

## **SERABI MINING plc (“Serabi” or “the Company”)**

### **Variation in Directors’ terms of employment Cancellation of existing options and award of new options.**

The Board of Serabi announces that the Directors’ employment terms and conditions have been amended today with effect from 1 November 2009.

The Directors have, since the end of 2008, been paid reduced levels of salary. The Directors have today agreed that their salaries and benefits should be reduced to reflect the current nature and strategy of the Company. In the case of the non-executive directors, this also reflects a reduction in the time commitments they will be obliged to give to the affairs of the Company. Each of the Directors has also agreed to reduce their contractual notice period.

The Company estimates that the effect of these changes will be to realise an annual saving of over £200,000 by comparison to the previous arrangements.

The Company and the Directors have also agreed to cancel all the existing 6,149,582 options over ordinary shares that had been previously awarded to the Directors.

The Company has agreed to award in aggregate 13,000,000 new options over ordinary shares to the Directors (representing 3.97 per cent. of the current issued share capital) exercisable at 1.5 pence per ordinary share, as follows:

<b>Director</b>	<b>Number of new options over Ordinary Shares</b>
Mike Hodgson	5,000,000
Clive Line	5,000,000
Graham Roberts	2,000,000
Bill Clough	1,000,000

The options will vest in three equal tranches, with one-third vesting and being exercisable immediately on award, one-third vesting on the first anniversary of the award and the remainder vesting on the second anniversary of the award. The options will lapse 10 years after the date of the award. Other standard provisions consistent with the terms of the cancelled options apply in respect of any corporate restructuring, re-organisation or other variation in the ordinary shares of the Company.

The Board is also approaching other options holders who remain employees of or consultants to the Company, with a view to cancelling existing options over 700,000 ordinary shares held by these individuals. The Company has set aside a further 6,300,000 options at an exercise price of 1.5 pence per ordinary share to be awarded subsequently as necessary to employees and consultants.

#### **Enquiries:**

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