



PRESS RELEASE 26 FEBRUARY 2014
SERABI GOLD plc ("Serabi" or "the Company")



Amendment to the terms of the Conditional Subscription

Serabi Gold plc (AIM:SRB, TSX:SBI), the Brazilian focused gold mining and development company, announces an amendment to the terms of the Conditional Subscription for 200,000,000 Units (the "Subscription") as set out in the shareholder circular dated 29 January 2014 (the "Circular").

As previously announced, the Board intends to issue up to 200,000,000 Units at a Subscription Price of 5 pence per Unit to raise up to £10.0 million (before expenses), to provide funding for the further development and evaluation of the Sao Chico gold project, the ongoing start-up of the Palito gold mine and for general working capital for the Company. Each Unit comprises one new Ordinary Share and one-half of one new warrant. Each new warrant entitles the new warrant holder to subscribe for one new Ordinary Share at a subscription price of 6 pence per new Ordinary Share on or before the second anniversary of Completion (the "New Warrant").

Fratelli Investments Limited ("Fratelli Investments"), which together with parties acting in concert with it (the "Concert Party") is currently interested in 45.55 per cent. of the Existing Issued Share Capital, agreed, pursuant to the Subscription, to conditionally subscribe for:

- (a) 125,000,000 Units (comprising 125,000,000 Subscription Shares and 62,500,000 New Warrants) at the Subscription Price ("Minimum Subscription"); and
- (b) Additional Units, equal in number to the aggregate subscription for Units from third party investors (if any), up to a maximum of 37,500,000 Units ("Additional Subscription").

The Takeover Panel agreed to waive the obligation of the Concert Party to make a general offer that would otherwise arise as a result of its participation in the Subscription and the grant and exercise of the New Warrants, subject to the approval of Independent Shareholders, taken on a poll, at the General Meeting to approve the Waiver which is to be held at Farrer & Co LLP at 66 Lincoln's Inn Fields, London, WC2A 3LH at 11.00 a.m. on 3 March 2014.

The Company anticipated procuring subscriptions from institutional and other investors (other than the Concert Party) at the Subscription Price. The Company has received subscription requests from existing shareholders significantly in excess of the Units originally set aside for such third party investors. Accordingly, Fratelli has agreed that it will reduce its Additional Subscription by 10,000,000 Units to 27,500,000 Units (the "Amended Additional Subscription") to assist in meeting the excess demand from existing shareholders.

Fratelli's Minimum Subscription remains unchanged and therefore the potential maximum interest of the Concert Party in the Company of 62.04% remains unchanged as set out in the Circular.

Fratelli's maximum subscription, comprising the Minimum Subscription and the Amended Additional Subscription (the "Amended Maximum Subscription") will now amount to 152,500,000 Units (compared to 162,500,000 Unit as originally agreed) and therefore its interest in the Company on completion on this basis would be 51.37% (compared to 52.89 % as set out in Table 1 on page 26 of the Circular). On the full conversion by Fratelli of its existing warrants and New Warrants and assuming completion of the Amended Maximum Subscription, its interest in the Company on completion would now be 57.03% (compared to 58.65% as set out in Table 3 on page 28 of the Circular).

Unless otherwise stated all defined terms used in this press release have the same definitions as set out in the Circular.

Copies of this release are available from the Company's website at www.serabigold.com and will be available at the General Meeting at which this release will be read out by the Chairman at the beginning of the General Meeting.



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Enquiries

SERABI GOLD plc

Michael Hodgson
Chief Executive

t +44 (0)20 7246 6830
m +44 (0)7799 473621

Clive Line
Finance Director

t +44 (0)20 7246 6830
m +44 (0)7710 151692

e contact@serabigold.com

www.serabigold.com

BEAUMONT CORNISH Limited

Nominated Adviser

Roland Cornish
Michael Cornish

t +44 (0)20 7628 3396
t +44 (0)20 7628 3396

PEEL HUNT LLP

UK Broker

Matthew Armitt
Ross Allister

t +44 (0)20 7418 9000
t +44 (0)20 7418 9000

BLYTH WEIGH COMMUNICATIONS LTD

UK Public Relations

Tim Blyth

t +44 (0)20 7138 3204
m +44 (0)7816 924626

Halimah Hussain

t +44 (0)20 7138 3203
m +44 (0)7725 978141

Camilla Horsfall

t +44 (0) 20 7138 3224
m +44 (0)7817 841793

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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 26 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.

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.

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

SERABI GOLD PLC

2nd Floor, 30-32 Ludgate Hill, London EC4M 7DR
t +44 (0)20 7246 6830 f +44 (0)20 7246 6831 e contact@serabimining.com www.serabigold.com
Registered Office 66 Lincoln's Inn Fields, London, WC2A 3LH Company Number 5131528

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