SERABI GOLD

Unaudited Interim Financial Results for the three month period to 31 March 2018 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 period ending 31 March 2018 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 MONTHS ENDING 31 MARCH 2018	3 months to 31 March 2018 US$	12 months to 31 December 2017 US$	3 months to 31 March 2017 US$
Revenue	**13,826,851**	48,449,868	13,173,584
Cost of Sales	**(9,489,102)**	(32,015,498)	(9,792,350)
Provision for impairment of inventory	**—**	(950,000)	(220,000)
Depreciation and amortisation charges	**(1,992,853)**	(10,465,283)	(1,900,704)
Gross profit	**2,344,896**	5,019,087	1,260,530
(Loss) / profit before tax	**339,866**	(1,745,503)	(33,941)
(Loss) / profit after tax	**10,786**	(2,397,903)	(114,043)
Earnings per ordinary share (basic)	**0.0015 cents**	(0.343 cents)	(0.016 cents)
Average gold price received	**US$1,319**	US$1,244	US$1,204

	As at 31 March 2018 (US$)	As at 31 December 2017 (US$)
Cash and cash equivalents	**6,695,525**	4,093,866
Net assets	**60,614,360**	60,770,712

Cash Cost and All-In Sustaining Cost ("AISC")	3 months to 31 Mar 2018	12 months to 31 December 2017	3 months to 31 March 2017
Gold production for cash cost and AISC purposes	**9,188**	37,004	9,861
Total Cash Cost of production (per ounce)	**US$907**	US$799	US$800
Total AISC of production (per ounce)	**US$1,166**	US$1,071	US$1,043

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Key Operational Information

SUMMARY PRODUCTION STATISTICS FOR 2018 YEAR TO DATE AND 2017

		Qtr 1 2018	Year to Date 2018	Qtr 1 2017	Qtr 2 2017	Qtr 3 2017	Qtr 4 2017	Total 2017
Horizontal development – Total	Metres	**2,353**	**2,353**	2,251	1,855	2,996	2,762	9,864
Mined ore – Total	Tonnes	**39,669**	**39,669**	36,918	41,684	41,263	49,011	168,876
	Gold grade (g/t)	**7.49**	**7.49**	10.12	7.80	9.80	8.25	8.92
Milled ore	Tonnes	**43,145**	**43,145**	41,722	43,294	44,205	43,345	172,565
	Gold grade (g/t)	**7.04**	**7.04**	7.62	6.29	7.28	7.27	7.11
Gold production (1) (2)	Ounces	**9,188**	**9,188**	9,861	8,148	9,657	9,337	37,004

(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 the refineries.

(2) Gold production totals for 2018 include treatment of 1,763 tonnes of flotation tails at a grade of 2.70 g/t (2017 full year : 4,568 tonnes)

(3) The table may not sum due to rounding.

Financial Highlights

- Concluding, in January 2018, an additional US$3 million loan with Sprott Resource Lending Partnership ("Sprott").
- Gross profit from operations of US$2.3 million (Q1 2017 US$1.3 million)
- Cash holdings at 31 March 2018 of US$6.7 million (31 December 2017: US$4.09 million).
- Completion, on 12 April 2018, of a share subscription by Greenstone Resources LP raising US$15 million.
- Announcement, on 29 March 2018, of a brokered share placing raising gross proceeds of £6.36 million, which is expected to complete on 15 May 2018.
- Payment, on 16 April 2018, of second US$5 million instalment for the purchase of Chapleau Resource Ltd and the Coringa Gold Project.
- Estimated cash following completion of brokered share placing of approximately US$23 million.

2018 Guidance

- Management expects that gold production for 2018 will exceed that of 2017 and be up to 40,000 ounces.

Operational Highlights

- First quarter production of 9,188 ounces of gold.
- Mine production totalling 39,669 tonnes at 7.49 grammes per tonne ("g/t") of gold.
- 43,145 tonnes processed through the plant for the combined mining operations, with an average grade of 7.04 g/t of gold.

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- 2,353 metres of horizontal mine development completed during the quarter.
- Palito development and production continues to focus on the four main sectors of Senna, Pipocas, G3 and Mogno, whilst in the Sao Chico orebody, the main ramp has now reached level -3mRL, approximately 260 vertical metres below surface. Production is coming from levels 86mRL, 70mRL and 56mRL. With levels 40mRL, 26mRL and 10mRL all either developed or being developed, ahead of production.
- By the end of the quarter, surface ore stocks were approximately 10,200 tonnes, (December 2017: 15,000 tonnes) with an average grade of 3.0 g/t of gold, together with approximately 40,000 tonnes of flotation tailings grading approximately 3.0 g/t of gold.

Mike Hodgson, CEO of Serabi commented,

"This first quarter of 2018 has been extremely exciting for the Company and represents a step change in its growth and development.

"Gold production was in line with both guidance and our internal plans and, after allowing for capital expenditure and mine development costs, the gold production operations generated approximately US$1.7 million after tax in cash flow which has been used to fund the exploration programmes and the working capital requirements of the newly acquired Coringa project.

"On 11 May 2018, shareholders of the Company approved the issue of new shares required to complete the placing of shares arranged through our brokers Peel Hunt LLP as announced on 29 March 2018. This share placing is due to be finally completed and funds received on 15 May 2018. Together with the placing of shares with Greenstone Resources which was completed in April the Company will have raised gross proceeds of approximately US$23.5 million.

"We are now well funded, the exploration programmes that we have been planning are being implemented, and the permitting and planning of the Coringa project being progressed.

"The financial results for the quarter are very satisfying, and even before the cash received form the share issues, cash holdings had grown from US$4.1million at the end of 2017 to US$6.7 million at the end the first quarter, whilst gross profit from operations improved from US$1.26 million for the same quarter in 2017 to US$2.34 million for the first quarter of 2018. Administration costs were slightly higher but the Company has incurred some one-off costs in the period, including costs associated with the acquisition of Coringa, the debt renegotiation with Sprott that was completed in January 2018 and of course some costs associated with the raising of new equity.

"Finance costs are significantly higher than the comparative quarter, but in fact many of these are non-cash items, with actual interest charges on loans being US$152,000, with US$348,000 arising from accounting treatment of a derivatives transaction and the future payment obligations for Coringa.

"Whilst we have past tax losses, regulations regarding the use of these mean our profits in Brazil remain subject to profits taxes. We benefit however from being in a designated development area and therefore enjoy a lower tax rate than for other parts of the county. This dispensation was recently renewed for a further 10 year period and is something that we will seek to have extended to the Coringa project when the project is in production.

"The rest of the year promises to be very interesting and we expect to generate steady positive news flow from a successful exploration campaign from Palito and Sao Chico as well as progress at Coringa. The new funds that have been raised will allow significant acceleration of our organic growth plans and outstanding capital programmes whilst continuing the progress at Coringa, where completing the first stages of the initial permitting remains the immediate objective. We have made the first significant steps to realising our ambition to establish ourselves as a significant gold producer in Brazil with a target of an annualised production rate of 100,000 ounces within the next two years."

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Condensed Consolidated Statements of Comprehensive Income

(expressed in US$)	Notes	For the three months ended 31 March **2018 (unaudited)**	2017 (unaudited)
CONTINUING OPERATIONS			
Revenue		**13,826,851**	13,173,584
Cost of sales		**(9,489,101)**	(9,792,350)
Provision for impairment of Inventory		–	(220,000)
Depreciation and amortisation charges		**(1,992,853)**	(1,900,704)
Gross profit		**2,344,897**	1,260,530
Administration expenses		**(1,331,424)**	(1,241,455)
Share-based payments		**(77,293)**	(65,620)
Gain on sales of assets disposal		**51,115**	–
Operating profit / (loss)		**987,295**	(46,545)
Foreign exchange (loss) / gain		**(57,090)**	46,837
Finance expense		**(590,373)**	(33,817)
Finance income		**34**	34
Profit / (loss) before taxation		**339,866**	(33,491)
Income tax expense		**(329,080)**	(80,552)
Profit / (loss) for the period from continuing operations attributable to the owners of the parent(1)		**10,786**	(114,043)
Other comprehensive income (net of tax)			
Items that may be reclassified subsequently to profit or loss			
Exchange differences on translating foreign operations		**(334,431)**	1,467,847
Total comprehensive profit for the period operations attributable to the owners of the parent		**(323,645)**	1,353,804
Profit / (loss) per ordinary share (basic) (1)	3	**0.0015c**	(0.016c)
Profit / (loss) per ordinary share (diluted) (1)	3	**0.0015c**	(0.016c)

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

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Condensed Consolidated Balance Sheets

(expressed in US$)	**As at 31 March 2018 (unaudited)**	As at 31 March 2017 (unaudited)	As at 31 December 2017 (audited)
Non-current assets			
Deferred exploration costs	**25,295,721**	10,234,360	23,898,819
Property, plant and equipment	**47,736,835**	45,862,328	48,980,381
Taxes receivable	**1,569,140**	–	1,474,062
Deferred taxation	**2,772,101**	3,313,099	2,939,634
Total non-current assets	**77,373,797**	59,409,787	77,292,896
Current assets			
Inventories	**6,160,750**	6,534,060	6,934,438
Trade and other receivables	**1,151,999**	2,996,060	1,277,142
Prepayments and accrued income	**3,914,034**	4,417,677	3,237,412
Cash and cash equivalents	**6,695,525**	3,407,117	4,093,866
Total current assets	**17,922,308**	17,354,914	15,542,858
Current liabilities			
Trade and other payables	**5,291,005**	4,713,274	5,347,964
Interest bearing liabilities	**5,760,390**	2,523,787	2,845,712
Acquisition payment outstanding	**5,000,000**	–	5,000,000
Derivative financial liabilities	**754,462**	–	709,255
Accruals	**591,830**	485,765	614,198
Total current liabilities	**17,397,687**	7,722,826	14,517,129
Net current assets	**524,621**	9,632,088	1,025,729
Total assets less current liabilities	**77,898,418**	69,041,875	78,318,625
Non-current liabilities			
Trade and other payables	**2,590,883**	2,260,691	2,753,409
Provisions	**2,157,944**	1,904,989	2,047,131
Acquisition payment outstanding	**10,235,707**	–	9,997,961
Interest bearing liabilities	**2,299,524**	77,798	2,749,412
Total non-current liabilities	**17,284,058**	4,243,478	17,547,913
Net assets	**60,614,360**	64,798,397	60,770,712
Equity			
Share capital	**5,555,775**	5,540,960	5,540,960
Share premium reserve	**1,797,407**	1,722,222	1,722,222
Option reserve	**1,111,040**	1,404,272	1,425,024
Other reserves	**4,406,657**	3,273,143	4,015,369
Translation reserve	**(31,533,999)**	(29,140,001)	(31,199,568)
Retained surplus	**79,277,480**	81,997,801	79,266,705
Equity shareholders' funds	**60,614,360**	64,798,397	60,770,712

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 2017 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. 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$) (unaudited)	Share capital	Share premium	Share option reserve	Other reserves (1)	Translation reserve	Retained Earnings	Total equity
Equity shareholders' funds at 31 December 2016	**5,540,960**	**1,722,222**	**1,338,652**	**3,051,862**	**(30,607,848)**	**82,333,125**	**63,378,973**
Foreign currency adjustments	—	—	—	—	1,467,847	—	1,467,847
Loss for the period	—	—	—	—	—	(114,043)	(114,043)
Total comprehensive income for the period	—	—	—	—	1,467,847	(114,043)	1,353,804
Transfer to taxation reserve	—	—	—	221,281	–	(221,281)	—
Share option expense	—	—	65,620	—	—	—	65,620
Equity shareholders' funds at 31 March 2017	**5,540,960**	**1,722,222**	**1,404,272**	**3,273,143**	**(29,140,001)**	**81,997,801**	**64,798,397**
Foreign currency adjustments	—	—	—	—	(2,059,567)	—	(2,059,567)
Loss for the period	—	—	—	—	—	(2,283,860)	(2,283,860)
Total comprehensive income for the period	—	—	—	—	(2,059,567)	(2,283,860)	(4,343,427)
Transfer to taxation reserve	—	—	—	742,226	—	(742,226)	—
Share options lapsed in period	—	—	(294,990)	—	—	294,990	—
Share option expense	—	—	315,742	—	—	—	315,742
Equity shareholders' funds at 31 December 2017	**5,540,960**	**1,722,222**	**1,425,024**	**4,015,369**	**(31,199,568)**	**79,266,705**	**60,770,712**
Foreign currency adjustments	—	—	—	—	(334,431)	—	(334,431)
Profit for the period	—	—	—	—	—	10,786	10,786
Total comprehensive income for the period	—	—	—	—	(334,431)	10,786	(323,645)
Transfer to taxation reserve	—	—	—	391,288	—	(391,288)	—
Share options lapsed in period	—	—	(391,277)	—	—	391,277	—
Shares issued in period	14,815	75,185	—	—	—	—	90,000
Share option expense	—	—	77,293	—	—	—	77,293
Equity shareholders' funds at 31 March 2018	**5,555,775**	**1,797,407**	**1,111,040**	**4,406,657**	**(31,533,999)**	**79,277,480**	**60,614,360**

(1) Other reserves comprise a merger reserve of US$361,461 and a taxation reserve of US$4,045,196 (31 December 2017: merger reserve of US$361,461 and a taxation reserve of US$3,653,908).

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Condensed Consolidated Cash Flow Statements

(expressed in US$)	For the three months ended 31 March **2018 (unaudited)**	2017 (unaudited)
Operating activities		
Operating profit / (loss)	**10,786**	(114,043)
Net financial expense	**557,429**	13,054
Depreciation – plant, equipment and mining properties	**1,992,853**	1,900,704
Provision for impairment of inventory	—	220,000
Provision for taxation	**329,080**	80,552
Share based payments	**167,293**	65,620
Foreign exchange	**(68,424)**	99,230
Changes in working capital		
Decrease / (Increase) in inventories	**737,113**	1,470,683
(Increase) / Decrease in receivables, prepayments and accrued income	**(499,348)**	(2,243,810)
Increase / (Decrease) in payables, accruals and provisions	**(129,853)**	(891,243)
Net cash inflow from operations	**3,096,929**	600,747
Investing activities		
Purchase of property, plant and equipment and assets in construction	**(425,694)**	(267,915)
Capitalised mine development costs	**(965,523)**	(1,086,790)
Geological exploration expenditure	**(568,418)**	(2,521)
Pre-operational project costs	**(793,430)**	—
Proceeds from sale of assets	**51,115**	—
Interest received	**34**	34
Net cash outflow on investing activities	**(2,701,916)**	(1,357,192)
Financing activities		
Draw-down of secured loan	**3,000,000**	—
Repayment of secured loan	**(333,333)**	—
Repayment of finance lease liabilities	**(283,147)**	—
Interest paid and finance charges	**(152,420)**	(11,648)
Net cash inflow / (outflow) from financing activities	**2,231,100**	(11,648)
Net increase / decrease in cash and cash equivalents	**2,626,113**	(768,093)
Cash and cash equivalents at beginning of period	**4,093,866**	4,160,923
Exchange difference on cash	**(24,454)**	14,287
Cash and cash equivalents at end of period	**6,695,525**	3,407,117

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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 2016 will be filed with the Registrar of Companies following their adoption by shareholders at the next Annual General Meeting. The full audited financial statements for the years end 31 December 2017 do comply with IFRS.

2. Basis of Preparation

These interim condensed consolidated financial statements are for the three month period ended 31 March 2018. Comparative information has been provided for the unaudited three month period ended 31 March 2017 and, where applicable, the audited twelve month period from 1 January 2017 to 31 December 2017. 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 2017 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 2017 and those envisaged for the financial statements for the year ending 31 December 2018.

The Group has not adopted any standards or interpretations in advance of the required implementation dates.

As of 1 January 2018, IFRS 9 - Financial Instruments, and IFRS 15 - Revenue from Contracts, became effective and have been adopted. The effect of implementation has not had a material impact on the financial results of the Group

As of the date of authorisation of these financial statements, IFRS 16 – Leases, was in issue but not effective and has not been applied to these financial statements.

IFRS 16 will require the recognition of an asset and liability with respect to the material operating lease commitments that the group have. Management are currently considering the impact that this will have on the financial statements. The Group does not at this time anticipate voluntary early adoption of IFRS 16.

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

(i) Going concern

On 12 April 2018 the Company completed a Subscription Agreement with Greenstone Resources II LP ("Greenstone"), whereby Greenstone agreed to subscribe ("the Subscription") for 297,759,419 New Ordinary Shares ("the Subscription Shares") at a price of 3.6 pence per share (the "Subscription Price"). The New Ordinary Shares issued pursuant to the Subscription rank pari passu with the existing Ordinary Shares.

On 29 March 2018 the Company announced the conditional placing of a further 176,678,445 new ordinary shares ("Placing Shares") at a price of 3.6 pence per Placing Share (the "Placing Price"), raising gross proceeds of approximately US$9.0 million (£6.36 million) for the Company. The Placing was conditional upon, among other things, the completion of the Greenstone Subscription and approval of the Placing by the Company's shareholders at the General Meeting held on 11 May 2018. The Placing Shares will, upon issue, rank pari passu with the existing ordinary shares. Application has been made to the London Stock Exchange for the Placing Shares to be admitted to trading on AIM ("Admission") and listed for trading on the TSX. It is currently expected that settlement of all of the Placing Shares and Admission will take place at 8.00 a.m. on 15 May 2018.

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 fund planned exploration and development activity on its other gold properties. However additional funding will be required to bring the newly acquired Coringa gold project into production including the final acquisition payment. The secured loan facility is repayable by 30 June 2020 and at 31 March 2018, the amount outstanding under this facility was US$7.21 million (2017: US$4.48 million).

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. Any unplanned interruption or reduction in gold production, unforeseen reductions in the gold

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price or appreciation of the Brazilian currency, could adversely affect the level of free cash flow that the Group can generate on a monthly basis. Nonetheless with the proceeds to be received from the Subscription, the Directors consider that they will nonetheless be able to meet its financial obligations as they fall due.

On this basis, the Directors have therefore concluded that it is appropriate to prepare the financial statements on a going concern basis.

(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 2017 annual financial statements.

(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.

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3. Earnings per share

	3 months ended 31 March 2018 (unaudited)	3 months ended 31 March 2017 (unaudited)
Profit / (loss) attributable to ordinary shareholders (US$)	**10,786**	**(114,043)**
Weighted average ordinary shares in issue	**700,320,019**	**698,701,772**
Basic profit / (loss) per share (US cents)	**0.0015**	**(0.016)**
Diluted ordinary shares in issue	**735,055,019**	**748,611,772**
Diluted profit/ (loss) per share (US cents)	**0.0015**	**(0.016) (1)**

(1) 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 12 April 2018 the Company completed a Subscription Agreement with Greenstone Resources II LP ("Greenstone"). Greenstone subscribed ("the Subscription") for 297,759,419 New Ordinary Shares ("the Subscription Shares") at a price of 3.6 pence per share (the "Subscription Price"). The New Ordinary Shares issued pursuant to the Subscription rank pari passu with the existing Ordinary Shares.

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This announcement contains inside information for the purposes of Article 7 of the EU Regulation 596/2014. The person who arranged for the release of this announcement on behalf of the Company was Clive Line, Director.

Enquiries

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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.

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

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 2018 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 2017 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 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.

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