PRESS RELEASE 15 MAY 2012
SERABI GOLD plc ("Serabi" or "the Company")

SERABI GOLD

Financial Results for the First Quarter 2012 and Management Discussion and Analysis

Serabi Gold plc (AIM:SRB, TSX:SBI and SBI.WT), the Brazilian focused gold exploration and development company, advises that it has today published its unaudited financial results for the 3 month period ending 31 March 2012 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.serabigold.com and are also available on SEDAR at www.sedar.com.

Operational Highlights for the last quarter

- Assay results from ALS Minerals confirmed preliminary results issued in December 2011 for drilling undertaken on the Palito South extension and the Piaui prospect. Independent results reported an average upgrade for gold assays of 8% and 14.9% respectively, compared with the preliminary reported results.
- NCL personnel visited Palito during March 2012 to undertake their field evaluation and gather the required data for the PEA.
- The Operational Environmental Licence for the Palito Mine was renewed by Secretaria de Estado de Meio Ambiente ("SEMA"), the state Environmental Agency for the State of Para.

Corporate Highlights

- The Company completed a placing of 27,300,000 units on January 24, 2012 raising gross proceeds of UK£2.73 million
- Each of the 27,300,000 units were comprised of one ordinary share and one-sixth of one ordinary share purchase warrant of the Company, with each whole warrant being exercisable to acquire one Ordinary Share at an exercise price of UK£0.15 until January 23, 2014.
- NCL Ingenieria y Construccion SA ("NCL") were appointed to undertake an independent Preliminary Economic Assessment (the "PEA") into the viability of re-establishing mining operations at the Palito mine.

Financial Highlights

	3 months ended 31 March 2012 (unaudited) US$	3 months ended 31 March 2011 (unaudited) US$
Operating Loss for period	**(1,315,126)**	(742,642)
Loss per ordinary share (basic and diluted)	**(1.56) cents**	(1.65) cents
	3 months ended 31 March 2012 (unaudited) US$	12 months ended 31 December 2011 (audited) US$
Exploration and development expenditures during the period	**931,607**	8,663,471
Cash at end of period	**3,382,198**	1,406,458
Equity Shareholders funds at end of period	**47,388,560**	43,284,480

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

For the three month period ended 31 March 2012 the Company recorded a net loss of US$1,315,126 (1.56 US cents per share) compared to a net loss of US$742,642 (1.65 US cents per share) for the comparative period last year. The increase in the loss for the period is significantly affected by a one-off item reported in the financial statements for the quarter ended 31 March 2011. Excluding this one-off item the loss for the quarter increased by only US$32,000 from US$1,283,083 for the period ended 31 December 2011 to US$1,315,126 for the period ended 31 December 2012. The one-off item in the first quarter of 2011 represented the write-back of a provision equivalent to US$540,441 relating to a potential liability to a supplier in Brazil that was no longer required.

Operating expenses of US$117,694 (three months to 31 March 2011: US$183,822) reflect charges relating to the process plant at the Palito Mine. During the first quarter of 2011 the Company was crushing waste rock for use in road construction an activity which ceased in the latter part of 2011. Costs for 2011 therefore include consumable items related to this activity. The costs for 2012 primarily reflect the staffing costs of personnel involved in the on-going maintenance and remedial works around the crushing and process plant.

Administration costs as reported have increased by some US$147,000 from US$665,387 for the three months ended 31 March 2011 to US$810,786 for the same three month period in 2012. However the reported costs for 2011 quarter were net of income from waste rock sales of US$183,000. On a like for like basis (excluding this non-mineral related income) administration costs have reduced by approximately US$37,000.

Costs for the UK corporate office have increased by US$15,000 as a result of a small increase in professional fees with costs in Brazil having been reduced. On a like for like basis costs in Brazil have reduced from some $304,000 to around $200,000 for the three month period ended 31 March 2012. However this saving has been offset by an employment termination provision being recorded of some US$182,000 of which US$130,000 relates to a long standing claim from a former employee who had originally lodged a claim amounting to the equivalent of US$726,000. The level of employment termination provisions recorded in the corresponding quarter for 2011 was approximately US$128,000. With the current much reduced staffing levels and all known material claims relating to the original mine closure and the subsequent retrenchment of personnel at the end of 2008 and early 2009, the Company anticipates that in future the level of termination provisions required will be significantly reduced.

Depreciation charges quarter on quarter have reduced reflecting an increasing level of assets held by the company, the original cost of which have now been fully depreciated.

The Company reported an exchange gain of US$93,400 in respect of cash holdings, principally of UK sterling (3 months to 31 March 2011: US$192,397) which has been offset by exchange losses of $6,200 (3 months to 31 March 2011: US$5,100).

Investment income has reduced from US$12,403 to US$1,179 reflecting the reduced levels of cash held by the Company during the quarter ended 31 March 2012 compared with the corresponding quarter of 2011.

Outlook

Exploration and development activities will continue to be limited until the results of the PEA are available and thereafter future activity will be subject to the levels of funding available to the Company. On the assumption that the PEA is positive and that the company is able to secure the required level of finance within a reasonable time frame thereafter, it could be anticipated that following the closing of such financings:

- Work would be undertaken to commence de-watering of the mine;
- A mining contractor would be appointed;
- The company would seek to secure appointments of key personnel;
- Mining equipment and mobile mining fleet orders would be placed;
- Orders would be placed for any items required for the crushing and processing plant; and
- Exploration activity at Piaui, Palito South and Currutela would be restarted with a view to implementing drill programmes to establish Canadian National Instrument 43-101 compliant mineral resources on one or more of these prospects.

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SERABI GOLD PLC
Condensed Consolidated Statements of Comprehensive Income

(expressed in US$)	Notes	For the three months ended 31 March **2012 (unaudited)**	2011 (unaudited)
CONTINUING OPERATIONS			
Revenue		**—**	—
Operating expenses		**(117,694)**	(183,822)
Gross loss		**(117,694)**	(183,822)
Administration expenses		**(810,786)**	(665,387)
Settlement of supplier claim		**—**	540,441
Share based payments		**(29,150)**	(30,571)
Loss on asset disposals		**—**	(13,515)
Depreciation of plant and equipment		**(426,637)**	(567,336)
Operating loss		**(1,384,267)**	(920,190)
Foreign exchange gain		**87,190**	187,297
Finance costs		**(19,228)**	(22,152)
Investment income		**1,179**	12,403
Loss before taxation		**(1,315,126)**	(742,642)
Income tax expense		**—**	—
Loss for the period from continuing operations (1) (2)		**(1,315,126)**	(742,642)
Other comprehensive income (net of tax)			
Exchange differences on translating foreign operations		**1,166,852**	943,210
Total comprehensive (loss)/income for the period (2)		**(148,274)**	200,568
Loss per ordinary share (basic and diluted) (1)	3	**(1.56c)**	(1.65c)

(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.

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SERABI GOLD PLC
Condensed Consolidated Balance Sheets

(expressed in US$)	Notes	**As at 31 March 2012 (unaudited)**	As at 31 December 2011 (audited)
Non-current assets			
Development and deferred exploration costs	5	**17,998,296**	16,648,884
Property, plant and equipment	6	**28,690,108**	26,266,092
Total non-current assets		**46,688,404**	44,914,976
Current assets			
Inventories		**1,140,908**	1,114,255
Trade and other receivables		**107,047**	87,440
Prepayments and accrued income		**661,105**	701,669
Cash at bank and cash equivalents		**3,382,198**	1,406,458
Total current assets		**5,291,258**	3,309,822
Current liabilities			
Trade and other payables		**2,186,333**	2,538,055
Accruals		**115,214**	146,165
Total current liabilities		**2,301,547**	2,684,220
Net current assets		**2,989,711**	625,602
Total assets less current liabilities		**49,678,115**	45,540,578
Non-current liabilities			
Trade and other payables		**510,506**	508,680
Provisions		**1,460,029**	1,451,296
Interest bearing liabilities		**319,020**	296,122
Total non-current liabilities		**2,289,555**	2,256,098
Net assets		**47,388,560**	43,284,480
Equity			
Share capital	8	**31,416,993**	29,291,551
Share premium		**50,306,920**	48,292,057
Option reserve		**1,990,465**	1,956,349
Other reserves		**780,028**	702,095
Translation reserve		**91,685**	(1,075,167)
Accumulated loss		**(37,197,531)**	(35,882,405)
Equity shareholders' funds		**47,388,560**	43,284,480

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 2011 prepared under IFRS as adopted in the EU and with IFRS and their interpretations adopted by the International Accounting Standards Board will be filed with the Registrar of Companies following their adoption by shareholders at the next Annual General Meeting. The auditor's report on these accounts was unqualified but did contain an Emphasis of Matter with respect to the Company and the Group regarding Going Concern and the future availability of project finance. The auditor's report did not contain a statement under Section 498 (2) or 498 (3) of the Companies Act 2006.

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SERABI GOLD PLC
Condensed Consolidated Statements of Changes in Shareholders' Equity

(expressed in US$) (unaudited)	Share capital	Share premium	Share option reserve	Other reserves	Translation reserve	Accumulated loss	Total equity
Equity shareholders' funds at 31 December 2010	27,752,834	40,754,032	1,648,484	260,882	3,882,168	(29,946,582)	44,351,818
Foreign currency adjustments	—	—	—	—	943,210	—	943,210
Loss for the period	—	—	—	—	—	(742,642)	(742,642)
Total comprehensive income for the period	—	—	—	—	943,210	(742,642)	200,568
Issue of new ordinary shares for cash	731,412	4,229,767	—	208,229	—	—	5,169,408
Issue of new ordinary shares on exercise of special warrants	807,305	4,004,807	—	232,984	—	—	5,045,096
Costs associated with issue of new ordinary shares for cash	—	(706,564)	—	—	—	—	(706,564)
Share option expense	—	—	37,548	—	—	—	37,548
Equity shareholders' funds at 31 March 2011	**29,291,551**	**48,282,042**	**1,686,032**	**702,095**	**4,825,378**	**(30,689,224)**	**54,097,874**
Foreign currency adjustments	—	—	—	—	(5,900,545)	—	(5,900,545)
Loss for the period	—	—	—	—	—	(5,193,181)	(5,193,181)
Total comprehensive income for the period	—	—	—	—	(5,900,545)	(5,193,181)	(11,093,726)
Costs associated with issue of new ordinary shares for cash	—	10,015	—	—	—	—	10,015
Share option expense	—	—	270,317	—	—	—	270,317
Equity shareholders' funds at 31 December 2011	**29,291,551**	**48,292,057**	**1,956,349**	**702,095**	**(1,075,167)**	**(35,882,405)**	**43,284,480**
Foreign currency adjustments	—	—	—	—	1,166,852	—	1,166,852
Loss for the period	—	—	—	—	—	(1,315,126)	(1,315,126)
Total comprehensive income for the period	—	—	—	—	1,166,852	(1,315,126)	(148,274)
Issue of new ordinary shares for cash	2,125,442	2,047,508	—	77,933	—	—	4,250,883
Costs associated with issue of new ordinary shares for cash	—	(32,645)	—	—	—	—	(32,645)
Share option expense	—	—	34,116	—	—	—	34,116
Equity shareholders' funds at 31 March 2012	**31,416,993**	**50,306,920**	**1,990,465**	**780,028**	**91,685**	**(37,197,531)**	**47,388,560**

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Condensed Consolidated Cash Flow Statements

(expressed in US$)	For the three months ended 31 March 2012 (unaudited)	2011 (unaudited)
Operating activities		
Operating loss	**(1,384,267)**	(920,190)
Depreciation – plant, equipment and mining properties	**426,637**	567,336
Loss on sale of assets	**—**	13,515
Option costs	**29,150**	30,571
Interest paid	**(5,301)**	(10,326)
Foreign exchange	**55,616**	(48,930)
Changes in working capital		
Decrease / (increase) in inventories	**6,379**	(37,481)
Decrease / (increase) in receivables, prepayments and accrued income	**42,208**	(158,356)
(Decrease) in payables, accruals and provisions	**(480,318)**	(11,749)
Net cash outflow from operations	**(1,309,896)**	(575,610)
Investing activities		
Proceeds from sale of fixed assets	**—-**	40,642
Purchase of property, plant and equipment	**(51,910)**	(27,383)
Exploration and development expenditure	**(931,607)**	(1,639,267)
Interest received	**1,179**	12,403
Net cash outflow on investing activities	**(982,338)**	(1,613,605)
Financing activities		
Issue of ordinary share capital	**4,250,883**	4,961,179
Issue of warrants	**—**	208,229
Capital element of finance lease payments	**—**	—
Payment of share issue costs	**(32,645)**	(706,564)
Payment of special warrant issue costs	**—**	(14,900)
Net cash inflow from financing activities	**4,218,238**	4,447,944
Net increase in cash and cash equivalents	**1,926,004**	2,258,729
Cash and cash equivalents at beginning of period	**1,406,458**	8,598,754
Exchange difference on cash	**49,736**	243,345
Cash and cash equivalents at end of period	**3,382,198**	11,100,828

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1. Basis of preparation

These interim accounts are for the three month period ended 31 March 2012. Comparative information has been provided for the unaudited three month period ended 31 March 2011 and, where applicable, the audited twelve month period from 1 January 2011 to 31 December 2011.

The accounts for the periods have been prepared in accordance with International Accounting Standard 34 "Interim Financial Reporting" and the accounting policies are consistent with those of the annual financial statements for the year ended 31 December 2011 and those envisaged for the financial statements for the year ending 31 December 2012. The Group has not adopted any standards or interpretation in advance of the required implementation dates. It is not anticipated that the adoption in the future of the new or revised standards or interpretations that have been issued by the International Accounting Standards Board will have a material impact on the Group's earnings or shareholders' funds.

(i) Going concern and availability of project finance

In common with many companies in the exploration and development stages, the Group raises its finance for exploration and development programmes in discrete tranches. The Group is planning to complete, during the first half of 2012, the preparation of a Preliminary Economic Assessment ("PEA") of the viability of re-commencing mining operations at the Palito Mine. If, as anticipated, the outcome of the PEA is positive the company will then seek to raise further finance from investors in order to provide sufficient funds to recommence mining operations and provide sufficient working capital for the Group's operations.

Subject to raising this finance and gaining any necessary approval from shareholders in general meeting, the Directors consider that the Group will thereafter have sufficient funds to finance the group and its commitments for the foreseeable future. The Directors have therefore concluded that it is appropriate to prepare the financial statements on a going concern basis.

Whilst the Directors are confident that they are taking all the necessary steps to ensure that the funding will be available, there can be no certainty that this will be the case. Were future funding not to become available in an appropriate timescale, which might be the case if the outcome of the PEA was not in line with expectations, the Directors would need to consider alternative strategies and an impairment review would be required in respect of the carrying value of the assets relating to the Palito Mine and other deferred exploration costs. These conditions indicate the existence of a material uncertainty which may cast significant doubt over the Group's ability to continue as a going concern. No adjustments to asset carrying values that may be necessary should the Group be unsuccessful in raising the required finance have been recognised in the financial statements.

(ii) Impairment

The Directors have undertaken a review of the carrying value of the mining and exploration assets of the Group, and considered the implications of the operational difficulties experienced and the current operational status of Palito. Following this review they have assessed the value of the existing assets on the basis of value in use involving a future recommencement of underground mining operations which is dependent on the ability of the Group to raise future finance and to operate the mine in line with the mine plan that forms the basis of the value in use calculation. The carrying values of assets have not been adjusted to reflect a failure to raise sufficient funds, not achieving the projected levels of operation or that, if a sale transaction were undertaken, the proceeds may not realise the value as stated in the accounts.

(iii) Inventories

Inventories - are valued at the lower of cost and net realisable value.

(iv) Property, plant and equipment

Property, plant and equipment are depreciated over their useful lives.

(v) Mining property

The Group commenced commercial production at the Palito mine effective 1 October 2006. Prior to this date all revenues and operating costs were capitalised as part of the development costs of the mine. Effective from 1 October 2006 the accumulated development costs of the mine were re-classified as Mining Property costs and such cost will be amortised over the anticipated life of the mine on a unit of production basis. As the underground mine is currently on care and maintenance and there is no depletion of the reserves and resources attributable to the mine, no amortization charge has been recorded in the period.

(vi) Revenue

Revenue represents amounts receivable in respect of sales of gold and by-products. Revenue represents only sales for which contracts have been agreed and for which the product has been delivered to the purchaser in the manner set out in the contract. Revenue is stated net of any applicable sales taxes. Any unsold production and in particular concentrate is held as inventory and valued at production cost until sold.

(vii) Currencies

The condensed financial statements are presented in United States dollars (US$ or "$"). Other currencies referred to in these condensed financial statements are UK pounds ("UK£"), Canadian dollars ("C$") and Brazilian Reais ("BrR$").

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Transactions in currencies other than the functional currency of a company are recorded at a rate of exchange approximating to that prevailing at the date of the transaction. At each balance sheet date, monetary assets and liabilities that are denominated in currencies other than the functional currency are translated at the amounts prevailing at the balance sheet date and any gains or losses arising are recognised in profit or loss.

On consolidation, the assets and liabilities of the Group's overseas operations that do not have a US Dollar functional currency are translated at exchange rates prevailing at the balance sheet date. Income and expense items are translated at the average exchange rate for the period. Exchange differences arising on the net investment in subsidiaries are recognised in other comprehensive income.

Enquiries

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Copies of this release are available from the Company's website at **www.serabigold.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 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 and Oil & Gas Companies dated June 2009.

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.

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