PRESS RELEASE 14 AUGUST 2012
SERABI GOLD plc ("Serabi" or "the Company")

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Interim Results for the Six Months to 30 June 2012, Financial Results for the Second 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 and 6 month periods ending 30 June 2012 and at the same time has also published its Management Discussion and Analysis for the same periods. 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.

Corporate and Operational 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.
- 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.
- Personnel from NCL Ingenieria y Construccion SA ("NCL") visited Palito during March 2012 to undertake their field evaluation and gather the required data for an independent Preliminary Economic Assessment (the "PEA") into the viability of re-establishing mining operations at the Palito mine.
- 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 on 27 April 2012.
- NCL completed the PEA in June 2012. The results were reported on 13 June 2012 and the completed NI 43-101 compliant Technical Report was filed on 29 June 2012.
- Highlights of the PEA are
    - After-tax Internal Rate of Return ("IRR") of 68% at a realised gold price of US$1,400 per ounce;
    - Project payback within two years of first gold production;
    - Net after-tax cash flow generated over project life of US$72.2 million at a realized gold price of US$1,400 per ounce;
    - After-tax Net Present Value ("NPV") of US$38.2 million; based on a 10% discount rate and a realised gold price of US$1,400 per ounce;
    - Average Life of Mine ("LOM") cash operating costs of US$739 per ounce (gold equivalent) including royalties and refining costs;
    - Average annual free cash flow (after tax and sustaining capital expenditure) of US$11.0 million;
    - Average gold grade of 8.98 g/t gold producing a total gold equivalent production of 201,300 ounces;
    - Average annual production of 24,400 gold equivalent ounces over the initial 8 year period with ranges between 19,000 to 30,000 ounces gold equivalent per annum;
    - Initial capital expenditures of US$17.8 million prior to production start-up;

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Financial Highlights

	3 months ended 30 June 2012 (unaudited) US$	3 months ended 30 June 2011 (unaudited) US$	**6 months ended 30 June 2012 (unaudited) US$**	6 months ended 30 June 2011 (unaudited) US$
Operating Loss for period	**854,100**	1,562,635	**2,169,226**	2,305,277
Loss per ordinary share (basic and diluted)	**(0.94) cents**	(2.44) cents	**(2.47) cents**	(4.22) cents

	6 months ended 30 June 2012 (unaudited) US$	12 months ended 31 December 2011 (audited) US$
Exploration and development expenditures during the period	**1,948,956**	8,663,471
Cash at end of period	**1,697,434**	1,406,458
Equity Shareholders funds at end of period	**42,336,841**	43,284,480

For the three month period ended 30 June 2012 the Company recorded a net loss of US$854,100 (0.94 US cents per share) compared to a net loss of US$1,562,635 (2.44 US cents per share) for the comparative period last year. The decrease in the loss for the period reflects lower depreciation charges of US$158,204 for the quarter compared with US$593,796 for the quarter ended 30 June 2011. This lower level of depreciation arises as assets, particularly those in Brazil, have been subject to depreciation on a straight line basis, and whilst not necessarily in use recently and whilst still being available for use, are reaching the point where the original purchase price of these items has now been fully depreciated.

Operating expenses of US$64,250 (three months to 30 June 2011: US$132,260) reflect charges relating to the process plant at the Palito Mine. During the second 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 reduced by some US$129,000 from US$701,818 for the three months ended 30 June 2011 to US$573,167 for the same three month period in 2012. There have been two significant variances contributing to this reduction. As noted previously, during the 3 month period ended 30 June 2011 the Company was providing waste rock for road construction. The sales of this material, not being sales of metals, did not fall within the revenue definition adopted by the Company and were treated as other income and classified as part of administrative expenses. For the 3 months to June 2011 this amounted to BrR$274,150 (US$165,000). Also in the 3 months ended 31 March 2011, the Company made a provision of BrR$486,494 (US$293,000) in respect of settlement of employment claims made by former employees in Brazil. The charge recorded in the 3 months ended 30 June 2012 was approximately US$26,000. The net effect of these items accounts for US$102,000.

Excluding the above items administration costs incurred in Brazil were US$175,000 for the three months ended 30 June 2012 compared with US$177,500 for the 3 months ended 30 June 2011.

Administration cost incurred outside of Brazil were US$371,289 for the 3 months ended 30 June 2012 a reduction of US$25,000 compared with the 3 month period ended 30 June 2011.

The Company reported an exchange loss of US$19,103 for the 3 months ended 30 June 2012 (3 months to 30 June 2011; exchange loss of US$44,988). This included an exchange loss in respect of cash holdings of US$27,449, which has been offset by exchange gains realised in the period of US$8,346.

Investment income has reduced from US$21,374 to US$3,685 reflecting the reduced levels of cash held by the Company during the quarter ended 30 June 2012 compared with the corresponding quarter of 2011.

For the six month period ended 30 June 2012 the Company recorded a net loss of US$2,169,226 (2.47 US cents per share) compared to a net loss of US$2,305,277 (4.22 US cents per share) for the comparative period last year.

The reduction in the loss of approximately US$136,000 is in part explained by variations which have also influenced the results for the 3 months to 30 June 2012 namely the reductions in depreciation charges, the reduction in provisions for employment claims and the effect of sales of waste rock. In addition the costs of maintenance charges relating to the Palito plant and equipment have reduced by US$134,000 from US$316,000 to US$182,000.

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Administration costs have increased slightly from US$1,367,205 for the 6 months to 30 June 2011 to US$1,383,953, but this has been affected by the lack of waste rock sales in the 6 month period of the current year offset by the reduction in labour claim charges. For the six months to 30 June 2011 the charges established for employment claims brought in Brazil totalled BrR$700,201 (US$430,000) compared with BrR$375,403 (US$202,000) for the same 6 month period in 2012 creating a saving of US$228,000. Waste rock sales for the 6 months to 30 June 2011 amounted to BrR$578,124 (US$355,000) whilst there has been no similar sales income in 2012. The net effect of these items is US$127,000 and thus excluding these effects administration costs have reduced by US$111,000 for the period ended 30 June 2012 compared with the period ended 30 June 2011. Of this, US$100,000 is attributable to costs incurred in Brazil and reflects the reduced headcount and lower levels of activity during the 6 months ended 30 June 2012 compared with the corresponding period in 2011 with the balance being reductions in administration cost incurred outside of Brazil.

During the 6 month period ended 30 June 2011 the company benefitted from a one–off income arising from the settlement of a claim with a supplier which contributed a book income derived from the release of a liability that had been established in respect of the claim of U$540,441.

Depreciation charges for plant and equipment which have reduced by US$576,000 from US$1,161,132 for the 6 month period ended 30 June 2011 to US$584,841 for the 6 month period to 30 June 2012.

The charges made in respect of the amortisation of share option awards has reduced by approximately US$32,000 from US$94,311 in the 6 month period ended 30 June 2011 to US$62,394 in the corresponding period in 2012. This reflects the full amortisation of certain options during 2011 and the lower level of awards made during the 6 month period to 30 June 2011 compared with the same 6 month period in 2011.

Foreign exchange gains which have been derived primarily from cash holdings and favourable settlement of foreign currency transactions have reduced during the 6 months to 30 June 2012, reflecting in part, lower levels of currency volatility during the current year but also the reduced level of cash holdings of the company which limits the levels of gains or losses that can be achieved.

The reduced levels of cash holdings also explain the reduced level of interest income derived in the 6 months ended 30 June 2012 compared with the corresponding period of 2011.

Exchange differences on the currency translation of foreign operations reflect the revaluation of the assets and liabilities of those foreign operations. The Brazilian Real has fallen in value relative to the United States Dollar over the 6 month period ended 30 June 2012. The rate as at 30 June 2012 was 2.0213 Brazilian Real to one United States Dollar compared with a rate as at 31 December 2011 of 1.8758. This decline has resulted in a reduction in US Dollar terms of the book value of the assets of the Company's Brazilian subsidiary in particular the values attributable to the Palito Mine and the deferred exploration interests. Any appreciation in the Brazilian Real will result in a reversal of this exchange loss.

Outlook

Exploration and development activities will continue to be limited. Future activity will be subject to the levels of funding available to the Company. With a positive PEA the Company's objective is to secure the required finance in order to follow the development plan outlined in the PEA. It could be anticipated that following securing of the required funds:

- Work would be undertaken to commence the 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 resource estimates on one or more of these prospects.

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Condensed Consolidated Statements of Comprehensive Income

(expressed in US$)	Notes	For the three months ended 30 June **2012 (unaudited)**	2011 (unaudited)	For the six months ended 30 June **2012 (unaudited)**	2011 (audited)
CONTINUING OPERATIONS					
Revenue		**—**	1,063	**—**	1,063
Operating expenses		**(64,250)**	(132,260)	**(181,944)**	(316,082)
Gross (loss)/profit		**(64,250)**	(131,197)	**(181,944)**	(315,019)
Administration expenses		**(573,167)**	(701,818)	**(1,383,953)**	(1,367,205)
Settlement of supplier claim		**—**	—	**—**	540,441
Option costs		**(33,244)**	(63,740)	**(62,394)**	(94,311)
Gain/(loss) on asset disposals		**8,599**	11,178	**8,599**	(2,337)
Depreciation of plant and equipment		**(158,204)**	(593,796)	**(584,841)**	(1,161,132)
Operating loss		**(820,266)**	(1,479,373)	**(2,204,533)**	(2,399,563)
Foreign exchange (loss)/gain		**(19,103)**	(44,988)	**68,087**	142,309
Finance costs		**(18,416)**	(59,648)	**(37,644)**	(81,800)
Investment income		**3,685**	21,374	**4,864**	33,777
Loss before taxation		**(854,100)**	(1,562,635)	**(2,169,226)**	(2,305,277)
Income tax expense		**—**	—	**—**	—
Loss for the period from continuing operations (1) (2)		**(854,100)**	(1,562,635)	**(2,169,226)**	(2,305,277)
Other comprehensive income (net of tax)					
Exchange differences on translating foreign operations		**(4,235,830)**	1,846,896	**(3,068,978)**	2,790,106
Total comprehensive (loss)/income for the period (2)		**(5,089,930)**	284,261	**(5,238,204)**	484,829
Loss per ordinary share (basic and diluted) (1)	3	**(0.94c)**	(2.44c)	**(2.47c)**	(4.22c)

(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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Condensed Consolidated Balance Sheets

(expressed in US$)	Notes	**As at 30 June 2012 (unaudited)**	As at 30 June 2011 (unaudited)	As at 31 December 2011 (audited)
Non-current assets				
Development and deferred exploration costs	5	**17,405,081**	14,785,541	16,648,884
Property, plant and equipment	6	**25,845,466**	34,843,749	28,266,092
Total non-current assets		**43,250,547**	49,629,290	44,914,976
Current assets				
Inventories		**985,865**	1,580,484	1,114,255
Trade and other receivables		**77,132**	131,973	87,440
Prepayments and accrued income		**545,441**	1,325,456	701,669
Cash at bank and cash equivalents		**1,697,434**	7,859,831	1,406,458
Total current assets		**3,305,872**	10,897,744	3,309,822
Current liabilities				
Trade and other payables		**1,990,299**	3,689,787	2,538,055
Accruals		**113,191**	294,563	146,165
Total current liabilities		**2,103,490**	3,984,350	2,684,220
Net current assets		**1,202,382**	6,913,394	625,602
Total assets less current liabilities		**44,452,929**	56,542,684	45,540,578
Non-current liabilities				
Trade and other payables		**241,548**	298,521	508,680
Provisions		**1,547,976**	1,511,026	1,451,296
Interest bearing liabilities		**326,564**	282,260	296,122
Total non-current liabilities		**2,116,088**	2,091,807	2,256,098
Net assets		**42,336,841**	54,450,877	43,284,480
Equity				
Share capital	8	**31,416,993**	29,291,551	29,291,551
Share premium		**50,306,920**	48,278,626	48,292,057
Option reserve		**2,028,676**	1,758,190	1,956,349
Other reserves		**780,028**	702,095	702,095
Translation reserve		**(4,144,145)**	6,672,274	(1,075,167)
Accumulated loss		**(38,051,631)**	(32,251,859)	(35,882,405)
Equity shareholders' funds		**42,336,841**	54,450,877	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 have been filed with the Registrar of Companies following their adoption by shareholders at the last 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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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	—	—	—	—	2,790,106	—	2,790,106
Loss for the period	—	—	—	—	—	(2,305,277)	(2,305,277)
Total comprehensive income for the period	—	—	—	—	2,790,106	(2,305,277)	484,829
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	—	(709,980)	—	—	—	—	(709,980)
Share option expense	—	—	109,706	—	—	—	109,706
Equity shareholders' funds at 30 June 2011	**29,291,551**	**48,278,626**	**1,758,190**	**702,095**	**6,672,274**	**(32,251,859)**	**54,450,877**
Foreign currency adjustments	—	—	—	—	(7,747,441)	—	(7,747,441)
Loss for the period	—	—	—	—	—	(3,630,546)	(3,630,546)
Total comprehensive income for the period	—	—	—	—	(7,747,441)	(3,630,546)	(11,377,987)
Costs associated with issue of new ordinary shares for cash	—	13,431	—	—	—	—	13,431
Share option expense	—	—	198,159	—	—	—	198,159
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	—	—	—	—	(3,068,978)	—	(3,068,978)
Loss for the period	—	—	—	—	—	(2,169,226)	(2,169,226)
Total comprehensive income for the period	—	—	—	—	(3,068,978)	(2,169,226)	(5,238,204)
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	—	—	72,327	—	—	—	72,327
Equity shareholders' funds at 30 June 2012	**31,416,993**	**50,306,920**	**2,028,676**	**780,028**	**(4,144,145)**	**(38,051,631)**	**42,336,841**

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Condensed Consolidated Cash Flow Statements

(expressed in US$)	For the three months ended 30 June 2012 (unaudited)	For the three months ended 30 June 2011 (unaudited)	For the six months ended 30 June 2012 (unaudited)	For the six months ended 30 June 2011 (unaudited)
Operating activities				
Operating loss	**(820,266)**	(1,479,373)	**(2,204,533)**	(2,399,563)
Depreciation – plant, equipment and mining properties	**158,204**	593,796	**584,841**	1,161,132
Impairment charges	**—**	—	**—**	—
(Loss)/gain on asset disposals	**(8,599)**	(11,178)	**(8,599)**	2,337
Option costs	**33,244**	63,740	**62,394**	94,311
Interest paid	**(5,022)**	(18,360)	**(10,323)**	(28,686)
Foreign exchange loss	**(145,975)**	(89,968)	**(90.359)**	(138,898)
Changes in working capital				
Decrease / (increase) in inventories	**45,941**	(26,972)	**52,320**	(64,453)
Decrease / (increase) / in receivables, prepayments and accrued income	**86,214**	(61,778)	**128,422**	(220,134)
Increase/(decrease) in payables, accruals and provisions	**21,857**	283,921	**(458,461)**	272,172
Net cash flow from operations	**(634,402)**	(746,172)	**(1,944,298)**	(1,321,782)
Investing activities				
Proceeds from sale of fixed assets	**9,928**	74,509	**9,928**	115,151
Purchase of property, plant and equipment	**(42)**	(18,253)	**(51,952)**	(45,636)
Exploration and development expenditure	**(1,017,349)**	(2,574,755)	**(1,948,956)**	(4,214,022)
Interest received	**3,685**	21,374	**4,864**	33,777
Net cash outflow on investing activities	**(1,003,778)**	(2,497,125)	**(1,986,116)**	(4,110,730)
Financing activities				
Issue of ordinary share capital	—	—	**4,250,883**	4,961,180
Issue of warrants	**—**	—	**—**	208,229
Capital element of finance lease payments	**—**	—	**—**	—
Payment of share issue costs	—	(3,416)	**(32,645)**	(709,980)
Payment of special warrant issue costs	**—**	—	**—**	(14,900)
Net cash (outflow)/ inflow from financing activities	—	(3,416)	**4,218,238**	4,444,529
Net (decrease)/ increase in cash and cash equivalents	**(1,638,180)**	(3,246,713)	**287,824**	(987,983)
Cash and cash equivalents at beginning of period	**3,382,198**	11,100,828	**1,406,458**	8,598,754
Exchange difference on cash	**(46,584)**	5,716	**3,152**	249,060
Cash and cash equivalents at end of period	**1,697,434**	7,859,831	**1,697,434**	7,859,831

1. Basis of preparation

These interim accounts are for the three and six month periods ended 30 June 2012. Comparative information has been provided for the unaudited three and six month periods ended 30 June 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 has completed, during the first half of 2012, the preparation of a Preliminary Economic Assessment ("PEA") into the viability of re-commencing mining operations at the Palito Mine. The results of the PEA were announced on 13 June 2012 and indicated a project after tax internal rate of return of 68% based on employing a selective underground mining operation and exploiting only the previously declared mineral resource estimates. The directors believe that the PEA results support a small scale, high grade operation using selective mining techniques and the Board intends, subject to financing, to undertake the necessary mine development and remedial works as soon as possible with the intention of the first gold being produced in the third quarter of 2013. Management is currently active in raising 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 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, 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 amortisation 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 are 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$") and Brazilian Reais ("BrR$").

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.

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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.

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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