PRESS RELEASE 13 NOVEMBER 2015
SERABI GOLD plc ("Serabi" or "the Company")

SERABI GOLD

Unaudited Interim Financial Results for the three and nine month periods to 30 September 2015 and Management's Discussion and Analysis

Serabi Gold (AIM:SRB, TSX:SBI), the Brazilian focused gold mining and development company, today releases its unaudited interim financial results for the three month and nine month periods ending 30 September 2015 and at the same time has published its Management's Discussion and Analysis for the same period.

Key Financial Information[(1)]

	3 months to 30 September 2015 US$	**9 months to 30 September 2015 US$**	3 months to 30 September 2014 US$	9 months to 30 September 2014 US$
Revenue	**8,365,289**	**27,043,682**	5,253,323	5,253,323
Cost of Sales	**(6,302,006)**	**(19,350,056)**	(3,378,532)	(3,378,532)
Depreciation and amortisation charges	**(871,576)**	**(3,603,810)**	(917,404)	(1,183,709)
Gross profit	**1,191,707**	**4,089,816**	957,387	691,082
Profit/(loss) before and after tax	**114,176**	**191,073**	(405,430)	(3,331,787)
Profit/(loss) per ordinary share (basic)	**0.02c**	**0.03c**	(0.06c)	(0.54c)
Average gold price received	**US$1,122**	**US$1,156**	US$1,199	US$1,199

	As at 30 September 2015	As at 31 December 2014
Cash and cash equivalents	**3,814,439**	9,813,602
Net assets	**46,229,378**	66,918,551

Cash Costs and All-In Sustaining Costs

	3 months to 30 September 2015	**9 months to 30 September 2015**
Gold ounces produced	**9,078**	**24,704**
Gold production from Sao Chico	**(1,200)**	**(1,984)**
Gold production for cash costs and AISC purposes	**7,878**	**22,720**
Total Cash Cost of production (per ounce)	**US$580**	**US$702**
Total All-In Sustaining Cost of production (per ounce)	**US$756**	**US$894**

(1) The Sao Chico Mine has not yet been declared to be in Commercial Production and therefore all costs and revenues relating to this mine are being capitalised. The Income Statements therefore only reflect the revenues and costs arising from the gold produced from the Palito Mine and the Cash Costs and AISC therefore also only reflect the activities from the Palito Mine.

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Key Operational Information

SUMMARY PRODUCTION STATISTICS FOR THE THREE QUARTERS ENDING 30th SEPTEMBER 2015 (Palito & Sao Chico)

		Quarter 1	Quarter 2	Quarter 3	Year to Date
Horizontal development	Metres	1,491	2,078	2,691	6,260
Mined ore	Tonnes	25,812	31,488	36,587	93,887
	Gold grade (g/t)	10.90	9.18	10.65	10.23
Milled ore	Tonnes	31,412	33,279	31,789	96,480
	Gold grade (g/t)	8.52	8.28	9.47	8.75
Gold production (1)	Ounces	7,389	8,237	9,078	24,704

(1) Gold production figures are subject to amendment pending final agreed assays of the gold content of the copper/gold concentrate and gold dore that is delivered to the refineries. Amendments when realised are applied retrospectively to the relevant month of production and therefore figures reported for past periods are subject to change.

Financial Highlights

- All-In Sustaining Costs of US$894 for the year to date with cash costs of US$702.
- All-In Sustaining Costs of US$756 for the third quarter of 2015 with cash costs of US$580.
- Cash holdings of US$3.81 million at 30 September 2015.
- Average gold price of US$1,122 received on gold sales in the third quarter of 2015 and US$1,156 for the year to date.
- All-In Sustaining Costs ("AISC") for the full year expected to be approximately US$900 per ounce.
- At 30 September 2015, the Brazilian Real to US Dollar exchange rate had weakened by approximately 50% compared against 31 December 2014 and by 41% as at 11 November 2015.
- Annual inflation in Brazil for October 2015 was 9.93% the highest rate since November 2003.

Operational Highlights

- Record gold production for the quarter totaled 9,078 ounces(1) a 10.1% increase compared with the second quarter; 7,878 ounces from the processing of Palito run of mine ore ("ROM") and surface stockpiles, and 1,200 ounces from Sao Chico ore.
- Combined quarterly mill throughput, for both Palito and Sao Chico ore, totalled 31,789 tonnes.
- Quarterly mine production totalled 36,587 tonnes, 28,625 tonnes at 11.04 g/t for Palito and 7,962 tonnes at 9.27 g/t gold for Sao Chico.
- At the end of the third quarter, surface stockpiles at Palito and Sao Chico totalled 11,392 tonnes at 3.50 g/t gold.
- A third Ball mill has been purchased and is planned to be installed and operational together with other improvements in throughput for the Flotation and Carbon in Pulp ("CIP") process circuits at the start of the second quarter 2016.
- Forecast for gold production in 2015 of approximately 33,000 ounces being an 80% improvement on 2014.

(1) Gold production figures are subject to amendment pending final agreed assays of the gold content of the copper/gold concentrate and gold dore that is delivered to the refineries.

Palito development

- Quarterly mine development at Palito totalled 1,850 metres, exceeding internal plans by 35%.

Sao Chico development

- Quarterly mine development total was 841 metres.
- The main ramp at Sao Chico has now almost reached the next planned development level at 156mRL. Ore development is on-going on the three higher levels at 216mRL, 199mRL and 186mRL.
- At the end of September 2015, 39 holes totalling 6,014 metres had been drilled from the surface diamond drilling programme.

Mike Hodgson, CEO of Serabi commented,

"As reported in the news release of 29 October 2015, the third quarter of 2015 represented the best quarterly production to date with a 10% increase in overall gold production, including a 53% increase in gold production from Sao Chico over the preceding quarter.

"The reported financial results do however only reflect the gold production, revenues and costs associated with the Palito Mine, as Sao Chico remains in development and has not yet reached commercial production. I am pleased to report that the Group has generated a gross operating profit for the nine months to the end of September 2015 of US$4.1 million, and has achieved good cash-flow from operations of US$3.6 million over the same period. The AISC for the Palito operation for the nine months to 30 September 2015 was US$894 per ounce and has been decreasing progressively over the last few months.

"Serabi is continuing to invest in the development of the Sao Chico Mine though much of the investment in the mine development and pre-operating activities is being covered by the revenues that are generated. The grades at Sao Chico are, at times, truly spectacular, but the nature of the mineralisation means that we are more reliant on assay control to identify the gold bearing mineralisation. At Palito we can place a higher level of reliance on visual control, whilst at Sao Chico, closer spaced sampling is a necessity. We are however building, through the combination of on-going underground mine development and surface and underground drilling, a much better understanding of the mineralisation.

"As also reported in the news release of 29 October 2015, it is becoming evident that the operation will require an increase in milling capacity to allow us to run down our existing stockpiles and provide the opportunity to create excess capacity that will enable better production and maintenance scheduling. A third ball mill has been acquired and delivered to site and this, along with improvements in the flotation and cyanidation plant, will allow us to increase throughputs. Whilst we would plan to operate during 2016 at around 500 tonnes per day ("tpd"), the capacity of the milling circuit could be up to 600 tpd. We anticipate that these upgrades, which are being financed out of cash flow, will be completed early in the second quarter of 2016.

"In addition to funding the upgrade programme, operational cash flow is being used to pay down the short term debt facility with Sprott. With the timing of the debt retirement and the increase in production capacity expected early in the second quarter of 2016, I anticipate that the Group will be generating a strong cash-flow for pursuing its organic growth opportunities thereafter.

"At this time we now have the benefit of being well into the fourth quarter, and can provide a better estimate of 2015 total production. With the excellent third quarter performance we now anticipate the AISC will be approximately US$900 per ounce for the full year. A combination of energy problems, slow production progress at Sao Chico, and slightly reduced production grades at Palito, will mean slightly reduced total production for 2015 of 33,000 ounces. Nevertheless this will be almost double the gold production of 2014 which I see as being a very satisfactory years' work.

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SERABI GOLD PLC
Condensed Consolidated Statements of Comprehensive Income

(expressed in US$)	Notes	For the three months ended 30 September **2015 (unaudited)**	For the three months ended 30 September 2014 (unaudited)	For the nine months ended 30 September **2015 (unaudited)**	For the nine months ended 30 September 2014 (unaudited)
CONTINUING OPERATIONS					
Revenue		**8,365,289**	5,253,323	**27,043,682**	5,253,323
Operating expenses		**(6,302,006)**	(3,378,532)	**(19,350,056)**	(3,378,532)
Depreciation of plant and equipment		**(871,576)**	(917,404)	**(3,603,810)**	(1,183,709)
Gross profit		**1,191,707**	957,387	**4,089,816**	691,082
Administration expenses		**(871,153)**	(1,243,580)	**(3,024,671)**	(3,637,598)
Share based payments		**(101,019)**	(76,006)	**(303,056)**	(149,433)
Operating profit / (loss)		**219,535**	(362,199)	**762,089**	(3,095,949)
Foreign exchange (loss)		**(364,869)**	(68,037)	**(171,238)**	(59,161)
Finance expense		**(388,074)**	(154,982)	**(1,206,276)**	(360,938)
Investment income		**647,584**	179,788	**806,498**	184,261
Profit / (loss) before taxation		**114,176**	(405,430)	**191,073**	(3,331,787)
Income tax expense		—	—	—	—
Profit / (loss) for the period from continuing operations (2) (3)		**114,176**	(405,430)	**191,073**	(3,331,787)
Other comprehensive income (net of tax)					
Items that may be reclassified subsequently to profit or loss					
Exchange differences on translating foreign operations		**(11,995,969)**	(7,129,622)	(21,183,302)	(3,411,657)
Total comprehensive (loss) for the period (3)		**(11,881,793)**	(7,535,052)	(20,992,229)	(6,743,444)
Profit / (loss) per ordinary share (basic) (2)	3	**0.02c**	(0.06c)	**0.03c**	(0.54c)
Profit / (loss) per ordinary share (diluted) (2)	3	**0.01c**	(0.06c)	**0.02c**	(0.54c)

(1) The Sao Chico Mine has not yet been declared to be in Commercial Production and therefore all costs and revenues relating to this mine are being capitalised. The Income Statements therefore only reflect the revenues and costs arising from the gold produced from the Palito Mine.

(2) All revenue and expenses arise from continuing operations.

(3) The Group has no non-controlling interests and all losses are attributable to the equity holders of the Parent Company.

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Condensed Consolidated Balance Sheets

(expressed in US$)	**As at 30 September 2015 (unaudited)**	As at 30 September 2014 (unaudited)	As at 31 December 2014 (audited)
Non-current assets			
Deferred exploration costs	**9,018,777**	24,888,399	11,799,271
Property, plant and equipment	**39,181,535**	39,381,145	54,103,898
Total non-current assets	**48,200,312**	64,269,544	65,903,169
Current assets			
Inventories	**7,677,056**	7,554,145	8,070,215
Trade and other receivables	**6,683,465**	5,164,216	6,772,046
Prepayments and accrued income	**2,248,960**	2,441,265	2,503,877
Cash and cash equivalents	**3,814,439**	6,719,202	9,813,602
Total current assets	**20,423,920**	21,878,828	27,159,740
Current liabilities			
Trade and other payables	**3,989,936**	4,416,758	4,601,337
Interest bearing liabilities	**13,619,743**	8,611,693	16,228,220
Derivative financial liabilities	**70,038**	—	528,503
Accruals	**167,237**	137,739	167,377
Total current liabilities	**17,846,954**	13,166,190	21,525,437
Net current assets	**2,576,966**	8,712,638	5,634,303
Total assets less current liabilities	**50,777,278**	72,982,182	71,537,472
Non-current liabilities			
Trade and other payables	**2,226,238**	—	1,424,798
Provisions	**2,075,105**	1,415,165	2,829,468
Interest bearing liabilities	**246,557**	1,678,556	364,655
Total non-current liabilities	**4,547,900**	3,093,721	4,618,921
Net assets	**46,229,378**	69,888,461	66,918,551
Equity			
Share capital	**5,263,182**	61,668,212	61,668,212
Share premium	**—**	67,809,848	67,656,848
Option reserve	**2,646,397**	2,290,914	2,400,080
Other reserves	**450,262**	2,241,144	450,262
Translation reserve	**(39,919,594)**	(14,182,830)	(18,736,292)
Distributable surplus	**77,789,131**	(49,938,827)	(46,520,559)
Equity shareholders' funds	**46,229,378**	69,888,461	66,918,551

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 2014 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. The auditor's report did not contain a statement under Section 498 (2) or 498 (3) of the Companies Act 2006.

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

(expressed in US$) (unaudited)	Share capital	Share premium	Share option reserve	Other reserves (1)	Translation reserve	Distributable surplus	Total equity
Equity shareholders' funds at 31 December	**60,003,212**	**54,479,151**	**2,330,789**	**789,076**	**(10,771,173)**	**(46,796,348)**	**60,034,707**
Foreign currency adjustments	—	—	—	—	(3,411,657)	—	**(3,411,657)**
Loss for the period	—	—	—	—	—	(3,331,787)	**(3,331,787)**
Total comprehensive income for the period	—	—	—	—	(3,411,657)	(3,331,787)	**(6,743,444)**
Issue of new ordinary shares for acquisition	1,665,000	13,455,000	—	1,530,000	—	—	**16,650,000**
Costs associated with issue of new ordinary shares for cash	—	(202,235)	—	—	—	—	**(202,235)**
Warrants lapsed in period	—	77,932	—	(77,932)	—	—	—
Share options lapsed in period	—	—	(189,308)	—	—	189,308	—
Share option expense	—	—	149,433	—	—	—	**149,433**
Equity shareholders' funds at 30 September	**61,668,212**	**67,809,848**	**2,290,914**	**2,241,144**	**(14,182,830)**	**(49,938,827)**	**69,888,461**
Foreign currency adjustments	—	—	—	—	(4,553,462)	—	**(4,553,462)**
Profit for the period	—	—	—	—	—	3,157,386	**3,157,386**
Total comprehensive income for the period	—	—	—	—	(4,553,462)	3,157,386	**(1,396,076)**
Correction relating to treatment of warrants	—	(153,000)	—	(1,530,000)	—	—	**(1,683,000)**
Convertible Loan Stock Repaid	—	—	—	(260,882)	—	260,882	—
Share option expense	—	—	109,166	—	—	—	**109,166**
Equity shareholders' funds at 31 December	**61,668,212**	**67,656,848**	**2,400,080**	**450,262**	**(18,736,292)**	**(46,520,559)**	**66,918,551**
Foreign currency adjustments	—	—	—	—	(21,183,302)	—	**(21,183,302)**
Profit for the period	—	—	—	—	—	191,073	**191,073**
Total comprehensive income for the period	—	—	—	—	(21,183,302)	191,073	**(20,992,229)**
Cancellation of Share Premium and Deferred Shares(2)	(56,405,030)	(67,656,848)	—	—	—	124,061,878	—
Share options lapsed in period	—	—	(56,739)	—	—	56,739	—
Share option expense	—	—	303,056	—	—	—	**303,056**
Equity shareholders' funds at 30 September	**5,263,182**	—	**2,646,397**	**450,262**	**(39,919,594)**	**77,789131**	**46,229,378**

(1) Other reserves comprise a merger reserve of US$361,461 (2014: US$ 361,461) and a warrant reserve of US$88,801 (December 2014: US$88,801).

(2) The Company cancelled its Share Premium Account totalling US$67,656,848 as well as all of its Deferred Shares totalling US$56,405,030 pursuant a Court Order dated 29 July 2015 and the total amount of US$124,061,878 has been transferred to the Profit and Loss Reserve Account as a realised gain.

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Condensed Consolidated Cash Flow Statements

(expressed in US$)	For the three months ended 30 September 2015 (unaudited)	2014 (unaudited)	For the nine months ended 30 September 2015 (unaudited)	2014 (unaudited)
Operating activities				
Profit / (loss) before taxation	**114,176**	(405,430)	**191,073**	(3,331,787)
Depreciation – plant, and equipment	**871,576**	917,404	**3,603,810**	1,183,709
Net financial expense	**105,359**	43,231	**571,016**	235,838
Option costs	**101,019**	76,005	**303,056**	149,433
Interest paid	**(84,406)**	(146,985)	**(854,276)**	(301,738)
Foreign exchange gain	**112,300**	487,955	**276,788**	491,976
Changes in working capital				
(Increase) in inventories	**(1,103,999)**	(3,785,301)	**(2,552,479)**	(4,115,534)
(Increase) / decrease in receivables, prepayments and accrued income	**791,116**	(359,087)	**(775,400)**	(6,523,986)
Increase in payables, accruals and provisions	**1,219,436**	1,010,240	**2,860,354**	1,505,621
Net cash inflow/(outflow) from operations	**2,126,577**	(2,161,968)	**3,623,942**	(10,706,468)
Investing activities				
Sales revenues recognised to date	**1,340,259**	(1,094,635)	**2,267,350**	4,126,078
Capitalised pre-operating costs	**(1,724,903)**	522,231	**(2,392,111)**	(7,610,695)
Purchase of property, plant and equipment and projects in construction	**(997,540)**	(783,869)	**(4,285,435)**	(3,075,714)
Other development expenditures	**(150,801)**	—	**(948,633)**	—
Exploration and development expenditure	**(108,083)**	(459,673)	**(570,318)**	(1,222,341)
Interest received	**1**	184,261	**842**	184,261
Net cash outflow on investing activities	**(1,641,067)**	(1,631,685)	**(5,928,305)**	(7,598,411)
Financing activities				
Issue of ordinary share capital	—	—	—	16,650,000
Payment of share issue costs	—	—	—	(202,235)
Repayment of short-term secured loan	**(1,000,000)**	—	**(3,000,000)**	(5,500,000)
Drawdown of short term shareholder loan facility	—	—	—	2,750,000
Drawdown of bank loan facility	—	3,000,000	—	3,000,000
Receipts from short-term trade finance	**6,435,952**	5,965,847	**17,123,401**	9,154,249
Repayment of short-term trade finance	**(6,130,683)**	(4,018,394)	**(16,994,618)**	(4,018,394)
Payment of finance lease liabilities	**(303,380)**	(263,392)	**(570,445)**	(518,542)
Net cash (outflow) / inflow from financing activities	**(998,111)**	4,684,088	**(3,441,662)**	21,314,881
Net (decrease) / increase in cash and cash equivalents	**(512,601)**	890,435	**(5,746,025)**	3,010,002
Cash and cash equivalents at beginning of period	**4,481,970**	5,920,963	**9,813,602**	3,789,263
Exchange difference on cash	**(154,930)**	(92,196)	**(253,138)**	(80,063)
Cash and cash equivalents at end of period	**3,814,439**	6,719,202	**3,814,439**	6,719,202

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Notes

1. General Information

The financial information set out above 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. A copy of the statutory accounts for 2014 has been delivered to the Registrar of Companies. The full audited financial statements for the years end 31 December 2014 do comply with IFRS.

2. Basis of Preparation

The financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") in force at the reporting date and their interpretations issued by the International Accounting Standards Board ("IASB") as adopted for use within the European Union and with IFRS and their interpretations issued by the IASB. The consolidated financial statements have also been prepared in accordance with those parts of the Companies Act 2006 applicable to companies reporting under IFRS. The financial statements do not constitute statutory accounts as defined in Section 434 of the Companies Act 2006.

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 but are not yet effective will have a material impact on the Group's earnings or shareholders' funds. The Company has not adopted any new standards in advance of the effective dates.

Going concern and availability of project finance

The Group commenced gold production operations at the Palito Mine at the start of 2014 having completed the first phase construction of the gold recovery plant in December 2013. The operations during the first six months of 2014 were in a re-commissioning and ramp-up phase. On 23 July 2014 the Group announced that with effect from 1 July 2014 the Palito mine had achieved Commercial Production. During the 3 months ended 30 September 2014, the Group completed work and commissioned the Carbon in Pulp ("CIP") leaching circuit allowing the Group to maximise the potential recovery of gold from the ore processed. The first "gold pour" of gold recovered from the CIP operations took place in October 2014. During the first nine months of 2015 the Group has been undertaking the initial development of its Sao Chico operation and for the remainder of 2015 plans to steadily increase the production of ore from Sao Chico for processing using the Palito gold process plant. The Group began processing of ore from its Sao Chico operation during April 2015.

On 3 March 2014 the Group completed a share placement raising gross proceeds of UK£10 million which provided additional working capital to the Group during the start–up phase of production at Palito and also to fund the initial development and further evaluation of the Sao Chico gold project. On 26 September 2014 the Group also entered into a US$8 million secured loan facility which is required to be repaid in full on or before 31 March 2016 with the Sprott Resource Lending Partnership ("the Facility") providing additional working and development capital. The first tranche of US$3 million of this Facility was drawdown on 26 September 2014 with the remaining tranches drawn down in full on 28 December 2014. The Group also makes use of a borrowing facility of US$7.5 million to provide advance payment on sales of copper/gold concentrate. This current facility extends to 31 December 2015.

The Directors anticipate the Group now has access to sufficient funding for its immediate projected needs. The Group expects to have sufficient cash flow from its forecast production to finance its on-going operational requirements and to, at least in part, fund exploration and development activity on its other gold properties. However the forecasted cash flow projections for the next twelve months include a significant contribution arising from the Sao Chico development. As noted above, whilst development has commenced commercial production has yet to be declared. There are risks associated with the commencement of any new mining operation whereby unforeseen technical and logistical events result in additional time being required for commissioning or additional costs needing to be incurred, giving rise to the possibility that additional working capital may be required to fund these delays or additional capital requirements. Should additional working capital be required the Directors consider that further sources of finance could be secured within the required timescale. On this basis the Directors have therefore concluded that it is appropriate to prepare the financial statements on a going concern basis. However there is no certainty that such additional funds either for working capital or for future development will be forthcoming and 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 and therefore that it may be unable to realise its assets and discharge its liabilities in the normal course of business. The financial statements do not include the adjustments that would result if the Group was unable to continue as a going concern.

3. Earnings per Share

	3 months ended 30 Sept 2015	3 months ended 30 Sept 2014	**6 months ended 30 Sept 2015**	9 months ended 30 Sept 2014	12 months ended 31 Dec 2014
Profit/(loss) attributable to ordinary shareholders (US$)	**114,176**	(405,430)	**191,073**	(3,331,787)	(174,401)
Weighted average ordinary shares in issue	**656,389,204**	656,389,204	**656,389,204**	611,700,559	656,389,204
Basic profit/(loss) per share (US cents)	**0.02**	(0.06)	**0.03**	(0.54)	**(0.03)**
Diluted ordinary shares in issue	**792,265,830**(1)	656,389,204	**792,265,830**(1)	611,700,559	656,389,204
Diluted profit /(loss) per share (US cents)	**0.01**	(0.06)(2)	**0.02**	(0.54)(2)	**(0.03)**(2)

(1) Assumes exercise of 100,000,000 warrants and 35,876,626 options that have vested as of 30 September 2015.

(2) As the effect of dilution is to reduce the loss per share the diluted loss per share is considered to be the same as the basic loss per share.

4. Post balance sheet events

Between the end of the financial period and the date that these unaudited interim financial statements were approved by the Board, the Brazilian Real, the national currency of Brazil, following a 12 month period where its value declined by approximately 60% against the US dollar has shown some stability and slight strengthening. On 31 December 2014 the exchange rate for US$1.00 was BrR$2.6556. As at 30 September 2015 the exchange rate for US$1.00 was BrR$3.9722. As at 11 November 2015 the exchange rate for US$1.00 was BrR$3.7722. Many of the Group's assets and liabilities and in particular the value attributed to non-current assets are recorded in Brazilian Reais. The value of the Group's net assets and liabilities has been significantly impacted by the devaluation of the Brazilian Real during the first nine months of 2015. The Group sources a majority proportion of its operational consumables in Brazilian Reais and the salaries of all its Brazilian employees are denominated and paid in Brazilian Reais. Therefore the Group's operating costs are subject to variation as a result of movements in the exchange rate between the United States Dollar and the Brazilian Real.

Other than as set out above, between the end of the financial period and the date that the financial statements were approved by the board of directors there has been no item, transaction or event of a material or unusual nature likely, in the opinion of the directors of the company, to affect significantly the continuing operations of the company, the results of these operations, or the state of affairs of the company in future financial periods.

SERABI GOLD

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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.

GLOSSARY OF TERMS
The following is a glossary of technical terms:

"Au" means gold.
"assay" in economic geology, means to analyze the proportions of metal in a rock or overburden sample; to test an ore or mineral for composition, purity, weight or other properties of commercial interest.
"development" - excavations used to establish access to the mineralised rock and other workings
"doré – a semi-pure alloy of gold silver and other metals produced by the smelting process at a mine that will be subject to further refining.
"DNPM" is the Departamento Nacional de Produção Mineral.
"grade" is the concentration of mineral within the host rock typically quoted as grams per tonne (g/t), parts per million (ppm) or parts per billion (ppb).
"g/t" means grams per tonne.
"granodiorite" is an igneous intrusive rock similar to granite.
"igneous" is a rock that has solidified from molten material or magma.
"Intrusive" is a body of igneous rock that invades older rocks.
"on-lode development" - Development that is undertaken in and following the direction of the Vein
"mRL" – depth in metres measured relative to a fixed point – in the case of Palito and Sao Chico this is sea-level. The mine entrance at Palito is at 250mRL.
"saprolite" is a weathered or decomposed clay-rich rock.
"stoping blocks" – a discrete area of mineralised rock established for planning and scheduling purposes that will be mined using one of the various stoping methods.
"Vein" is a generic term to describe an occurrence of mineralised rock within an area of non-mineralised rock.