



## Operational Update

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Serabi Gold plc (AIM: SRB, TSX:SBI), the Brazilian focused gold mining and exploration company announces its second operational update on progress with the development and start-up of gold mining operations at its 100 per cent owned high-grade Palito gold mine, located in Para state.

### Highlights:

- Completed dewatering of the mine in January 2013
- New mine management and technical team commenced in mid-January
- First items of mining fleet arrived at site on 15 February 2013
- Initial contract mining personnel also arrived at site on 15 February 2013
- Remediation of the crushing and flotation sections of the process plant underway
- Detailed engineering design underway on milling circuit and cyanidation plant

Together with the completion of the mine dewatering in January 2013, the Company finalised the recruitment of an experienced mine management and technical team who will oversee all aspects of the planning, rehabilitation and underground operational mining activities at the Palito Mine. These four key personnel all have proven experience in high grade narrow vein mine management. They arrived at site in mid-January and under their supervision and with the mine dry, reinstatement of the underground mine services is now well underway.

The first items of the mining fleet comprising a drill rig and underground loader have also now been delivered to site at the same time as the arrival of the initial group of mining contractors. As a result remediation of existing underground haulage routes and work on new mine development accesses and galleries is expected to be underway before the end of February.

In parallel with the progress on development of the underground mine, work on the remediation of the process plant is underway. Necessary repairs and overhaul of the crushing plant and flotation sections have commenced, with the crushing plant having been largely dismantled for renovation. The remainder of the process plant – the milling, cyanidation and elution circuits – is undergoing a detailed engineering study which should be completed by the end of March 2013 in order for construction to commence shortly thereafter.

In anticipation of a progressive increase in staffing levels over the coming months, new pre-fabricated accommodation units have been ordered and will be functional by mid-year. These will complement the existing accommodation facilities and allow the company to improve the overall standard of accommodation that it provides to its employees. Civil works to locate this accommodation have commenced.

**Mike Hodgson CEO said** *'Dewatering the mine was the first milestone to be achieved, and being ahead of schedule has allowed the Company to begin, earlier than originally planned, the next key phase of mine remediation and development.'*

*The placing of orders for long lead items and their early arrival along with the first mining contractors gives us the opportunity to commence development mining ahead of the timetable anticipated by the PEA study.*

*I am delighted that we have been able to recruit an excellent mining management team with a collective experience in narrow vein mining of over 70 years. Their impact is already clearly being seen in the progress that we are making at Palito. Our intention remains to generate a stockpile ahead of starting up the process plant, which we still anticipate will occur during the latter part of the fourth quarter of 2013'*



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



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Copies of this release are available from the Company's website at [www.serabigold.com](http://www.serabigold.com)

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#### 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 25 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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