



Kenai Shareholders Approve Plan of Arrangement with Serabi Gold plc

Serabi Gold plc (AIM:SRB, TSX:SBI), the Brazilian focused gold mining and exploration company, announces that the shareholders of Kenai Resources Ltd ("Kenai") have approved the proposals for Serabi to acquire the entire share capital of Kenai by way of a plan of arrangement ("the Arrangement").

The Arrangement was approved at a special meeting of the Kenai shareholders in Vancouver, Canada on 5 July 2013, by 99% of the votes cast. No notices of the exercise of dissent rights respecting the Arrangement were received by Kenai. The hearing in respect of the final order of the Supreme Court of British Columbia ("Court") approving the Arrangement is scheduled for Wednesday, 10 July 2013. Assuming Court approval is obtained and that all other conditions to closing have been satisfied or waived, the Arrangement is expected to become effective on or about 11 July 2013.

The terms of the Arrangement are as set out in the announcements made by the Company and Kenai on 6 May 2013 and Kenai's information circular dated 5 June 2013, which has been filed on SEDAR. Under the Arrangement, Kenai Shareholders will receive 0.85 of one new Serabi ordinary share ("Serabi Share") in exchange for each Kenai common share held. Application will be made for the new Serabi Shares to be issued pursuant to the Arrangement to be admitted to trading on AIM, which is expected to commence on or about 16 July 2013. The new Serabi Shares will rank *pari passu* in all respects with the existing Serabi Shares.

Mr Michael Hodgson, the CEO of Serabi, commented, ***"with recent volatility in gold prices it is even more important for companies to seek to lower their production costs and I continue to believe that a focus of high grade production will achieve good long term results for Serabi. We see Sao Chico as the first satellite deposit to augment Palito mine production with further high grade feed, taking advantage of the excess plant capacity available. It therefore provides real potential to quickly expand and grow Serabi's future gold production and with high mine production grades expected, should lower our overall unit production costs."***

Whilst I remain excited by the value accretion that this transaction is expected to bring to Serabi, we are on schedule for, and fully focussed on, bringing the Palito mine into production by the end of 2013. Underground development and rehabilitation work continues to progress well at Palito. Development ore is currently being stockpiled on surface and the remaining underground mining fleet has now started to be delivered to site. Remediation of the plant is also proceeding well with the primary crushing plant some 75% complete and work well underway on the milling and flotation elements of the process circuit."

Sao Chico has a current resource of approximately 25,000 Measured and Indicated ounces, and 71,000 Inferred ounces, both averaging over 26 g/t. However, the property is far from fully explored and an in-fill and extension drilling programme is currently underway. First results from SGS Laboratories in Belo Horizonte, Brazil are expected in the coming weeks."

Enquiries

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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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