



Financial and Accounting Update.

Serabi issued a news release on 1 April 2021 advising that, during the course of audit work in Brazil, the Company had become aware that certain cash withdrawals made during 2020, and amounting to approximately US\$80,000, lacked documentary support. Following further enquiries undertaken by the Company and its legal advisers in Brazil, the Company advises that it has commenced proceedings to terminate the employment contracts of two of its Brazil-based senior managers.

During the course of the Company's on-going enquiries, further unsupported cash withdrawals have been identified dating back to 2015 of approximately US\$120,000 (at current exchange rates), making the total level of unsubstantiated cash withdrawals approximately US\$200,000. The Company has also identified a number of other potential irregularities relating to expense claims and other minor items which may require further review. The Company has retained the services of local forensic accountants to assist its UK auditors in order that the auditors can, as quickly as possible, conclude their audit procedures, permitting the Company to publish its Financial Statements for the 2020 calendar year. The Company remains confident that based on the results of the enquiries to date, the Financial Statements will be issued prior to 30 June 2021.

The Company considers that the termination of the employment contract of the managers may result in legal proceedings in Brazil involving the Company's subsidiary Serabi Mineração SA. At this time therefore, save for any regulatory disclosure obligations, further details regarding the on-going enquiries in respect of these matters may be restricted so as not to prejudice any future legal proceedings.

The information contained within this announcement is deemed by the Company to constitute inside information as stipulated under the Market Abuse Regulations (EU) No. 596/2014 as it forms part of UK Domestic Law by virtue of the European Union (Withdrawal) Act 2018.

The person who arranged for the release of this announcement on behalf of the Company was Clive Line, Director.

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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



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SERABI GOLD plc ("Serabi" or "the Company")



Copies of this announcement 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 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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