SERABI GOLD PLC

INTERIM UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(Stated in US Dollars)

FOR THE THREE MONTHS ENDED
31 MARCH 2012

NOTICE

These unaudited interim condensed consolidated financial statements have been prepared by management and have not been the subject of a review by the Company's independent auditor

SERABI GOLD PLC
Condensed Consolidated Statements of Comprehensive Income

(expressed in US$)	Notes	For the three months ended 31 March **2012 (unaudited)**	2011 (unaudited)
CONTINUING OPERATIONS			
Revenue		**—**	—
Operating expenses		**(117,694)**	(183,822)
Gross loss		**(117,694)**	(183,822)
Administration expenses		**(810,786)**	(665,387)
Settlement of supplier claim		**—**	540,441
Share based payments		**(29,150)**	(30,571)
Loss on asset disposals		**—**	(13,515)
Depreciation of plant and equipment		**(426,637)**	(567,336)
Operating loss		**(1,384,267)**	(920,190)
Foreign exchange gain		**87,190**	187,297
Finance costs		**(19,228)**	(22,152)
Investment income		**1,179**	12,403
Loss before taxation		**(1,315,126)**	(742,642)
Income tax expense		**—**	—
Loss for the period from continuing operations (1) (2)		**(1,315,126)**	(742,642)
Other comprehensive income (net of tax)			
Exchange differences on translating foreign operations		**1,166,852**	943,210
Total comprehensive (loss)/income for the period (2)		**(148,274)**	200,568
Loss per ordinary share (basic and diluted) (1)	3	**(1.56c)**	(1.65c)

(1) All revenue and expenses arise from continuing operations.

(2) The Group has no non-controlling interests and all income/(losses) are attributable to the equity holders of the Parent Company.

SERABI GOLD PLC
Condensed Consolidated Balance Sheets

(expressed in US$)	Notes	**As at 31 March 2012 (unaudited)**	As at 31 December 2011 (audited)
Non-current assets			
Development and deferred exploration costs	5	**17,998,296**	16,648,884
Property, plant and equipment	6	**28,690,108**	26,266,092
Total non-current assets		**46,688,404**	44,914,976
Current assets			
Inventories		**1,140,908**	1,114,255
Trade and other receivables		**107,047**	87,440
Prepayments and accrued income		**661,105**	701,669
Cash at bank and cash equivalents		**3,382,198**	1,406,458
Total current assets		**5,291,258**	3,309,822
Current liabilities			
Trade and other payables		**2,186,333**	2,538,055
Accruals		**115,214**	146,165
Total current liabilities		**2,301,547**	2,684,220
Net current assets		**2,989,711**	625,602
Total assets less current liabilities		**49,678,115**	45,540,578
Non-current liabilities			
Trade and other payables		**510,506**	508,680
Provisions		**1,460,029**	1,451,296
Interest bearing liabilities		**319,020**	296,122
Total non-current liabilities		**2,289,555**	2,256,098
Net assets		**47,388,560**	43,284,480
Equity			
Share capital	8	**31,416,993**	29,291,551
Share premium		**50,306,920**	48,292,057
Option reserve		**1,990,465**	1,956,349
Other reserves		**780,028**	702,095
Translation reserve		**91,685**	(1,075,167)
Accumulated loss		**(37,197,531)**	(35,882,405)
Equity shareholders' funds		**47,388,560**	43,284,480

The interim financial information has not been audited and does not constitute statutory accounts as defined in Section 434 of the Companies Act 2006. Whilst the financial information included in this announcement has been compiled in accordance with International Financial Reporting Standards ("IFRS") this announcement itself does not contain sufficient financial information to comply with IFRS. The Group statutory accounts for the year ended 31 December 2011 prepared under IFRS as adopted in the EU and with IFRS and their interpretations adopted by the International Accounting Standards Board will be filed with the Registrar of Companies following their adoption by shareholders at the next Annual General Meeting. The auditor's report on these accounts was unqualified but did contain an Emphasis of Matter with respect to the Company and the Group regarding Going Concern and the future availability of project finance. The auditor's report did not contain a statement under Section 498 (2) or 498 (3) of the Companies Act 2006.

SERABI GOLD PLC
Condensed Consolidated Statements of Changes in Shareholders' Equity

(expressed in US$) (unaudited)	Share capital	Share premium	Share option reserve	Other reserves	Translation reserve	Accumulated loss	Total equity
Equity shareholders' funds at 31 December 2010	27,752,834	40,754,032	1,648,484	260,882	3,882,168	(29,946,582)	44,351,818
Foreign currency adjustments	—	—	—	—	943,210	—	943,210
Loss for the period	—	—	—	—	—	(742,642)	(742,642)
Total comprehensive income for the period	—	—	—	—	943,210	(742,642)	200,568
Issue of new ordinary shares for cash	731,412	4,229,767	—	208,229	—	—	5,169,408
Issue of new ordinary shares on exercise of special warrants	807,305	4,004,807	—	232,984	—	—	5,045,096
Costs associated with issue of new ordinary shares for cash	—	(706,564)	—	—	—	—	(706,564)
Share option expense	—	—	37,548	—	—	—	37,548
Equity shareholders' funds at 31 March 2011	**29,291,551**	**48,282,042**	**1,686,032**	**702,095**	**4,825,378**	**(30,689,224)**	**54,097,874**
Foreign currency adjustments	—	—	—	—	(5,900,545)	—	(5,900,545)
Loss for the period	—	—	—	—	—	(5,193,181)	(5,193,181)
Total comprehensive income for the period	—	—	—	—	(5,900,545)	(5,193,181)	(11,093,726)
Costs associated with issue of new ordinary shares for cash	—	10,015	—	—	—	—	10,015
Share option expense	—	—	270,317	—	—	—	270,317
Equity shareholders' funds at 31 December 2011	**29,291,551**	**48,292,057**	**1,956,349**	**702,095**	**(1,075,167)**	**(35,882,405)**	**43,284,480**
Foreign currency adjustments	—	—	—	—	1,166,852	—	1,166,852
Loss for the period	—	—	—	—	—	(1,315,126)	(1,315,126)
Total comprehensive income for the period	—	—	—	—	1,166,852	(1,315,126)	(148,274)
Issue of new ordinary shares for cash	2,125,442	2,047,508	—	77,933	—	—	4,250,883
Costs associated with issue of new ordinary shares for cash	—	(32,645)	—	—	—	—	(32,645)
Share option expense	—	—	34,116	—	—	—	34,116
Equity shareholders' funds at 31 March 2012	**31,416,993**	**50,306,920**	**1,990,465**	**780,028**	**91,685**	**(37,197,531)**	**47,388,560**

SERABI GOLD PLC
Condensed Consolidated Cash Flow Statements

(expressed in US$)	For the three months ended 31 March **2012 (unaudited)**	2011 (unaudited)
Operating activities		
Operating loss	**(1,384,267)**	(920,190)
Depreciation – plant, equipment and mining properties	**426,637**	567,336
Loss on sale of assets	**—**	13,515
Option costs	**29,150**	30,571
Interest paid	**(5,301)**	(10,326)
Foreign exchange	**55,616**	(48,930)
Changes in working capital		
Decrease / (increase) in inventories	**6,379**	(37,481)
Decrease / (increase) in receivables, prepayments and accrued income	**42,208**	(158,356)
(Decrease) in payables, accruals and provisions	**(480,318)**	(11,749)
Net cash outflow from operations	**(1,309,896)**	(575,610)
Investing activities		
Proceeds from sale of fixed assets	**—-**	40,642
Purchase of property, plant and equipment	**(51,910)**	(27,383)
Exploration and development expenditure	**(931,607)**	(1,639,267)
Interest received	**1,179**	12,403
Net cash outflow on investing activities	**(982,338)**	(1,613,605)
Financing activities		
Issue of ordinary share capital	**4,250,883**	4,961,179
Issue of warrants	**—**	208,229
Capital element of finance lease payments	**—**	—
Payment of share issue costs	**(32,645)**	(706,564)
Payment of special warrant issue costs	**—**	(14,900)
Net cash inflow from financing activities	**4,218,238**	4,447,944
Net increase in cash and cash equivalents	**1,926,004**	2,258,729
Cash and cash equivalents at beginning of period	**1,406,458**	8,598,754
Exchange difference on cash	**49,736**	243,345
Cash and cash equivalents at end of period	**3,382,198**	11,100,828

Notes to the Condensed Consolidated Financial Statements

1. Basis of preparation

These interim accounts are for the three month period ended 31 March 2012. Comparative information has been provided for the unaudited three month period ended 31 March 2011 and, where applicable, the audited twelve month period from 1 January 2011 to 31 December 2011.

The accounts for the periods have been prepared in accordance with International Accounting Standard 34 "Interim Financial Reporting" and the accounting policies are consistent with those of the annual financial statements for the year ended 31 December 2011 and those envisaged for the financial statements for the year ending 31 December 2012. The Group has not adopted any standards or interpretation in advance of the required implementation dates. It is not anticipated that the adoption in the future of the new or revised standards or interpretations that have been issued by the International Accounting Standards Board will have a material impact on the Group's earnings or shareholders' funds.

(i) Going concern and availability of project finance

In common with many companies in the exploration and development stages, the Group raises its finance for exploration and development programmes in discrete tranches. The Group is planning to complete, during the first half of 2012, the preparation of a Preliminary Economic Assessment ("PEA") of the viability of re-commencing mining operations at the Palito Mine. If, as anticipated, the outcome of the PEA is positive the company will then seek to raise further finance from investors in order to provide sufficient funds to recommence mining operations and provide sufficient working capital for the Group's operations.

Subject to raising this finance and gaining any necessary approval from shareholders in general meeting, the Directors consider that the Group will thereafter have sufficient funds to finance the group and its commitments for the foreseeable future. The Directors have therefore concluded that it is appropriate to prepare the financial statements on a going concern basis.

Whilst the Directors are confident that they are taking all the necessary steps to ensure that the funding will be available, there can be no certainty that this will be the case. Were future funding not to become available in an appropriate timescale, which might be the case if the outcome of the PEA was not in line with expectations, the Directors would need to consider alternative strategies and an impairment review would be required in respect of the carrying value of the assets relating to the Palito Mine and other deferred exploration costs. These conditions indicate the existence of a material uncertainty which may cast significant doubt over the Group's ability to continue as a going concern. No adjustments to asset carrying values that may be necessary should the Group be unsuccessful in raising the required finance have been recognised in the financial statements.

(ii) Impairment

The Directors have undertaken a review of the carrying value of the mining and exploration assets of the Group, and considered the implications of the operational difficulties experienced and the current operational status of Palito. Following this review they have assessed the value of the existing assets on the basis of value in use involving a future recommencement of underground mining operations which is dependent on the ability of the Group to raise future finance and to operate the mine in line with the mine plan that forms the basis of the value in use calculation. The carrying values of assets have not been adjusted to reflect a failure to raise sufficient funds, not achieving the projected levels of operation or that, if a sale transaction were undertaken, the proceeds may not realise the value as stated in the accounts.

(iii) Inventories

Inventories - are valued at the lower of cost and net realisable value.

(iv) Property, plant and equipment

Property, plant and equipment are depreciated over their useful lives.

(v) Mining property

The Group commenced commercial production at the Palito mine effective 1 October 2006. Prior to this date all revenues and operating costs were capitalised as part of the development costs of the mine. Effective from 1 October 2006 the accumulated development costs of the mine were re-classified as Mining Property costs and such cost will be amortised over the anticipated life of the mine on a unit of production basis. As the underground mine is currently on care and maintenance and there is no depletion of the reserves and resources attributable to the mine, no amortization charge has been recorded in the period.

(vi) Revenue

Revenue represents amounts receivable in respect of sales of gold and by-products. Revenue represents only sales for which contracts have been agreed and for which the product has been delivered to the purchaser in the manner set out in the contract. Revenue is stated net of any applicable sales taxes. Any unsold production and in particular concentrate is held as inventory and valued at production cost until sold.

(vii) Currencies

The condensed financial statements are presented in United States dollars (US$ or "$"). Other currencies referred to in these condensed financial statements are UK pounds ("UK£"), Canadian dollars ("C$") and Brazilian Reais ("BrR$").

Transactions in currencies other than the functional currency of a company are recorded at a rate of exchange approximating to that prevailing at the date of the transaction. At each balance sheet date, monetary assets and liabilities that are denominated in currencies other than the functional currency are translated at the amounts prevailing at the balance sheet date and any gains or losses arising are recognised in profit or loss.

On consolidation, the assets and liabilities of the Group's overseas operations that do not have a US Dollar functional currency are translated at exchange rates prevailing at the balance sheet date. Income and expense items are translated at the average exchange rate for the period. Exchange differences arising on the net investment in subsidiaries are recognised in other comprehensive income.

2. Taxation

Taxation represents a provision for corporate taxes due on taxable profits arising in Brazil. No deferred tax asset arising from carried forward losses incurred outside of Brazil has been recognised in the financial statements because of uncertainty as to the time period over which this asset may be recovered.

3. Earnings per share

	3 months ended 31 March (unaudited)	
	2012	2011
Loss attributable to ordinary shareholders (US$)	**1,315,126**	742,642
Weighted average ordinary shares in issue	**84,368,529**	45,071,694
Basic and diluted loss per share (US cents)	**1.56**	1.65

4. Segmental analysis

The following information is given about the Group's reportable segments:

The Chief Operating Decision Maker is the Board of Directors. The Board reviews the Group's internal reporting in order to assess performance of the business. Management has determined the operating segments based on the reports reviewed by the Board.

The Board considers the performance of the Group by the geographical location of expenditures, and the division of capital expenditure between exploration and operations.

An analysis of the results for the three month period by management segment is as follows:

	3 months ended 31 March 2012 (unaudited)			3 months ended 31 March 2011 (unaudited)		
	Brazil $	**Unallocated $**	**Total $**	Brazil $	Unallocated $	Total $
Revenue	**—**	**—**	**—**	—	—	—
Operating expenses	**(117,694)**	**—**	**(117,694)**	(183,691)	(131)	(183,822)
Operating loss	**(117,694)**	**—**	**(117,694)**	(183,691)	(131)	(183,822)
Administration expenses	**(381,390)**	**(429,396)**	**(810,786)**	289,856	(414,802)	(124,946)
Share based payments	**—**	**(29,150)**	**(29,150)**	—	(30,571)	(30,571)
Provisions, depreciation and loss on asset disposals	**(407,633)**	**(19,004)**	**(426,637)**	(549,765)	(31,086)	(580,851)
Operating loss	**(906,718)**	**(477,549)**	**(1,384,267)**	(443,600)	(476,590)	(920,190)
Foreign exchange gain/(loss)	**320**	**86,870**	**87,190**	(7,525)	194,822	187,297
Interest (expense)/income	**(5,301)**	**(12,748)**	**(18,049)**	(10,326)	577	(9,748)
Loss before taxation	**(911,699)**	**(403,427)**	**(1,315,126)**	(461,451)	(281,191)	(742,642)

An analysis of non-current assets by location is as follows:

	Total non-current assets	
	31 March 2012 (unaudited) $	31 December 2011 (audited) $
Brazil – operations	**28,674,596**	28,247,698
Brazil – exploration	**17,998,296**	16,648,884
Other	**15,512**	18,394
	46,688,404	44,914,976

An analysis of total assets by location is as follows:

	Total assets	
	31 March 2012 (unaudited) $	31 December 2011 (audited) $
Brazil	**48,493,985**	47,017,584
Other	**3,485,677**	1,207,214
	51,979,662	48,224,798

During the three month period, the following amounts incurred by area were capitalised as development and deferred exploration costs:

	For the 3 month period ended 31 March 2012 (unaudited) $	For the year ended 31 December 2011 (audited) $
Brazil	**936,573**	8,707,476
Other	**—**	—
	936,573	8,707,476

5. Exploration and development costs

	31 March 2012 (unaudited)	31 December 2011 (audited)
Cost		
Opening balance	**16,648,884**	9,797,406
Exploration and development expenditure	**931,607**	8,663,471
Share option charges	**4,966**	44,005
Exchange	**412,839**	(1,855,998)
Balance at end of period	**17,998,296**	16,648,884

6. Property, plant and equipment

	31 March 2012 (unaudited)	31 December 2011 (audited)
Cost		
Balance at beginning of period	**44,020,699**	49,268,696
Additions	**51,910**	119,974
Exchange	**1,149,819**	(4,915,235)
Disposals	**—**	(452,736)
Balance at end of period	**45,222,428**	44,020,699
Accumulated depreciation		
Balance at beginning of period	**15,754,607**	15,317,556
Charge for period	**426,637**	2,251,850
Exchange	**351,076**	(1,543,688)
Eliminated on sale of asset	**—**	(271,111)
Balance at end of period	**16,532,320**	15,754,607
Net book value at end of period	**28,690,108**	28,266,092

7. Contractual commitments

The following table sets out the maturity profile of the Group's contractual commitments excluding trade liabilities as at 31 March 2012 and commitments under operating leases.

	Payments due by period				
	Total $	Less than 1 year $	1-3 years $	4-5 years $	After 5 years $
Long term debt	319,020	—	319,020	—	—
Capital Lease Obligations	—	—	—	—	—
Operating Leases	63,566	63,566	—	—	—
Purchase Obligations	—	—	—	—	—
Other Long Term Obligations	—	—	—	—	—
Total Contractual Obligations	**382,586**	**63,566**	**319,020**	—	—

8. Share capital

(a) Ordinary and deferred shares

	31 March 2012 (unaudited)		31 December 2011 (audited)	
Ordinary shares	Number	$	Number	$
Opening balance	63,968,529	5,270,156	44,774,059	3,731,439
Issue of shares for cash	27,300,000	2,125,442	19,194,470	1,538,717
Balance at end of period	91,268,529	7,395,598	63,968,529	5,270,156

	31 March 2012 (unaudited)		31 December 2011 (audited)	
Deferred shares	Number	$	Number	$
Opening balance and balance at end of period	140,139,065	24,021,395	140,139,065	24,021,395

The following issues of Ordinary Shares have occurred during the 3 month period ended 31 March 2012:

24 January 2012 — Issue of 27,300,000 Units at a price of UK£0.10 per Unit. Each unit consisted of one ordinary share of 5 pence nominal value (a "Share") and one sixth of a share purchase warrant. Each whole share purchase warrant ("a Warrant") entitles the holder to acquire one Share at a price of UK£0.15 at any time until 23 January December 2014.

The deferred shares carry no voting or dividend rights or any right to participate in the profits or assets of the Company and all the deferred shares may be purchased by the Company, in accordance with the Companies Act 2006, at any time for no consideration. In the event of a return of capital, after the holders of the Ordinary shares have received in aggregate the amount paid up thereon plus £100 per ordinary share, there shall be distributed amongst the holders of deferred shares an amount equal to the nominal value of the deferred shares and thereafter any further surplus shall be distributed amongst the holders of ordinary shares.

(b) Warrants

As at 31 March 2012 there remain outstanding the following warrants.

	Number	Exercise Price	Expiry
Share purchase warrants [(1) (2)]	9,535,000	C$0.75	2 December 2012
Non-tradable warrants [(3)]	4,549,998	UK£0.15	23 January 2014
Broker warrants	930,400	C$0.55	2 December 2012
Other warrants	155,000	UK£0.15	8 November 2013
Other warrants	1,500,000	UK£0.40	16 June 2012

(1) The share purchase warrants are traded under the symbol SBI.WT

(2) The Company has calculated the value of each of the share purchase warrants as C$0.045 and accordingly has established a warrant reserve in relation to that portion of the proceeds received that relates to the Warrants from (a) the issue of the Units at the time of the IPO and (b) the Units issued on exercise of the Special Warrants.

(3) The Company has calculated the value of each of the share purchase warrants as UK£0.011 and accordingly has established a warrant reserve in relation to that portion of the proceeds received from the sale of 27,300,000 units on 24 January 2102 that relates to the warrants that formed part of these units

(c) Stock option reserve

Contributed surplus

	US$
Balance at 31 December 2011	1,956,349
Option costs for period	34,116
Balance at 31 March 2012	1,990,465

Under the Company's Stock Option Plan (the "2011 Plan"), stock options may be granted only to directors, officers, employees and consultants of the Company or to their permitted assignees and may be granted for a term not exceeding ten years. The Ordinary Shares to be purchased upon exercise of each option must be paid for in full by the grantee at the time of exercise. Unless otherwise directed by the board of directors at the date of the grant, each award shall vest as to one third on the date of grant, one third on the first anniversary of grant and the balance vesting on the second anniversary of the date of grant. The board of directors shall also be entitled to establish performance criteria, which may affect the vesting of the options or the rights of the holder to exercise the options. The 2011 Plan reserves for issuance, pursuant to its terms, up to 10% of the number of Ordinary Shares issued or issuable and outstanding from time to time.

The Company has operated other plans which have now been discontinued but certain options granted to individuals no longer employed by the Company continue to be outstanding under these plans.

The following summarises the outstanding options in issue under the various plans that have been operated by the Company:

Issue date	Options outstanding	Options vested	Exercise price	Expiry
31 May 2011	1,630,000	563,337	C$0.60	30 May 2015
28 January 2011	1,455,000	1,026,667	UK£0.41	27 January 2021
28 January 2011	450,000	300,001	UK£0.37	27 January 2021
21 December 2009	1,900,000	1,900,000	UK£0.15	20 December 2019
01 April 2006	278,360	278,360	UK£1.50	01 April 2016

Issue date	Options outstanding	Options vested	Exercise price	Expiry
01 April 2006	274,925	274,925	UK£3.00	01 April 2016
15 November 2007	25,000	25,000	UK£2.64	14 November 2017
28 March 2007	7,500	7,500	UK£3.84	27 March 2017
	6,020,785	4,375,790		

The approximate weighted average exercise price is UK£0.49

There have been no new options issued during the three month period ended 31 March 2012.

9. Impairment

For the purposes of the preparation of the annual audited financial statements for the year ended 31 December 2011, management undertook an impairment review of the Group's exploration, development and production assets.

The carrying value of the assets relating to the Palito Mine at that time (after taking into account existing impairment provisions) was US$28,247,697. As at 31 March 2012 the carrying value of the assets relating to the Palito Mine (after taking into account existing impairment provisions) is US$28,674,596 the increase primarily arising as a result of exchange rate variations resulting from a strengthening of the Brazilian Real which have offset depreciation charges made during the period.

As at 31 December 2011, management made an estimate of the of the value in use attributable to the Palito Mine and the major assumptions underlying this estimate are detailed in note 19 to the Company's Annual Report and Financial Statements for the year ended 31 December 2011. Management do not consider that any events have occurred during the period since the preparation of that estimate which would lead them to vary any of the assumptions underlying the estimate of the value in use which supports the amended carrying value as at 31 March 2012 of US$28,674,596. Accordingly no adjustment has been made to the impairment provision carried in the books of the group. The matter will continue to be reviewed in future periods.

10. Approval of the interim condensed consolidated financial statements

These unaudited interim condensed consolidated financial statements for the three month period ended 31 March 2012 were approved by the board of directors on 14 May 2012.