



PRESS RELEASE 15 MAY 2018
SERABI GOLD plc ("Serabi" or "the Company")



Notice of Annual General Meeting and Special Meeting⁽¹⁾. Proposed capital reorganisation

The Company announces that its Annual General Meeting will be held on Thursday 14 June 2018, at the offices of Farrer & Co. LLP, 20/23 Lincoln's Inn Fields London WC2A 3LH England at 3.30 pm. The Company has published the formal notice of the meeting (the "Notice") on its website which can be accessed using the following link <https://bit.ly/2wBJMGZ>. Proxy voting forms are being posted to all shareholders providing details of how to access the Notice and instructions for voting. A copy of the Notice together with proxy voting forms and a copy of the 2017 Annual Report is being posted to all shareholders who are required to receive or have formally requested to receive these documents.

Included in the business that the Board is requesting shareholders to consider at this Annual General Meeting is the proposed capital reorganisation comprising a consolidation of the Company's existing Ordinary Shares on the basis of 20 existing Ordinary Shares of 0.5 pence each for one New Ordinary Share of 10 pence each (the "Capital Reorganisation"). Further details on the proposed Capital Reorganisation are set out in Appendix 2 of this announcement together with a timetable of expected principal events in Appendix 3 and statistics relating to the Capital Reorganisation in Appendix 4.

Copies of the 2017 Annual Report are available from the Company's website at www.serabigold.com.

The Notice contains a letter from the Chairman of the Company, Mr Mel Williams, which is set out below in Appendix 1.

(1) Certain resolutions to be proposed at the meeting will be special resolutions requiring approval of more than 75% of the votes cast. Under Canadian National Instrument 54-101, the meeting therefore also constitutes a Special Meeting.
Key Financial Information

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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.

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This document is not intended to and does not amount to an invitation or inducement to subscribe for shares in Serabi Gold plc



Appendix 1

The letter from the Chairman of the Company included in the Notice is reproduced below (without material adjustment or amendment):

"Dear Shareholder

This document provides the formal notice (the "**Notice**") of the 2018 Annual General Meeting and Special Meeting of the Company to be held at the offices of Farrer & Co LLP, 20/23 Lincoln's Inn Fields, London WC2A 3LH, England on 14 June 2018 at 3.30pm (London time) (the "**Meeting**"). This document also includes additional information that the Company as a "reporting issuer" in Canada is required to make available pursuant to the requirements of National Instrument 51-102 – Continuous Disclosure Obligations ("**NI 51-102**") of the Canadian Securities Administrators.

Background

The matters being considered at the 2018 Annual General Meeting and Special Meeting set out in the Notice are for the most part, items that are routinely considered at such meetings. As the Company has previously advised, 2018 is expected to be a year where the Company will make significant progress towards its ambitions of becoming a 100,000 ounce per year gold producer. Both the Palito and Sao Chico Gold Mines are now in a steady state with gold production again expected to be approximately 40,000 ounces for the year. Management are progressing the permitting process for the Coringa project acquired at the end of 2017 and in addition, using the funds raised from two share placings raising gross proceeds of approximately US\$24 million in aggregate, the Company is embarking on exploration to expand the resource base at Sao Chico and Palito.

The Company is well funded to significantly advance its immediate growth plans and it is possible that exploration at Palito and Sao Chico could provide greater expansion opportunities than are currently planned for. Meanwhile the Board remains keen to look at other opportunities within Brazil where Serabi's management can add value and enhance the project for the benefit of Serabi's shareholders.

The Board believes that opportunities to advance the development and growth of the Company may arise over the next twelve months and for this reason is requesting Shareholders to authorise the Board to issue new shares to allow the Company to pursue and commit to these opportunities quickly as and when they arise.

The Board is also conscious that the current capital structure of the Company is not viewed as ideal by many investors particularly those based in North America. The Board considers that to provide the Company with the widest access to investors and future capital it is therefore essential to address this issue and is therefore proposing the Capital Reorganisation, which will include a one for 20 share consolidation. No action will be required by shareholders with holdings through the UK share register in electronic form and for those shareholders with their holdings in certificated form, current certificates will cease to be valid and new certificates will be despatched. Shareholders holding their Ordinary Shares through the Canadian share register will be required to exchange the certificates representing their Ordinary Shares for certificates representing the New Ordinary Shares and should refer to the Management Information Circular for instructions. Further information regarding the Capital Reorganisation is set out in the Management Information Circular. Shareholder approval is required for the Capital Reorganisation.

Recommendation

The Directors consider that the resolutions set out in the Notice being put to the Annual General Meeting and Special Meeting are in the best interests of the Company and its Shareholders and are most likely to promote the success of the Company for the benefit of the Shareholders as a whole.

Accordingly, the Directors unanimously recommend that Shareholders vote in favour of the proposed resolutions as they intend to do in respect of their own holdings, where relevant, amounting to an aggregate of 25,246,920 Ordinary Shares, representing approximately 2.53 per cent of the Company's Ordinary Shares in issue as of the date of this Circular

Yours faithfully

(Signed) "Melvyn Williams"

Melvyn Williams

Non-executive Chairman"



Appendix 2

Further details on the Capital Reorganisation

The further details on the Capital Reorganisation as set out in the Notice is reproduced below (without material adjustment or amendment):

Background to and reasons for the proposed Capital Reorganisation

The Company currently has in issue 998,602,989 Ordinary Shares of 0.5 pence each and following the completion of the Placing which is expected to occur at 8:00 am on 15 May 2018 will have in issue 1,175,281,434 Ordinary Shares of 0.5 pence each. The Directors consider that the current capital structure of the Company (in terms of price per share and number of shares in issue) is not favourably viewed by investors and in particular is a significant deterrent to those based in North America. The Directors are informed that the current capital structure is restricting the liquidity of the Company's Ordinary Shares. The Directors believe that the Capital Reorganisation will eliminate current barriers to trading, as well as making the Company's Ordinary Shares a more attractive investment for institutional and retail investors, particularly in the North American market, thereby widening the pool of capital available to the Company in the future.

The Capital Reorganisation requires the passing of Resolution 7, which is an ordinary resolution that seeks authority for the Company to undertake a consolidation of its existing Ordinary Shares.

Consolidation

Every 20 Ordinary Shares of 0.5 pence each (the "Existing Ordinary Shares") will be consolidated into one Ordinary Share of 10 pence each (the "New Ordinary Shares").

In anticipation of the Resolutions being passed by the Shareholders, the Company will immediately prior to the Meeting, issue such number of additional Ordinary Shares as will result in the total number of Ordinary Shares in issue being exactly divisible by 20. Assuming no Ordinary Shares other than the Placing Shares are issued between the date of this document and immediately before the Meeting, this will result in 6 additional Ordinary Shares being issued and will create 58,764,072 New Ordinary Shares. Application will be made for the New Ordinary Shares to be admitted to trading on AIM and dealings in the New Ordinary Shares are expected to commence on 20 June 2018.

Those 6 additional Ordinary Shares would be issued to the Company Secretary. Since these additional shares will represent only a fraction of a New Ordinary Share, that fraction will be sold pursuant to the arrangement for fractional entitlements as set out below.

As all of the Existing Ordinary Shares are proposed to be consolidated, the proportion of issued Ordinary Shares held by each Shareholder immediately before and immediately after the proposed consolidation will remain relatively unchanged. **The effect of this is such that your shareholding will be rounded down to the nearest whole New Ordinary Share upon the consolidation.**

In the event the number of Existing Ordinary Shares registered to a Shareholder is not exactly divisible by 20, the consolidation will generate an entitlement to a fraction of a New Ordinary Share. Such fractional entitlements will be aggregated and sold on the open market (see further explanation regarding fractional entitlements below).

Accordingly, following implementation of the Capital Reorganisation, any Shareholder who has a fractional entitlement to any New Ordinary Shares, will not have a proportionate shareholding of New Ordinary Shares exactly equal to their proportionate holding of Existing Ordinary Shares.

Any Shareholders holding fewer than 20 Existing Ordinary Shares will cease to be a Shareholder following implementation of the Capital Reorganisation. The minimum threshold to receive New Ordinary Shares will be 20 Existing Ordinary Shares.



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Fractional entitlements to New Ordinary Shares

As set out above, the Capital Reorganisation will give rise to fractional entitlements to a New Ordinary Share where any holding is not exactly divisible by 20. No certificates regarding fractional entitlements will be issued. Instead, any New Ordinary Shares in respect of which there are fractional entitlements will be aggregated and sold in the market for the best price reasonably obtainable on behalf of the Shareholders entitled to them (the "**Fractional Shareholders**").

The Company is required to distribute the proceeds of sale of the aggregated fractional entitlements in due proportion to the Fractional Shareholders in accordance with article 11.2 of the Articles. However, article 11.2 also provides that in the event that the net proceeds of sale due to a Shareholder amount to less than £3.00, the Directors may determine to retain such proceeds for the benefit of the Company. Given the current price of the Existing Ordinary Shares, the Company anticipates that the net proceeds of sale attribute to each Fractional Shareholder will be less than £3.00. The Directors therefore anticipate that, as a result of the disproportionate costs, it would not be in the best interests of the Company to distribute such proceeds of sale and those proceeds will instead be retained for the benefit of the Company.

For the avoidance of doubt, the Company is only responsible for dealing with fractions arising on registered holdings. For Shareholders whose Ordinary Shares are held in the nominee accounts of stockbrokers, banks or other parties, the effect of the Capital Reorganisation on their individual shareholdings will be administered by the stockbroker, bank or nominee in whose account the relevant shares are held. The effect is expected to be the same as for shareholding registered in beneficial names, however, it is the stockbroker's, bank's or nominee's responsibility to deal with fractions arising within their customer accounts, and not the Company's.



Appendix 3
Expected Timetable of Principal Events

Publication of this document	15 May 2018
Latest time and date for receipt of Forms of Proxy	3.30 p.m. on 12 June 2018
General Meeting	3.30 p.m. on 14 June 2018
Latest time and date for dealings in Existing Ordinary Shares	4.00 p.m. (BST) on 19 June 2018
Record time for the Capital Reorganisation	6.00 p.m. (BST) on 19 June 2018
Admission effective and commencement of dealings in the New Ordinary Shares	8.00 a.m. (BST) on 20 June 2018
CREST accounts credited with the New Ordinary Shares	20 June 2018
Listing on TSX effective and commencement of dealings in the New Ordinary Shares	8.00 a.m. (Eastern Time) on 20 June 2018
CDS accounts credited with the New Ordinary Shares	20 June 2018
Despatch of definitive certificates to UK shareholders for New Ordinary Shares (in certificated form)	Not later than 4 July 2018

Appendix 4
Statistics Relating to the Capital Reorganisation

Existing Ordinary Shares in issue at the date of this document	998,602,989
Enlarged Share Capital following completion of the Placing (expected to occur at 8:00 am on 15 May 2018)	1,175,281,434
Conversion ratio of Existing Ordinary Shares to New Ordinary Shares	20 Existing Ordinary Shares to 1 New Ordinary Share
Total expected number of New Ordinary Shares in issue following the Capital Reorganisation (<i>Note 1</i>)	58,764,072
ISIN code for the New Ordinary Shares	GB00BG5NDX91
SEDOL for the New Ordinary Shares	BG5NDX9

Note 1: Based on completion of the Placing



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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 30 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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