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

Offering to raise C$5,538,500
Proposed Ordinary Share Consolidation
and General Meeting

Serabi Mining, the AIM-traded gold exploration company, is pleased to announce that it has completed a conditional offering (the “**Offering**”) of special warrants of the Company (the “**Special Warrants**”) to Canadian and other investors to raise gross proceeds of C$5,538,500. If all conditions of the Offering are met, including satisfaction of the Escrow Release Condition (being the proposed Ordinary Share Consolidation), the Special Warrants will automatically convert into the equivalent of, in aggregate, 10,070,000 Ordinary Shares and 5,035,000 Warrants.

At the closing exchange rate on 2 December 2010 of UK£1 : C$1.5649, the offering price is equivalent to 3.515 pence for each Ordinary Share and the gross proceeds would amount to £3,539,204.

The net proceeds raised from the Offering are intended to be applied to Serabi’s on-going exploration activities at and around the Palito mine and in the evaluation of the wider 60,000 hectare Jardim do Ouro tenement holding that surrounds the Palito Mine, and for general corporate purposes.

Following completion of the Offering, the Company intends to take the steps required to apply to list the Ordinary Shares on a Canadian stock exchange in early 2011. The Ordinary Shares of the Company will continue to be listed and traded in the UK on AIM.

In anticipation of a listing application to a Canadian stock exchange and following consultation with the Company's advisers, the Board has determined that it is appropriate to consolidate the Existing Ordinary Shares to bring the Company's Ordinary Share capital more into line with its prospective peer group of comparable Canadian-listed gold companies. The Company will therefore be seeking Shareholder approval at a General Meeting of the Company for a Consolidation of the Existing Ordinary Shares on the basis of 1 New Ordinary Share for every 10 Existing Ordinary Shares.

The Company will today dispatch the notices to all Shareholders convening a General Meeting to approve the Consolidation to be held on 21 December 2010 at the offices of the Company’s lawyers, Farrer & Co LLP, at 66 Lincoln’s Inn Fields, London WC2A 3LH at 10.00 a.m..

Mike Hodgson, Chief Executive, commented:

“We are very pleased by the reception that we have received amongst the investor community in Canada. The Board believes that there is strong investment interest in North

America for a gold exploration company of Serabi's nature and asset base. In order to maximise the opportunity to attract new investors from Canada, and potentially the United States, the Board believes that the Ordinary Shares need to be listed on a Canadian stock exchange to enable North American-based investors to trade the Ordinary Shares on a local exchange in their 'home' currency. The Board's view is that the introduction of a wider investor base should assist in creating greater liquidity in the Ordinary Shares, which in turn should provide all shareholders with greater flexibility to trade Ordinary Shares. With this in mind we are in the process of taking the steps required to apply to list the Ordinary Shares on a Canadian stock exchange in early 2011. The shares of the Company will continue to be listed and traded in the UK on AIM.

The Board is of the belief that the introduction of a wider investor base will assist in creating greater liquidity in the Ordinary Shares, which in turn should provide all holders with greater flexibility to trade their Ordinary Shares."

Copies of this release are available from the company's website www.serabimining.com.

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Further information on the Offering

The gross proceeds from the issue of the Special Warrants (less the estimated costs and expenses of the Agent) are being held in escrow and release of the proceeds is conditional upon Shareholders approving the Consolidation on the basis of 1 New Ordinary Share for every 10 Existing Ordinary Shares (the "**Escrow Release Condition**"). If the Escrow Release Condition is not met prior to 5.00 p.m. Toronto time (equivalent to 10.00 p.m. GMT) on 17 January 2011, the escrowed funds will be used by Serabi to repurchase the then issued and outstanding Special Warrants for cancellation.

Assuming approval of the Consolidation the 447,740,595 Existing Ordinary Shares will be consolidated into 44,774,059 New Ordinary Shares.

Each Special Warrant, which has been priced at $0.55, will be automatically exercised (for no further consideration and without any further action by the holders of Special Warrants) into 1 New Ordinary Share and one-half of a Warrant, subject to adjustment in certain events. The Ordinary Shares to be issued on exercise of the Special Warrants will rank pari passu with the New Ordinary Shares.

The automatic exercise of the Special Warrants will occur upon the earlier of:

(i) five days after satisfaction of the Liquidity Conditions; and
(ii) 5.00 p.m. Toronto time on the date that is 120 days following the closing date of the Offering (the "**Liquidity Deadline**").

The Liquidity Conditions are as follows:

(i) the issuance of a receipt by each of the securities commissions or comparable regulatory authorities in each of the provinces and territories of Canada in which a final prospectus of the Company will be filed to qualify the distribution of the Ordinary Shares and Warrants on exercise of the Special Warrants; and
(ii) the Company obtaining a listing of the Ordinary Shares on the TSX or TSXV.

Each Warrant will be exercisable into one Ordinary Share for a period of two years ending 1 December 2012 at an exercise price of $0.75 for each Ordinary Share, subject to adjustment in certain circumstances.

In the event that the Liquidity Conditions are not met prior to the Liquidity Deadline, holders of the Special Warrants will be entitled to receive 1.1 New Ordinary Shares and 0.55 of one Warrant.

The offering of the Special Warrants has been conducted on an agency basis by the Agent. The Company has concurrent with the closing of the Offering issued to the Agent compensation options entitling the Agent to subscribe for 435,600 Ordinary Shares for a period of two years following the closing date of the Offering at $0.55 for each Ordinary Share.

Eldorado Subscription

As announced on 16 June 2010, the Company agreed to issue to Eldorado 120,000,000 new Ordinary Shares at a price for each Ordinary Share of 3.0 pence, following which Eldorado became interested in 26.8 per cent. of the entire issued Ordinary Share capital of the Company at that time. The Company also granted an option entitling Eldorado to subscribe for such number of new Ordinary Shares as would enable Eldorado to maintain its percentage interest in the Ordinary Share capital of the Company in the event that the Company issued further Ordinary Shares for cash, provided that Eldorado owned 15 per cent. or more of the issued Ordinary Share capital at that time.

Eldorado has conditionally subscribed for 2,500,000 Special Warrants issued pursuant to the Offering at the Subscription Price. As Eldorado is interested in more than 10 per cent. of the issued Ordinary Share capital of the Company, the subscription by Eldorado is a related party transaction for the purposes of Rule 13 of the AIM Rules. The Directors of Serabi, having consulted with the Company's nominated adviser, consider that the subscription by Eldorado pursuant to the Offering is fair and reasonable insofar as the Shareholders are concerned. The Directors have taken into account in particular that Eldorado is subscribing on the same terms and conditions as the subscribers for Special Warrants procured by the Agent from unconnected parties.

Assuming that the Liquidity Conditions are met prior to the Liquidity Deadline and assuming that there are no further issues of Ordinary Shares before the Liquidity Deadline, Eldorado would have a beneficial interest of 26.44 per cent. of the Enlarged Ordinary Shares in issue following the automatic exercise of the Special Warrants. If the Liquidity Conditions are not met and assuming that there are no further issues of Ordinary Shares before the Liquidity Deadline, Eldorado would have a beneficial interest of 26.41 per cent. of the Enlarged Ordinary Shares in issue following the automatic exercise of the Special Warrants.

Reasons for seeking to list the Company's Ordinary Shares in Canada

The Board believes that there is strong investment interest in North America for a gold exploration company of Serabi's nature and asset base. In order to maximise the opportunity to attract new investors from Canada, and potentially the United States, the Board believes that the Ordinary Shares need to be listed on a Canadian stock exchange to enable North American-based investors to trade the Ordinary Shares on a local exchange in their 'home' currency. The Board's view is that the introduction of a wider investor base should assist in creating greater liquidity in the Ordinary Shares, which in turn should provide all Shareholders with greater flexibility to trade Ordinary Shares.

The Board also believes that of its peer group of South American-focused gold explorers and developers, a greater percentage have their shares traded on the Canadian stock exchanges, than on AIM. As a result there is wider investor research and industry coverage of these companies in Canada. The Board is of the view that an increase in the general awareness of the Company should enhance the liquidity of the Ordinary Shares which it believes is ultimately in the interests of all Shareholders.

Use of the proceeds of the Offering

The gross proceeds of the Offering amount to $5,538,500 (equivalent to approximately £3.54 million) before expenses. The net proceeds raised from the Offering are intended to be applied to continue Serabi's exploration programmes around its Palito gold mine, in the evaluation of the wider 60,000 hectare Jardim do Ouro tenement holding that surrounds the

Palito Mine, and for general corporate purposes. The Company intends to undertake an exploration programme over the next 18 months with the objective being to substantially increase the current resources in and around its existing Palito mine from the current level of approximately 650,000 ounces (gold equivalent). The Company's target is to establish a resource of 1.5 million ounces (gold equivalent). The Company also wishes to develop the value to its wider 60,000 hectare contiguous tenement holdings around the Palito mine by identifying additional mineral deposits within these tenements. which depending on size and location, could either be incorporated into the existing operation at Palito or could form the basis for an additional processing plant.

The Board has therefore decided that it is appropriate to take advantage of current relatively strong equity markets and investor interest in gold to secure some additional working capital for the Company. The Company has established provisional exploration programmes for the next 18 months, but these are results driven programmes and therefore subject to change over this period. However, the Board anticipates that, if the initial exploration programmes are successful, the Company will need to secure access to additional working capital to capitalise on such success and continue to advance the projects. The Board will explore the funding opportunities available at that time, including grants, loans and joint venture opportunities as well as the issue of new equity. However, the Board anticipates that [in part to comply with Canadian listing requirements] some $4 million would be required to be raised concurrent with any listing of its Ordinary Shares in Canada. Under the terms of the Subscription Agreements the Company is seeking to obtain a listing before 1 April 2011

Reasons for the Share Consolidation

The Board has been advised that the Company's existing Ordinary Share capital structure does not allow for an easy comparison with equivalent companies listed on Canadian stock exchanges and that the Company should consolidate its shares on the basis of 1 New Ordinary Share for 10 Existing Ordinary Shares. The Directors believe that this will increase the ability of Canadian investors to make comparable valuations and as a result increase the likelihood that Canadian investors will seek to buy and sell the Company's Ordinary Shares.

Effect of the Consolidation on Existing Ordinary Shares

The Consolidation will not affect the voting rights of holders of Existing Ordinary Shares and, save in respect of the nominal value for each Ordinary Share, there will be no material differences between the Existing Ordinary Shares and the New Ordinary Shares. The Consolidation will be made by reference to holdings of Existing Ordinary Shares on the register of members of the Company as at the close of business on 21 December 2010.

The Consolidation may give rise to fractional entitlements to New Ordinary Shares where Shareholders hold a number of Existing Ordinary Shares which is not exactly divisible by 10. Subject to the Resolution being approved by the Shareholders at the GM, Shareholders with a holding of Existing Ordinary Shares which is not exactly divisible by 10 will, pursuant to the Consolidation, have their holding rounded down to the nearest whole number of Ordinary Shares. As at 2 December 2010, the latest practicable date prior to the date of this Document, a shareholding of 10 Existing Ordinary Shares was worth 38.2 pence and any fractional entitlements arising pursuant to the Consolidation (as if carried out on 2 December 2010) would therefore be worth less than this. Holdings of Existing Ordinary Shares in certificated and uncertificated form will be treated as separate holdings for the purpose of the Consolidation.

In the view of the Board, aggregating such fractional entitlements, selling them and sending cheques to Shareholders in respect of their *pro rata* proportion of the proceeds is neither practical nor cost-efficient given the relatively small sums of money attributable to each Shareholder concerned. In accordance with the Resolution, any fractional entitlements to

Existing Ordinary Shares arising on the Consolidation will be aggregated and sold for the benefit of the Company.

One effect of the Consolidation will be that any Shareholder holding fewer than 10 Existing Ordinary Shares at the close of business on 21 December 2010 (being the record date for the Consolidation) will not hold any Ordinary Shares in the Company following the Consolidation becoming effective. If you currently hold fewer than 10 Existing Ordinary Shares and wish to retain an interest in Ordinary Shares in the Company following the proposed Consolidation you must ensure that at the close of business on 21] December 2010 your holding is at least 10 Existing Ordinary Shares. This could be achieved by buying further Ordinary Shares on the stock market.

Shareholders should not, however, regard this announcement as an encouragement or recommendation to deal in the Company's Ordinary Shares and you should seek your own advice in this regard from your stockbroker, bank manager, solicitor, accountant, fund manager or other independent financial adviser authorised under the Financial Services and Markets Act 2000.

Application will be made for admission of the New Ordinary Shares in issue to AIM following the Consolidation. It is expected that dealings and settlement in the Existing Ordinary Shares will continue until the close of business on 21 December 2010 subject to the passing of the resolution to effect the Consolidation at the GM, admission of the New Ordinary Shares is expected to occur at 8.00 a.m. on 22 December 2010.

Shareholders who hold their Existing Ordinary Shares in uncertificated form will have their CREST accounts credited with the New Ordinary Shares in substitution for the number of Existing Ordinary Shares held by them as soon as practicable after admission. No new share certificates in respect of the New Ordinary Shares will be issued following the Consolidation and existing share certificates will remain valid. The Registrar will, following the Consolidation, update the Company's records for the New Ordinary Shares accordingly.

Recommendation

The Directors consider that the proposed Consolidation is in the best interests of the Company and its Shareholders as a whole.

Accordingly, the Directors unanimously recommend that Shareholders vote in favour of the Resolution as they intend to do in respect of their own holdings, where relevant, amounting to an aggregate of 31,159,000 Existing Ordinary Shares, representing approximately 7.0 per cent. of the Company's Ordinary Shares.

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IMPORTANT INFORMATION

This announcement contains forward-looking statements. These statements relate to the Company's future prospects, developments and business strategies. Forward-looking statements are identified by their use of terms and phrases such as "believe", "could", "envisage", "estimate", "intend", "may", "plan", "will" or the negative of those, variations or comparable expressions, including references to assumptions. The forward-looking statements in this announcement are based on current expectations and are subject to risks and uncertainties that could cause actual results to differ materially from those expressed or implied by those statements. If one or more of these risks or uncertainties materialises, or if underlying assumptions prove incorrect, the Company's actual results may vary materially from those expected, estimated or projected. Given these risks and uncertainties, potential investors should not place any reliance on forward-looking statements. These forward looking statements speak only as at the date of this announcement. Neither the Directors nor the Company undertake any obligation to update forward-looking statements described in this announcement other than as required by the Prospectus Rules, the AIM Rules or by the rules of any other relevant securities regulatory authority, whether as a result of new information, future events or otherwise.

DEFINITIONS

The following definitions apply throughout this Document unless the context otherwise requires:

'Act'	the Companies Act 2006
'Additional Ordinary Shares'	the New Ordinary Shares issued on exercise of the Warrants
'Agent'	Fraser Mackenzie Limited, the Canadian broker of the Company
'AIM'	AIM, a market operated by the London Stock Exchange
'AIM Rules'	the AIM Rules for Companies as published by the London Stock Exchange from time to time
'Company' or 'Serabi'	Serabi Mining plc
'Consolidation'	the proposed consolidation of the Existing Ordinary Shares in the Company on the basis of one New Ordinary Share for every ten Existing Ordinary Shares
'CREST'	the computerised settlement system (as defined in the CREST Regulations) operated by Euroclear which facilitates the transfer of title to shares in uncertificated form
'Crest Regulations'	the Uncertificated Securities Regulations 2001 (SI 2001/3755) including any variation thereof
'Directors' or 'Board'	the directors of the Company
'Eldorado'	Eldorado Gold Corporation
'Enlarged Ordinary Shares'	the New Ordinary Shares and the Subscription Shares
'Existing Ordinary Shares'	the ordinary shares of 0.5 pence each in the capital of the Company prior to the Consolidation
'General Meeting'	the general meeting of the Company to be held on 21 December 2010
'GMT'	Greenwich Mean Time
'Group'	the Company and its subsidiaries
'London Stock Exchange'	London Stock Exchange plc
'New Ordinary Shares'	the ordinary shares of 5 pence each in the capital of the Company following the Consolidation
'Offering'	the conditional raising of funds pursuant to the issue of the Special Warrants
'Ordinary Shares'	ordinary shares in the capital of the Company comprising, at the relevant time, the Existing Ordinary Shares, the New Ordinary Shares, the Subscription Shares and the Additional Ordinary Shares
'Registrar'	Computershare Investor Services PLC of The Pavilions, Bridgwater Road, Bristol, BS99 6ZY, United Kingdom
'Shareholders'	holders of Ordinary Shares
'Special Warrants'	the Special Warrants of the Company issued pursuant to the Subscription

	Agreement, further details of which are set out above
'Subscription Agreements'	the conditional subscription agreements dated 2 December 2010 pursuant to which the Company has agreed to issue the Special Warrants
'Subscription Price'	55 cents for each Special Warrant
'Subscription Shares'	the New Ordinary Shares issued pursuant to the Special Warrants
'TSX'	The Toronto Stock Exchange
'TSXV'	The TSX Venture Exchange
'UK'	United Kingdom
'Warrant'	a warrant of the Company issued pursuant to the Special Warrants, further details of which are set out above

References to '$', 'dollars' or 'cents' are references to Canadian Dollars and cents being the legal tender of Canada.

References to '£', 'pounds' or 'pence' are references to pounds and pence, being the legal tender of the United Kingdom.

Unless otherwise indicated in this document, all amounts in Canadian Dollars have been converted into pounds using the exchange rate prevailing as at the close of business on 2 December 2010 (being the last practicable date prior to publication of this press release) of £1 = $1.5649.

ENDS