



First Month of Gold Production at Palito Gold Mine

Serabi Gold plc (AIM:SRB, TSX:SBI), the Brazilian focused gold mining and development company, today announces details of its first month of continuous gold production at its wholly owned Palito gold mine in Para, Brazil.

As reported on 23 December 2013, initial testing of the process plant started on 13 December 2013 and continued until the year end. Since 5 January 2014, the Company has been increasing production throughput for each of the milling, gravity and flotation/filtration sections of the plant in accordance with the Company's plans.

Highlights

- Over 5,000 tonnes have been crushed
- 3,264 wet metric tonnes ("wmt") processed through the milling, gravity and flotation sections of the plant during January,
- Average hourly throughputs in line with full scale production estimates
- Ore stockpile awaiting processing of over 25,000 tonnes at 10.2 g/t of gold

During this initial ramp up and testing phase the Company has processed lower grade ores to minimise potential losses whilst optimisation work is on-going. After taking this into account and also the initial loading of the plant, gold concentrate available for sale for the period has a gold content of 170 ounces.

The first shipment of copper/gold concentrate material to be sold is expected to be transported from site during February.

Mike Hodgson the CEO of Serabi said:

"We are delighted to be reporting our first month of production and are on track to reach full throughput by 1 April 2014.

"During the month, we operated the plant for over 300 hours and milled 3,264 tonnes, which is generally consistent with our longer term target throughput rates of some 10.5 tonnes per hour.

"We deliberately have used lower grade development ore to start the plant, until we were content with its performance which, together with having to initially load the plant, explains for the low production results. However, by the end of January we had begun processing ore grading in excess of 8 g/t of gold. With approximately four months of high grade ore, at an average grade of 10g/t of gold stockpiled in front of the plant, we remain confident that we will quickly be achieving our previously advised Palito monthly gold production target of around 2,000 ounces per month."*

* - Production estimates for the Palito Mine are derived from the Preliminary Economic Assessment NI 43-101 Technical Report 13 June 2012.

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This document is not intended to and does not amount to an invitation or inducement to subscribe for shares in Serabi Gold plc



GLOSSARY OF TERMS

The following is a glossary of technical terms:

"Au" means gold.

"grade" is the concentration of mineral within the host rock typically quoted as grams per tonne (g/t), parts per million (ppm) or parts per billion (ppb).

"g/t" means grams per tonne.

"wmt" means wet metric tonnes.

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.