

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

FINANCIAL RESULTS FOR FIRST QUARTER 2011 AND MANAGEMENT DISCUSSION AND ANALYSIS

Serabi Mining plc (AIM:SRB, TSX:SBI and SBI.WT), the Brazilian focused gold exploration company, advises that it has today published its unaudited financial results for the first quarter of 2011 and at the same time has also published its Management’s Discussion and Analysis for the same period. Both documents, together with this announcement, have been posted on the Company’s website at www.serabimining.com and are also available on SEDAR at www.sedar.com. The full text of both the financial results and Management’s Discussion and Analysis are also available by following the links contained in this press release.

Financial Highlights

| | Quarter ended 31 March 2011 (unaudited) | Quarter ended 31 March 2010 (unaudited) | Year ended 31 December 2010 (audited) |
|---|---|---|---|
| | US\$ | US\$ | US\$ |
| Operating Loss for period | (742,642) | (953,599) | (5,980,011) |
| Loss per ordinary share (basic and diluted) | (1.65) cents | (2.91) cents | (15.21) cents |
| Exploration expenditures during the period | 1,639,267 | 305,019 | 2,481,665 |
| Cash at end of period | 11,100,828 | 3,423,326 | 8,598,755 |
| Equity Shareholders funds at end of period | 54,097,874 | 41,445,493 | 44,351,818 |

For the three month period ended 31 March 2010 the Company recorded a net loss of US\$742,642 (1.65 US cents per share) compared to a net loss of US\$953,599 (2.91 US cents per share) for the comparative period last year. The decrease in the loss reflects reduced administrative costs and a foreign exchange gain recorded during the period of US\$187,297, compared with a foreign exchange loss in the comparative period of US\$1,180. At the same time in the corresponding period in 2009, the Company had limited gold production which yielded a gross profit of US\$78,866. There has been no mining operation during the three month period ended 31 March 2011 and as a result the Company incurred a gross loss of US\$183,822.

Operational Highlights

- January 2011 – Completed an additional 8,000 hectare helicopter borne electromagnetic (“VTEM”) survey over adjacent areas to the original 2008 mine site survey area within the Jardim do Ouro project.

- February 2011 – The Company received the positive outcome of its appeal to the Instituto Brasileiro do Meio Ambiente e dos Recursos Naturais Renováveis (“IBAMA”) that the original penalty of Brazilian Reals 3,597,300 (~US\$2.2 million) was cancelled with immediate effect.
- February 2011 – Positive geochemical results received from trenching over the Piauí drill target including 1 metre at 33.6 g/t and 3.2 metres at 16.1 g/t (see press release 22 February 2011 for all results).
- April 2011 – Results received for the first five drill holes into the Piauí target indicated significant gold mineralization in all five holes including 1.93 metres at 22.86 g/t and 2.5 metres at 6.22 g/t (see press release 7 April 2011 for all results).

Corporate Highlights

- Following the completion of a private placement of 10,070,000 Special Warrants on 2 December 2010, for gross proceeds of C\$5,538,500, the Company completed on 30 March 2011 an Initial Public Offering (“IPO”) of 9,000,000 units in Canada at a price of C\$0.55 per share for gross proceeds of C\$4.95 million.
- Each of the 9,000,000 units were comprised of one ordinary share and one half warrant of one ordinary share purchase warrant of the Company, with each warrant being exercisable to acquire one Ordinary Share at an exercise price of C\$0.75 until 2 December 2012.
- The completion of the IPO and the listing of the Ordinary Shares and Warrants on the TSX on 30 March also resulted in the automatic exercise of the 10,070,000 previously issued special warrants of the Company in December 2010.
- The appointment on 30 March 2011 of Messrs Sean Harvey and Melvyn Williams and Dr Doug Jones as independent directors of the Company.

Outlook

Serabi’s short term strategy for the JDO Project (phase 1) to be followed for the next 6 months continues to focus on ‘head-frame’ exploration with the objective of discovering more Palito style deposits. In further detail this will involve:

- Continuing with the 8,100 metre discovery drilling programme into 9 high priority targets within 3km of the plant (2,700 metres of this programme had been drilled by the end of April)
- Follow-up ground geophysics (Induced Polarisation) on the remaining five VTEM geophysical anomalies located in the original 2008 airborne survey area (6,000 Ha) with the objective of generating further drill targets – this is planned to commence July 2011.
- Conduct a further 7,000 Ha airborne geophysical VTEM survey over further JDO tenements - (an 8,000 Ha survey was completed in January 2011 and results from which are expected later in May 2011).
- Follow-up ground geophysics (Induced Polarisation) on the January 2011 8,000 Ha airborne geophysical VTEM survey area.
- Commencing a thorough mine-site deep geochemistry Geochemical/Trenching/Auger program.
- The initial phase one of the exploration budget is in the region of US\$8 million and is aimed to investigate the mine site targets as well as some of the immediate surrounding tenements (within 20km of the operation).

Link to Management Discussion and Analysis - <http://www.serabimining.com/documents/486.pdf>

Link to Q1 Financial Results - <http://www.serabimining.com/documents/485.pdf>

SERABI MINING PLC
Condensed Consolidated Statements of Comprehensive Income

| | For the Three months ended 31 March 2011 (unaudited) | For the Three months ended 31 March 2010 (unaudited) | For the year ended 31 December 2010 (audited) |
|--|---|---|--|
| <i>(expressed in US\$)</i> | | | |
| CONTINUING OPERATIONS | | | |
| Revenue | — | 840,639 | 1,229,551 |
| Operating expenses | (183,822) | (761,773) | (2,416,746) |
| Gross (loss)/profit | (183,822) | 78,866 | (1,187,195) |
| Administration expenses | (124,946) | (397,634) | (2,266,912) |
| Option costs | (30,571) | (25,102) | (103,876) |
| Loss on asset disposals | (13,515) | (54,568) | (124,179) |
| Depreciation of plant and equipment | (567,336) | (509,949) | (2,112,445) |
| Operating loss | (920,190) | (908,387) | (5,794,607) |
| Foreign exchange gain/ (loss) | 187,297 | (1,180) | (27,396) |
| Finance costs | (22,152) | (44,032) | (187,912) |
| Investment income | 12,403 | — | 29,904 |
| Loss before taxation | (742,642) | (953,599) | (5,980,011) |
| Income tax expense | — | — | — |
| Loss for the period from continuing operations ^{(1) (2)} | (742,642) | (953,599) | (5,980,011) |
| Other comprehensive income (net of tax) | | | |
| Exchange differences on translating foreign operations | 943,210 | (835,842) | 1,613,011 |
| Total comprehensive income/(loss) for the period ⁽²⁾ | 200,568 | (1,789,441) | (4,367,000) |
| Loss per ordinary share (basic and diluted) ⁽¹⁾ | (1.65c) | (2.91c) | (15.21c) |

(1) All revenue and expenses arise from continuing operations.

(2) The Group has no non-controlling interests and all income / (losses) are attributable to the equity holders of the Parent Company.

SERABI MINING PLC
Condensed Consolidated Balance Sheets

| (expressed in US\$) | As at 31 March 2011 (unaudited) | As at 31 March 2010 (unaudited) | As at 31 December 2010 (audited) |
|--|--|--|---|
| Non-current assets | | | |
| Development and deferred exploration costs | 11,679,390 | 7,058,548 | 9,797,406 |
| Property, plant and equipment | 34,088,905 | 33,917,842 | 33,951,140 |
| Total non-current assets | 45,768,295 | 40,976,390 | 43,748,546 |
| Current assets | | | |
| Inventories | 1,488,737 | 1,460,550 | 1,417,804 |
| Trade and other receivables | 168,419 | 156,494 | 96,143 |
| Prepayments and accrued income | 1,175,068 | 1,249,760 | 1,061,945 |
| Cash at bank and cash equivalents | 11,100,828 | 3,423,326 | 8,598,755 |
| Total current assets | 13,933,052 | 6,290,130 | 11,174,647 |
| Current liabilities | | | |
| Trade and other payables | 3,282,582 | 3,595,567 | 3,147,258 |
| Accruals | 313,577 | 83,752 | 174,348 |
| Interest bearing liabilities | — | 31,285 | — |
| Special warrants | — | — | 5,059,995 |
| Total current liabilities | 3,596,159 | 3,710,604 | 8,381,601 |
| Net current assets | 10,336,893 | 2,579,526 | 2,793,046 |
| Total assets less current liabilities | 56,105,188 | 43,555,916 | 46,541,592 |
| Non-current liabilities | | | |
| Trade and other payables | 340,174 | 496,103 | 552,027 |
| Provisions | 1,396,249 | 1,367,225 | 1,388,571 |
| Interest bearing liabilities | 270,891 | 247,095 | 249,176 |
| Total non-current liabilities | 2,007,314 | 2,110,423 | 2,189,774 |
| Net assets | 54,097,874 | 41,445,493 | 44,351,818 |
| Equity | | | |
| Share capital | 29,291,551 | 26,848,814 | 27,752,834 |
| Share premium | 48,282,042 | 36,268,991 | 40,754,032 |
| Option reserve | 1,686,032 | 1,553,661 | 1,648,484 |
| Other reserves | 702,095 | 260,882 | 260,882 |
| Translation reserve | 4,825,378 | 1,433,315 | 3,882,168 |
| Accumulated loss | (30,689,224) | (24,920,170) | (29,946,582) |
| Equity shareholders' funds | 54,097,874 | 41,445,493 | 44,351,818 |

The interim financial information has not been audited and does not constitute statutory accounts as defined in Section 434 of the Companies Act 2006. Whilst the financial information included in this announcement has been compiled in accordance with International Financial Reporting Standards ("IFRS") this announcement itself does not contain sufficient financial information to comply with IFRS. The Group statutory accounts for the year ended 31 December 2010, prepared under IFRS as adopted in the EU and with IFRS and their interpretations adopted by the International Accounting Standards Board have been filed with the Registrar of Companies. The auditors' report on these accounts was unqualified but did contain an Emphasis of Matter with respect to the ability of the Company and the Group regarding the future availability of project finance. The auditors' report did not contain a statement under Section 498 (2) or 498 (3) of the Companies Act 2006.

SERABI MINING PLC
Condensed Consolidated Cash Flow Statements

| | For the three months ended 31 March 2011 (unaudited) | For the three months ended 31 March 2010 (unaudited) | For the Year Ended 31 December 2010 (audited) |
|--|---|---|--|
| (expressed in US\$) | | | |
| Operating activities | | | |
| Operating loss | (920,190) | (908,387) | (5,794,607) |
| Depreciation – plant, equipment and mining properties | 567,336 | 509,949 | 2,112,445 |
| Loss on sale of assets | 13,515 | 54,568 | 124,179 |
| Option costs | 30,571 | 25,102 | 103,876 |
| Interest paid | (10,326) | (34,542) | (149,439) |
| Foreign exchange loss | (48,930) | (1,460) | (175,671) |
| Changes in working capital | | | |
| (Increase) / decrease in inventories | (37,481) | (17,385) | (95,530) |
| (Increase) / decrease in receivables, prepayments and accrued income | (158,356) | 39,088 | 569,010 |
| (Decrease) / increase in payables, accruals and provisions | (11,749) | (75,840) | (631,396) |
| Net cash flow from operations | (575,610) | (408,907) | (3,937,133) |
| Investing activities | | | |
| Proceeds from sale of fixed assets | 40,642 | 106,851 | 501,209 |
| Purchase of property, plant and equipment | (27,383) | — | (7,225) |
| Exploration and development expenditure | (1,639,267) | (305,019) | (2,481,665) |
| Interest received | 12,403 | — | 29,904 |
| Net cash outflow on investing activities | (1,613,605) | (198,168) | (1,957,777) |
| Financing activities | | | |
| Issue of ordinary share capital | 4,961,179 | — | 5,424,120 |
| Issue of warrants | 208,229 | — | — |
| Issue of special warrants | — | — | 5,453,761 |
| Capital element of finance lease payments | — | (46,052) | (79,303) |
| Payment of share issue costs | (706,564) | — | (35,059) |
| Payment of special warrant issue costs | (14,900) | — | (393,765) |
| Net cash inflow/(outflow) from financing activities | 4,447,944 | (46,052) | 10,369,754 |
| Net increase/(decrease) in cash and cash equivalents | 2,258,729 | (653,127) | 4,474,844 |
| Cash and cash equivalents at beginning of period | 8,598,754 | 4,081,882 | 4,081,882 |
| Exchange difference on cash | 243,345 | (5,429) | 42,029 |
| Cash and cash equivalents at end of period | 11,100,828 | 3,423,326 | 8,598,755 |

Enquiries:

Serabi Mining plc

Michael Hodgson
Chief Executive

Tel: 020 7246 6830
Mobile: 07799 473621

Clive Line
Finance Director

Tel: 020 7246 6830
Mobile: 07710 151692

