SERABI GOLD

Unaudited Interim Financial Results for the three and six month periods to 30 June 2017 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 and six month periods ending 30 June 2017 and at the same time has published its Management's Discussion and Analysis for the same period.

Key Financial Information

SUMMARY FINANCIAL STATISTICS FOR THE THREE AND SIX MONTHS ENDING 30 JUNE 2017

	3 months to 30 June 2017 US$	6 months to 30 June 2017 US$	3 months to 30 June 2016 US$	6 months to 30 June 2016 US$
Revenue	**10,142,676**	**23,316,260**	**14,232,086**	**25,911,175**
Cost of Sales	**(6,849,960)**	**(16,862,310)**	**(8,923,316)**	**(15,612,822)**
Depreciation and amortisation charges	**(2,710,157)**	**(4,610,861)**	**(2,428,213)**	**(3,644,940)**
Gross profit	**582,559**	**1,843,089**	**2,880,557**	**6,653,413**
Profit / (loss) before tax	**(794,176)**	**(827,667)**	**60,924**	**1,562,228**
Profit after tax	**(891,637)**	**(1,005,680)**	**(341,483)**	**1,006,182**
Earnings per ordinary share (basic)	**(0.13c)**	**(0.15c)**	**(0.05c)**	**0.15c**
Average gold price received		US$1,221		US$1,216

	As at 30 June 2017	As at 31 Dec 2016
Cash and cash equivalents	**3,832,218**	4,160,923
Net assets	**61,894,630**	63,378,973

Cash Cost and All-In Sustaining Cost ("AISC")

	6 months to 30 June 2017	6 months to 30 June 2016
Gold production for cash cost and AISC purposes	**18,009**	**19,667**
Total Cash Cost of production (per ounce)	**US$819**	**US$763**
Total AISC of production (per ounce)	**US$1,072**	**US$945**

Key Operational Information

SUMMARY PRODUCTION STATISTICS FOR THE TWO QUARTERS TO 30 JUNE 2017

		Quarter 1 2017	Quarter 2 2017	Year to Date 2017	Quarter 1 2016	Quarter 2 2016	Quarter 3 2016	Quarter 4 2016	Total 2016
Horizontal development – Total	Metres	**2,251**	**1,855**	**4,106**	2,925	2,941	2,649	2,694	11,209
Mined ore – Total	Tonnes	**36,918**	**42,075**	**78,993**	37,546	33,606	43,133	44,579	158,864
	Gold grade (g/t)	**10.12**	**7.80**	**8.89**	11.02	9.56	9.61	8.94	9.74

Milled ore	Tonnes	**46,663**	**43,905**	**90,568**	36,615	39,402	42,464	40,485	158,966
	Gold grade (g/t)	**7.09**	**6.26**	**6.69**	8.58	8.17	8.08	7.60	8.11
Gold production (1) (2)	Ounces	**9,861**	**8,148**	**18,009**	9,771	9,896	10,310	9,413	39,390

(1) Gold production figures are subject to amendment pending final agreed assays of the gold content of the copper/gold concentrate and gold doré that is delivered to refineries.
(2) Gold production totals for the first six months of 2017 include treatment of 4,042 tonnes of flotation tails

Financial Highlights

- Cash Cost for the year to date of US$819.
- All-In Sustaining Cost for the year to date of US$1,072.
- Temporary operational issues in Q2 2017, which have now been fully resolved, restricted production and, in combination with a strengthening Brazilian Real, impacted financial results for the first half of the year.
- Gross profit from operations for the first six months of 2017 of US$1.84 million.
- Loss per share of 0.15 cents for the first six months of 2017.
- Cash holdings of US$3.83 million at 30 June 2017.
- The Company has entered into a new US$5 million facility with Sprott Resource Lending Partnership for a term expiring on 31 December 2019.
- Average gold price of US$1,221 received on gold sales in the first six months of 2016.

2017 Guidance

- Serabi remains on track to meet forecast gold production for 2017 of approximately 40,000 ounces at an All-In Sustaining Cost of US$950 to US$975 per ounce.

Operational Highlights

- Second quarter production of 8,148 ounces of gold.
- Mine production totalled 42,075 tonnes at 7.80 grammes per tonne ("g/t") of gold.
- 43,905 tonnes processed through the plant for the combined mining operations, with an average grade of 6.26 g/t of gold.
- 1,855 metres of horizontal mine development completed in the quarter.
- At the Palito sector, expansion of working areas continues, with development and production now coming from eight veins from the 25 included in the geological resource. The main ramp has now reached the -50 metre relative level ("mRL"), with the G3 vein intersected, the deepest working area in the deposit. To date grades have been very encouraging.
- At the Sao Chico sector, the main ramp has now been deepened to the 40mRL, approximately 200 vertical metres below surface. Production is coming from the 140mRL and 128mRL levels with levels 116mRL, 100mRL, 86mRL, 70mRL, 56mRL and with the 40mRL now being developed, development remains well ahead of production.
- By the end of the second quarter, surface ore stocks were approximately 12,000 tonnes (31 March 2017: 13,000 tonnes) with an average grade of 3.15 g/t of gold.
- SRK Ltd hired to commence a new 43-101 Technical Report on the property, hopefully to be issued early Q4, 2017.

Mike Hodgson, CEO of Serabi commented,

"As I noted in the Company's announcement of its second quarter production, the Company has achieved mid-year production of over 18,000 ounces of gold and I remain very satisfied with the production results for the year to date and the prospects for the rest of the year.

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"The operational issues that we encountered and restricted gold production in April and May, are now fully resolved, and June and July has seen production levels return to those levels that we achieved through much of 2016 and during the first quarter of 2017. Furthermore, the month of July was the highest monthly production for the year to date and I remain confident that we can recover shortfall over the remainder of the year and will be able to meet our full year production guidance of 40,000 ounces.

"Nonetheless, in the short term, the production shortfalls during that six week period have impacted on our financial results for the second quarter of the year. Whilst at the operating level the Company has reported a gross profit of approximately US$580,000 and a gross profit to date of US$1.8 million, revenue is probably some US$2 million lower than we might have expected had production in the second quarter mirrored that of the first quarter of 2017. That being said, if, I as I expect, we recover this lost production through the second half of the year, we should recover the lost revenue and cash flow with relatively low increase in operating cost and therefore see a stronger financial performance in the second half of the year.

"The results when compared against 2016 have also been adversely affected by the relative strength of the Brazilian Real. The average rate for the first six months of 2017 is 14 per cent stronger than for the same period in 2016 which has the effect of increasing operating costs when reported in US Dollars. In fact, when looked at in local currency terms, our operating costs are in fact tracking slightly lower than in 2016 notwithstanding that the mined and processed ore tonnages have been higher in the first six months of 2017 than for the same six months period in 2016.

"Our cash balances remain relatively strong but again the production shortfalls have not allowed us to build up our cash balances to the extent that we had hoped although considering timing differences of sales receipts, particularly in relation to sales of concentrate, the cash position is approximately US$1 million better than at the start of the year.

"The Company has, at the period end, taken out a new working capital loan facility with Sprott Resource Lending Partnership of US$5 million which is for a 30 month period. The new funding from this was not, however, received until early July so is not reflected in our cash holdings as at 30 June 2017. This loan funding will allow the Company to expedite some of its capital investment programmes that it feels will improve operations and bring costs efficiencies in the medium term and thus reduce unit production costs.

"Some of the areas of investment focus on improving the quality of the mill feed. This includes a reduction in the size of the underground development drives and continuing the trials on ore sorting using x-ray technology to further eliminate waste and low grade ore in the mill feed before it enters the plant.

"Despite our success with narrow vein mining, development still produces high and unavoidable levels of low grade and waste material. This not only increases costs but this waste material consumes vital capacity within the process plant. Reducing the size of underground development galleries is now more of a reality with the availability of numerous suppliers manufacturing smaller units of equipment than were available when we re-opened Palito in 2013. The idea is to initially purchase two to three units for trial and, if successful, more to follow.

"These ore sorting initiatives are very exciting and, I feel, could bring a paradigm shift to vein mining in the region. We will seek to reduce as much dilution as we can in the mining process, but inevitably cannot remove all of it. If ore sorting can be successfully introduced the ramifications are very significant, with the potential to reduce feed tonnage and concurrently increase the grade of the ore delivered to the process plant."

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Condensed Consolidated Statements of Comprehensive Income

(expressed in US$)	Notes	For the three months ended 30 June **2017 (unaudited)**	2016 (unaudited)	For the six months ended 30 June **2017 (unaudited)**	2016 (unaudited)
CONTINUING OPERATIONS					
Revenue		**10,142,676**	14,232,086	**23,316,260**	25,911,175
Cost of sales		**(6,849,960)**	(8,923,316)	**(16,642,310)**	(15,612,822)
Provision for Impairment of Inventory		**—**	—	**(220,000)**	—
Depreciation of plant and equipment		**(2,710,157)**	(2,428,213)	**(4,610,861)**	(3,644,940)
Gross profit		**582,559**	2,880,557	**1,843,089**	6,653,413
Administration expenses		**(1,178,903)**	(1,412,120)	**(2,420,358)**	(2,544,320)
Share based payments		**(112,412)**	(25,640)	**(178,032)**	(148,756)
Gain on disposal of assets		**115,975**	24,401	**115,975**	26,969
Operating profit		**(592,781)**	1,467,198	**(639,326)**	3,987,306
Foreign exchange loss		**(167,236)**	(31,609)	**(120,399)**	(72,408)
Finance expense		**(34,194)**	(1,374,699)	**(68,011)**	(2,352,739)
Finance income		**35**	34	**69**	69
(Loss) / profit before taxation		**(794,176)**	60,924	**(827,667)**	1,562,228
Income tax expense		**(97,461)**	(402,407)	**(178,013)**	(556,046)
(Loss) / profit for the period from continuing operations (1) (2)		**(891,637)**	(341,483)	**(1,005,680)**	1,006,182
Other comprehensive income (net of tax)					
Items that may be reclassified subsequently to profit or loss					
Exchange differences on translating foreign operations		**(2,124,542)**	5,349,439	**(656,695)**	9,629,568
Total comprehensive income/(loss) for the period (2)		**(3,016,179)**	5,017,956	**(1,662,375)**	10,635,750
(Loss) / profit per ordinary share (basic) (1)	3	**(0.13c)**	(0.05c)	**(0.15c)**	0.15c
(Loss) / profit per ordinary share (diluted) (1)	3	**(0.13c)**	(0.05c)	**(0.15c)**	0.14c

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

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Condensed Consolidated Balance Sheets

(expressed in US$)	**As at 30 June 2017 (unaudited)**	As at 30 June 2016 (unaudited)	As at 31 December 2016 (audited)
Non-current assets			
Deferred exploration costs	**9,868,205**	9,550,074	9,990,789
Property, plant and equipment	**43,557,012**	46,927,210	45,396,140
Deferred taxation	**3,133,428**	—	3,253,630
Total non-current assets	**56,558,645**	56,477,284	58,640,559
Current assets			
Inventories	**6,844,757**	9,520,851	8,110,373
Trade and other receivables	**2,865,877**	7,783,763	1,233,049
Prepayments and accrued income	**5,166,612**	4,348,014	3,696,550
Cash and cash equivalents	**3,832,218**	4,774,537	4,160,923
Total current assets	**18,709,464**	26,427,165	17,200,895
Current liabilities			
Trade and other payables	**5,330,772**	6,480,142	4,722,139
Interest bearing loan	**1,371,489**	2,516,667	1,371,489
Convertible loan facility	—	1,892,624	—
Trade and asset finance facilities	**1,338,475**	7,608,526	1,592,568
Derivative financial liabilities	**650,000**	1,577,832	—
Accruals	**512,649**	443,601	635,446
Total current liabilities	**9,203,385**	20,519,392	8,321,642
Net current assets	**9,506,079**	5,907,773	8,879,253
Total assets less current liabilities	**66,064,724**	62,385,057	67,519,812
Non-current liabilities			
Trade and other payables	**2,133,294**	2,298,786	2,211,078
Provisions	**1,824,472**	2,309,908	1,851,963
Interest bearing liabilities	**212,328**	208,212	77,798
Total non-current liabilities	**4,170,094**	4,816,906	4,140,839
Net assets	**61,894,630**	57,568,151	63,378,973
Equity			
Share capital	**5,540,960**	5,263,182	5,540,960
Share premium reserve	**1,722,222**	—	1,722,222
Option reserve	**1,332,578**	1,136,509	1,338,652
Other reserves	**3,404,624**	361,461	3,051,862
Translation reserve	**(31,264,543)**	(29,596,967)	(30,607,848)
Retained earnings	**81,158,789**	80,403,966	82,333,125
Equity shareholders' funds	**61,894,630**	57,568,151	63,378,973

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 2016 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. 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$)	Share capital	Share premium	Share option reserve	Other reserves (1)	Translation reserve	Retained earnings	Total equity
Equity shareholders' funds at 31 December 2015 (audited)	**5,263,182**	**—**	**2,747,415**	**450,262**	**(39,226,535)**	**77,549,321**	**46,783,645**
Foreign currency adjustments	—	—	—	—	9,629,568	—	9,629,568
Profit for the period	—	—	—	—	—	1,006,182	1,006,182
Total comprehensive income for the period	—	—	—	—	9,629,568	1,006,182	10,635,750
Warrants lapsed	—	—	—	(88,801)	—	88,801	—
Share options lapsed in period	—	—	(1,759,662)	—	—	1,759,662	—
Share option expense	—	—	148,756	—	—	—	148,756
Equity shareholders' funds at 30 June 2016 (unaudited)	**5,263,182**	**—**	**1,136,509**	**361,461**	**(29,596,967)**	**80,403,966**	**57,568,151**
Foreign currency adjustments	—	—	—	—	—	—	—
Loss for the period	—	—	—	—	—	—	—
Total comprehensive income for the period	—	—	—	—	—	—	—
Transfer to taxation reserve	—	—	—	2,690,401	—	(2,690,401)	—
Shares Issued in period	277,778	1,722,222	—	—	—	—	2,000,000
Release of fair value provision on convertible loan	—	—	—	—	—	1,195,450	1,195,450
Share option expense	—	—	—	—	—	—	—
Equity shareholders' funds at 31 December 2016 (audited)	**5,540,960**	**1,722,222**	**1,338,652**	**3,051,862**	**(30,607,848)**	**82,333,125**	**63,378,973**
Foreign currency adjustments	—	—	—	—	(656,695)	—	(656,695)
Loss for the period	—	—	—	—	—	(1,005,680)	(1,005,680)
Total comprehensive income for the period	—	—	—	—	(656,695)	(1,005,680)	(1,662,375)
Transfer to taxation reserve	—	—	—	352,762	—	(352,762)	—
Share options lapsed in period	—	—	(184,106)	—	—	184,106	—
Share option expense	—	—	178,032	—	—	—	178,032
Equity shareholders' funds at 30 June 2017 (unaudited)	**5,540,960**	**1,722,222**	**1,332,578**	**3,404,624**	**(31,264,543)**	**81,158,789**	**61,894,630**

(1) Other reserves comprise a merger reserve of US$361,461 and a taxation reserve of US$2,337,639 (31 December 2016: merger reserve of US$361,461 and a taxation reserve of US$2,690,401)

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Condensed Consolidated Cash Flow Statements

(expressed in US$)	For the three months ended 30 June 2017 (unaudited)	2016 (unaudited)	For the six months ended 30 June 2017 (unaudited)	2016 (unaudited)
Operating activities				
Operating (loss)/profit	**(891,637)**	(341,483)	**(1,005,680)**	1,006,182
Depreciation – plant, equipment and mining properties	**2,710,157**	2,428,213	**4,610,861**	3,644,940
Net financial expense	**201,395**	1,406,273	**188,341**	2,425,077
Provision for impairment of inventory	—	—	**220,000**	—
Provision for Taxation	**97,461**	402,407	**178,013**	556,046
Share-based payments	**112,412**	25,639	**178,032**	148,756
Foreign exchange (loss) / gain	**(84,778)**	(302,227)	**40,560**	169,676
Changes in working capital				
(Increase)/decrease in inventories	**(483,319)**	1,189,635	**987,364**	(780,741)
(Increase) in receivables, prepayments and accrued income	**(333,475)**	(2,073,657)	**(2,577,285)**	(2,764,970)
Increase/(decrease) in payables, accruals and provisions	**894,832**	(22,698)	**3,589**	1,479,848
Net cash inflow from operations	**2,223,048**	2,712,102	**2,823,795**	5,884,814
Investing activities				
Purchase of property, plant and equipment and projects in construction	**(815,924)**	(1,463,710)	**(1,083,839)**	(2,127,671)
Mine development expenditures	**(877,530)**	(729,010)	**(1,964,320)**	(1,249,151)
Exploration and other development expenditure	**21**	—	**(2,500)**	—
Proceeds from sale of assets	**115,975**	24,401	**115,975**	26,969
Interest received	**35**	34	**69**	69
Net cash outflow on investing activities	**(1,577,423)**	(2,168,285)	**(2,934,615)**	(3,349,784)
Financing activities				
Repayment of short-term secured loan	—	(1,333,333)	—	(1,333,333)
Draw-down of short-term convertible loan facility	—	—	—	2,000,000
Receipts from short-term trade finance	—	6,750,809	—	11,901,098
Repayment of short-term trade finance	—	(5,194,131)	—	(11,509,875)
Payment of finance lease liabilities	**(132,164)**	(169,793)	**(132,164)**	(381,521)
Interest paid and other finance costs	**(55,807)**	(272,937)	**(67,455)**	(498,332)
Net cash (outflow)/ inflow from financing activities	**(187,971)**	(219,385)	**(199,619)**	178,037
Net increase / (decrease) in cash and cash equivalents	**457,654**	324,432	**(310,439)**	2,713,068
Cash and cash equivalents at beginning of period	**3,407,117**	4,410,589	**4,160,923**	2,191,759
Exchange difference on cash	**(32,553)**	39,516	**(18,266)**	(130,289)
Cash and cash equivalents at end of period	**3,832,218**	4,774,537	**3,832,218**	4,774,537

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 2016 has been filed with the Registrar of Companies following their adoption by shareholders at the last Annual General Meeting. The full audited financial statements, for the year end 31 December 2016, do comply with IFRS.

2. Basis of Preparation

These interim condensed consolidated financial statements are for the three and six month periods ended 30 June 2017. Comparative information has been provided for the unaudited three and six month periods ended 30 June 2016 and, where applicable, the audited twelve month period from 1 January 2016 to 31 December 2016. These condensed consolidated financial statements do not include all the disclosures that would otherwise be required in a complete set of financial statements and should be read in conjunction with the 2016 annual report.

The condensed consolidated financial statements 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 2016 and those envisaged for the financial statements for the year ending 31 December 2017. 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.

These financial statements do not constitute statutory accounts as defined in Section 434 of the Companies Act 2006.

(i) Going concern

On 1 February 2016, the Group announced that, with effect from 1 January 2016, the Sao Chico Mine had achieved Commercial Production. The Palito Mine has been in Commercial Production since 1 July 2014.

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, to repay its secured loan facilities and to, at least in part, fund exploration and development activity on its other gold properties. The secured loan facility was repayable by 31 August 2017 and at 31 June 2017, the amount outstanding under this facility was US$1.37 million (31 December 2016: US$1.37 million). On 30 June the Group completed a re-negotiation of an increased secured loan facility of US$5 million (including the existing loan to US$1.37 million). The new facility is repayable by 31 December 2019 and the incremental funds were received by the Company on 5 July 2017.

The Directors consider that the Group's operations are performing at the levels that they anticipate, but the Group remains a small scale gold producer with limited cash resources to support any unplanned interruption or reduction in gold production, unforeseen reductions in the gold price, or appreciation of the Brazilian currency, all of which could adversely affect the level of free cash flow that the Group can generate on a monthly basis. In the event that the Group is unable to generate sufficient free cash flow to meet its financial obligations as they fall due, or to allow it to finance exploration and development activity on its other gold properties, additional sources of finance may be required. 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 condensed consolidated financial statements do not include the adjustments that would result if the Group was unable to continue as a going concern.

(ii) Use of estimates and judgements

There have been no material revisions to the nature and amount of changes in estimates of amounts reported in the 2016 annual financial statements.

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(iii) Impairment

At each balance sheet date, the Group reviews the carrying amounts of its property, plant and equipment and intangible assets to determine whether there is any indication that those assets have suffered impairment. Prior to carrying out of impairment reviews, the significant cash generating units are assessed to determine whether they should be reviewed under the requirements of IFRS 6 - Exploration for and Evaluation of Mineral Resources or IAS 36 - Impairment of Assets. Such determination is by reference to the stage of development of the project and the level of reliability and surety of information used in calculating value in use or fair value less costs to sell. Impairment reviews performed under IFRS 6 are carried out on a project by project basis, with each project representing a potential single cash generating unit. An impairment review is undertaken when indicators of impairment arise; typically when one of the following circumstances applies:

(i) sufficient data exists that render the resource uneconomic and unlikely to be developed
(ii) title to the asset is compromised
(iii) budgeted or planned expenditure is not expected in the foreseeable future
(iv) insufficient discovery of commercially viable resources leading to the discontinuation of activities

Impairment reviews performed under IAS 36 are carried out when there is an indication that the carrying value may be impaired. Such key indicators (though not exhaustive) to the industry include:

(i) a significant deterioration in the spot price of gold
(ii) a significant increase in production costs
(iii) a significant revision to, and reduction in, the life of mine plan

If any indication of impairment exists, the recoverable amount of the asset is estimated, being the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash generating unit) is reduced to its recoverable amount. Such impairment losses are recognised in profit or loss for the year.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised in profit or loss for the year.

3. Earnings per share

	3 months ended 30 June 2017 US$ (unaudited)	3 months ended 30 June 2016 US$ (unaudited)	**6 months ended 30 June 2017 US$ (unaudited)**	6 months ended 30 June 2016 US$ (unaudited)
(Loss)/profit attributable to ordinary shareholders (US$)	**(891,637)**	(341,483)	**(1,005,680)**	1,006,182
Weighted average ordinary shares in issue	**698,701,772**	656,389,204	**698,701,772**	656,389,204
Basic (loss)/profit per share (US cents)	**(0.13)**	(0.05)	**(0.14)**	0.15
Diluted ordinary shares in issue[1]	**698,701,772**	656,389,204	**698,701,772**	706,299,204
Diluted (loss)/profit per share (US cents)	**(0.13)[2]**	(0.05)[2]	**(0.14)[2]**	0.14

(1) Assumes the exercise of 49,910,000 share options that were in issue but not necessarily vested as at 31 March 2017.

(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

On 30 June 2017 the Company entered into a new secured loan agreement with Sprott Resource Lending Partnership for US$5.0 million (to include the amount of US$1.37 million outstanding as at that date), repayable on or before 31 December 2019. Whilst the documentation was signed on 30 June 2017, the additional funds were not send or received until 5 July 2017 and accordingly no liability for the increased level of the loan was recognized in these financial statements.
Other than as set out above between the end of the financial period and the date of this management discussion and analysis, there has been no item, transaction or event of a material or unusual nature likely, in the opinion of the Directors of the Group, to affect significantly the continuing operations of the entity, the results of these operations, or the state of affairs of the entity in future financial periods.

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Copies of this announcement are available from the Company's website at www.serabigold.com.

Neither the Toronto Stock Exchange, nor any other securities regulatory authority, has approved or disapproved of the contents of this announcement.

The Company will, in compliance with Canadian regulatory requirements, post the Unaudited Interim Financial Statements and the Management Discussion and Analysis for the three month period ended 31 March 2017 on SEDAR at www.sedar.com. These documents will also available from the Company’s website – www.serabigold.com.

Serabi’s Directors Report and Financial Statements for the year ended 31 December 2016 together the Chairman’s Statement and the Management Discussion and Analysis, are available from the Company’s website – www.serabigold.com and on SEDAR at www.sedar.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.