



Notice of Annual General Meeting and Special Meeting⁽¹⁾

As previously announced on 20 April 2012, the Company's Annual General Meeting will be held 18 June 2012, at the offices of Farrer & Co. LLP, 66 Lincoln's Inn Fields London WC2A 3LH England at 11.00 am. The Company has today issued the formal notice of the meeting (the "Notice"), together with proxy voting forms and the Company's 2011 Annual Report. Copies of the 2011 Annual Report and the Notice are available from the Company's website at www.serabigold.com.

The Notice contains a letter from the Chairman of the Company, Mr Sean Harvey, which is set out below in the Appendix without material adjustment.

(1) Certain resolutions to be proposed at the meeting will be special resolutions requiring approval of more than 75% of the votes cast. Under Canadian National Instrument 54-101, the meeting therefore also constitutes a Special Meeting.

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

FOX DAVIES CAPITAL Ltd

UK Broker

Simon Leathers
Jonathan Evans

t +44 (0)20 3463 5010
t +44 (0)20 3463 5010

Copies of this release 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 news release.

Appendix

The letter from the Chairman of the Company included in the Notice is reproduced below (without material adjustment):

"Dear Shareholder

This document provides the formal notice of the 2012 Annual General Meeting and Special Meeting of the Company to be held at the offices of Farrer & Co LLP, 66 Lincoln's Inn Fields, London WC2A 3LH, England on June 18, 2012 at 11.00 am (London time) (the "Meeting"). It also includes additional information that the Company as a "reporting issuer" in Canada is required to make available pursuant to the requirements of National Instrument 51-102 – Continuous Disclosure Obligations ("NI 51-102") of the Canadian Securities Administrators.

Background

The Company has appointed NCL Ingenieria y Construccion SA ("NCL") to undertake an independent Preliminary Economic Assessment (the "PEA") into the viability of re-establishing mining operations at the Palito mine. NCL's personnel visited Palito during March 2012 to undertake their field evaluation and gather the required data for their study. We anticipate that NCL's report will be provided to us at the end of May 2012.

As I noted in my statement in the Company's Annual Report issued on March 29, 2012, I am optimistic for the Company's future. We are confident that NCL will reach a conclusion that given current gold prices and notwithstanding the relatively low forecast production rates, a



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



viable and robust project can be established at the Palito mine, which will provide cash flow for continued exploration and development activities.

If NCL's report does support this expectation, additional finance will be required to bring the Palito mine back into operation. A significant portion of this additional finance will be used as working capital to, amongst other things, establish the required mine development (deepening access ramps and establishment of production faces) and building an initial production stockpile ahead of starting up the process plant and generating revenue.

For regulatory reasons, it is not possible to delay convening the Company's annual general meeting until after the PEA has been completed. Timing is critical and if the outcome of the PEA is as we hope we would like to embark immediately on raising the necessary funding in order that initial works, and in particular mine dewatering and surface infrastructure improvements can be put in place and targeted for completion ahead of the wet season in Brazil which starts towards the end of the year. In addition, with markets still very much in a state of flux the Board is keen to have the flexibility to move quickly to take advantage of the windows that present themselves. As such, it is not, in the Board's view, practical to call a further general meeting of the Shareholders after the PEA has been completed to seek the relevant approvals to raise funding by way of an issue of shares.

Accordingly, we are taking the step of requesting Shareholders to give the Board the requisite authority to allow the expected financing requirements to be raised without the necessity for a further shareholder meeting to be called once the results of the PEA are available. The current authorised share capital of the Company is £30,000,000 of which 91,268,529 Ordinary Shares and 140,139,065 Deferred Shares have been issued. If the relevant resolutions are passed, the effect will be to increase the authorised share capital of the Company to £50,000,000 and to give the Board the authority, without the need for any additional Shareholder consent, to issue shares up to that value (less the value of the current shares in issue). The actual number of shares required to be issued depends, inter alia, on the price at which the shares are offered. The Board will not be obliged to offer these shares to all the existing Shareholders.

At the end of March I noted that the continued support of the Company's Shareholders was more important than ever. The Board respects the trust that is placed in its members to ensure that the Company is run in a fit and proper manner and to this end we will ensure that if the resolutions giving the Board the authority to issue new Ordinary Shares for cash are approved that this authority will be used only to the levels that are necessary to ensure the project develops in the manner that the Board expects.

Recommendation

The Directors consider that the resolutions being put to the Annual General Meeting and Special Meeting are in the best interests of the Company and its Shareholders and are most likely to promote the success of the Company for the benefit of the Shareholders as a whole. Accordingly, the Directors unanimously recommend that Shareholders vote in favour of the proposed resolutions as they intend to do in respect of their own holdings, where relevant, amounting to an aggregate of 20,103,973 Ordinary Shares, representing approximately 21.94 per cent. of the Company's Ordinary Shares.

Yours faithfully

T Sean Harvey
Non – executive Chairman"
