



Operational update – Initial Commissioning proceeds according to plan

Serabi Gold plc (AIM:SRB, TSX:SBI), the Brazilian focused gold mining and development company, today announces the progress of its initial plant commissioning, which has been successfully running since 13 December 2013. The entire plant has been operated on five separate occasions of approximately two hours each, culminating with a three hour test on 19 December. Approximately 800 tonnes of approximately 5grammes per tonne gold Run of Mine development ore has been crushed to a size of less than 8mm, approximately 200 tonnes of which has passed through the entire process plant. To date, all sections of the current plant comprising the crushing plant, the ball mill, the gravity concentrator and the flotation sections, have been tested and operated in line with the Board's expectations. Gold concentrate has been produced from the gravity plant and copper/gold concentrate from the flotation plant. Daily operation and testing is continuing in order to identify any operational issues and to further stress test the plant.

Mike Hodgson, CEO of Serabi, is currently at site overseeing the initial commissioning work, and commented: *"It is a testament to our project team, led by General Manager Helio Tavares, and the efforts that they have all made over the last twelve months that we will, as announced, be looking to achieve our first gold production in January 2014."*

"I am very proud that we have achieved this significant milestone in accordance with our original timetable. As is to be expected, there will be some improvements to be made along the way, and prudently we have considered a reasonable ramp-up of production from early January through the first quarter of 2014."

"Nevertheless, this successful first week of commissioning, together with approximately 27,000 tonnes of ore stockpiled on surface with an average grade in excess of 8 grammes per tonne of gold, suggest we should be able to achieve our aim of reaching 'life of mine' production rates by the second quarter."

The following link is to a short video showing the plant in operation

<http://www.brrmedia.co.uk/event/119610/?popup=true>



Ore being fed to Ball Mill



Flotation Plant



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



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

Forward-looking statements

Certain statements in this announcement are, or may be deemed to be, forward looking statements. Forward looking statements are identified by their use of terms and phrases such as "believe", "could", "should", "envisage", "estimate", "intend", "may", "plan", "will" or the negative of those, variations or comparable expressions, including references to assumptions. These forward looking statements are not based on historical facts but rather on the Directors' current expectations and assumptions regarding the Company's future growth, results of operations, performance, future capital and other expenditures (including the amount, nature and sources of funding thereof), competitive advantages, business prospects and opportunities. Such forward looking statements reflect the Directors' current beliefs and assumptions and are based on information currently available to the Directors. A number of factors could cause actual results to differ materially from the results discussed in the forward looking statements including risks associated with vulnerability to general economic and business conditions, competition, environmental and other regulatory changes, actions by governmental authorities, the availability of capital markets, reliance on key personnel, uninsured and underinsured losses and other factors, many of which are beyond the control of the Company. Although any forward looking statements contained in this announcement are based upon what the Directors believe to be

reasonable assumptions, the Company cannot assure investors that actual results will be consistent with such forward looking statements.

Qualified Persons Statement

The scientific and technical information contained within this announcement has been reviewed and approved by Michael Hodgson, a Director 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 and Oil & Gas Companies dated June 2009.

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

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