



PRESS RELEASE 30 DECEMBER 2014  
SERABI GOLD plc ("Serabi" or "the Company")



## Drawdown of US\$8 million secured loan facility with Sprott Resource Lending completed

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Serabi Gold plc (AIM:SRB, TSX:SBI), the Brazilian focused gold mining and development company, is pleased to announce that it has completed the drawdown of the US\$8 million secured loan facility arrangement (the "Facility") with the Sprott Resource Lending Partnership ("Sprott"), announced on 29 September 2014.

### Mike Hodgson CEO, commented

*"We have been making excellent progress on the development of Sao Chico and I expect that we will reach the first intersection with the Principal Vein in the coming weeks. The availability of this additional loan capital will allow the Company to complete the remaining equipment purchases and infrastructure improvements that are planned as we continue to develop the Sao Chico mine. Palito is continuing to perform very well and production for October and November has been broadly in line with expectations, which included the increase in gold recovery to approximately 92% following the successful commissioning of our adsorption, desorption and recovery (ADR) gold plant. We are starting to run down the surface stockpiles of coarse ore and anticipate that the stockpile will be depleted by the end of the first quarter of 2015. Whilst Sao Chico will be in a development phase for much of 2015, we anticipate, with selective mining of the development galleries, being able to produce high grade development ore from Sao Chico through 2015".*

The Company released on 18 December 2014 a new video on operational activity at its Palito mine. The video can be viewed on the Company's website at [www.serabigold.com](http://www.serabigold.com) or by using the following link - <http://www.brrmedia.co.uk/event/133285?popup=true>.

The Facility was available to be drawn down in up to three tranches with the first tranche of US\$3 million having been released on 26 September 2014 concurrent with the closing of the transaction. The second and third tranches were subject to Serabi's on-going compliance with the terms of the Facility and the completion of the registration of all the security arrangements. These security arrangements have now been completed to Sprott's satisfaction.

The Facility is for a term expiring on 31 December 2015 and carries interest at a rate of 10% per annum. It is being used to provide additional funding for the continued development of the Palito Mine and the Sao Chico gold project, to finance an additional drilling programme at Sao Chico and for general corporate purposes.

Serabi has provided to Sprott certain covenants and undertakings, consistent with normal bank lending arrangements, including an undertaking to maintain at all times working capital in excess of US\$4 million and a minimum of US\$1 million in unrestricted cash and cash equivalents. The Facility is subject to standard events of default. Serabi may prepay in whole or part any amount of the Facility prior to 31 December 2015 without penalty provided that not less than six months of interest on the amount prepaid, has been paid to Sprott.

Serabi was assisted in securing the Facility and in its negotiations with Sprott, by Medalist Capital Ltd, a Toronto based investment advisory group.



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Copies of this release are available from the Company's website at [www.serabigold.com](http://www.serabigold.com)

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#### 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.*

#### SERABI GOLD PLC

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