado and Greenwood are each subscribing on the same terms and conditions as the other subscribers for new Ordinary Shares procured by the Company from unconnected parties.

SERABI GOLD PLC

2nd Floor, 30-32 Ludgate Hill, London EC4M 7DR
t +44 (0)20 7246 6830 f +44 (0)20 7246 6831 e contact@serabimining.com www.serabigold.com
Registered Office 66 Lincoln's Inn Fields, London, WC2A 3LH Company Number 5131528

This document is not intended to and does not amount to an invitation or inducement to subscribe for shares in Serabi Gold plc



PRESS RELEASE 24 JANUARY 2012

SERABI GOLD plc ("Serabi" or "the Company")



Following completion of the Placing the enlarged issued share capital will comprise 91,268,529 Ordinary Shares. The following table sets out the interest of the major shareholders (to the best knowledge of the Company⁽¹⁾) following the Placing:

Shareholder	Shares held prior to the Placing	% Interest prior to the Placing	Shares subscribed for under the Placing	Shares held following the Placing	% interest following the Placing
Fratelli Investments Limited	3,991,000	6.24%	13,625,000	17,616,000	19.30%
Eldorado Gold Corp.	16,840,000	26.33%	4,500,000	21,340,000	23.38%
Greenwood Investments Limited	11,590,000	18.12%	5,625,000	17,215,000	18.86%
Foreign & Colonial Investments	3,438,957	5.37%	-	3,438,957	3.77%

(1) At this time none of the above parties have provided the Company with a formal notice of their beneficial interests pursuant to s793 of the Companies Act 2006.

Mr Michael Hodgson, the Chief Executive of Serabi, commented:

"The latter part of 2011 has been a difficult market for junior mining companies and we are very pleased to welcome Fratelli as a significant investor in the Company alongside the continuing support of both Eldorado and Greenwood."

Enquiries

SERABI GOLD plc

Michael Hodgson
Chief Executive

t +44 (0)20 7246 6830
m +44 (0)7799 473621

Clive Line
Finance Director

t +44 (0)20 7246 6830
m +44 (0)7710 151692

e contact@serabigold.com

www.serabigold.com

BEAUMONT CORNISH Limited

Nominated Adviser

Roland Cornish
Michael Cornish

t +44 (0)20 7628 3396
t +44 (0)20 7628 3396

FOX DAVIES CAPITAL Ltd

UK Broker

SERABI GOLD PLC

2nd Floor, 30-32 Ludgate Hill, London EC4M 7DR
t +44 (0)20 7246 6830 f +44 (0)20 7246 6831 e contact@serabimining.com www.serabigold.com
Registered Office 66 Lincoln's Inn Fields, London, WC2A 3LH **Company Number** 5131528

This document is not intended to and does not amount to an invitation or inducement to subscribe for shares in Serabi Gold plc

Simon Leathers
Jonathan Evans

t +44 (0)20 3463 5010
t +44 (0)20 3463 5010

Copies of this release are available from the Company's website at www.serabigold.com and www.serabimining.com

Forward-looking statements

This press release contains forward-looking statements. All statements, other than of historical fact, that address activities, events or developments that the Company believes, expects or anticipates will or may occur in the future (including, without limitation, statements regarding the estimation of mineral resources, exploration results, potential mineralization, potential mineral resources and mineral reserves) are forward-looking statements. Forward-looking statements are often identifiable by the use of words such as "anticipate", "believe", "plan", "may", "could", "would", "might" or "will", "estimates", "expect", "intend", "budget", "scheduled", "forecasts" and similar expressions or variations (including negative variations) of such words and phrases. Forward-looking statements are subject to a number of risks and uncertainties, many of which differ materially from those discussed in the forward-looking statements. Factors that could cause actual results or events to differ materially from current expectations include, among other things, without limitation, failure to establish estimated mineral resources, the possibility that future exploration results will not be consistent with the Company's expectations, the price of gold and other risks identified in the Company's most recent annual information form filed with the Canadian securities regulatory authorities on SEDAR.com. Any forward-looking statement speaks only as of the date on which it is made and, except as may be required by applicable securities laws, the Company disclaims any intent or obligation to update any forward-looking statement.

Qualified Persons Statement

The information contained within this announcement has been reviewed and verified by Michael Hodgson, CEO of the Company. Mr Hodgson is an Economic Geologist by training with over 25 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, recognizing him as both a Qualified Person for the purposes of Canadian National Instrument 43-101 and by the AIM Guidance Note on Mining, Oil and Gas Companies dated March 2006.

Quality Assurance and Quality Control Procedures Disclosure

The Company has implemented and maintains a Serabi quality assurance/quality control (QA/QC) protocol at its JDO Project as defined in its "NI 43-101 Technical Report for the Jardim Do Ouro Project, Para State, Brazil" dated 22 December 2010. This ensures best industry practice in sampling and analysis of exploration and resource definition samples. The insertion of field duplicates, certified standards and blank samples into the sample stream form part of the Serabi procedure (these act as an independent check on contamination, precision and accuracy in the analytical laboratory).

Assay results are reported once rigorous QAQC procedures have been approved

Neither the Toronto Stock Exchange, nor any other securities regulatory authority, has approved or disapproved of the contents of this news release.

ENDS