SERABI GOLD

Increase in debt facility with Sprott Resource Lending Partnership ("Sprott")

Serabi Gold plc (AIM:SRB, TSX:SBI), the Brazilian-focused gold mining and development company, is pleased to report that following its acquisition of Chapleau Resources Ltd ("Chapleau"), and its 370,000 ounce Coringa gold project ("Coringa") on 21 December 2017 (the "Acquisition"), Serabi has now arranged an additional US$3 million secured loan (the "New Facility") with its existing lender, Sprott.

The funds will be used to provide increased working capital for the Company and in particular to replace funds it used to make the initial US$5 million cash payment upon completion of the Acquisition.

The Company had an existing US$5 million loan (the "**Existing Facility**") from Sprott repayable in 24 monthly instalments with a final repayment date of 31 December 2019. As part of the revised borrowing arrangements, the term for the Existing Facility has been extended to 30 June 2020 and is now repayable in 30 equal monthly instalments. The New Facility may be repaid, at the Company's request and with the agreement of Sprott (the "**Extension Option**") in equal monthly instalments commencing 30 September 2018 with a final payment due 22 months later on 30 June 2020. If the Extension Option is not exercised the New Facility must be repaid in full on 30 September 2018. Notwithstanding the above, both the New Facility and the Existing Facility may be repaid by Serabi in full without penalty at any time.

Sprott will receive a total fee, for the New Facility and the revision to the terms of the Existing Facility, of US$90,000, which is being settled through the issue of 2,141,798 new ordinary shares of Serabi ("**New Ordinary Shares**"). The New Ordinary Shares will rank *pari-passu* with the existing ordinary shares of the Company in issue and applications have been made to both the TSX and AIM for the New Ordinary Shares to be admitted to trading. If the Extension Option is exercised, Sprott will be entitled to receive a further fee of US$90,000, payable in additional new ordinary shares, based on the prevailing share price and exchange rates at that time. The Existing Facility was, and continues to be, secured against the assets of the Company, including the shares of its subsidiary companies at that time. These assets are now also security for the New Facility and the shares of Chapleau acquired on completion of the Acquisition have now also been pledged to Sprott as security for both the Existing Facility and the New Facility.

Following completion of the New Facility the Company now has aggregate loans with Sprott of US$8 million which carry an interest rate of 10 per cent per annum.

Michael Hodgson, CEO of Serabi commented.

"The Company took out its first debt financing with Sprott back in September 2014 and during this time has established an excellent working relationship with them. Over this period Sprott have shown great flexibility and have been a strong contributor to Serabi's current success and platform from which we now hope to build further growth. As a lender they continue to grow and we are very pleased to have their on-going support and for the belief they have in the continuing ability of Serabi and its management to deliver strong operational performance and growth.

"The Company is continuing the work started by Anfield on the permitting and licencing process for Coringa and reviewing the cost estimates contained in the Coringa Feasibility Study and optimising these and looking at options to enhance the economics of the project. We are also evaluating our options for the longer term development finance requirements of the Coringa project and the Company's existing organic growth prospects. This New Facility in the meantime allows us to continue with all our current programmes and plans."

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Dušan Petković, Principal at Sprott commented.

"As one of the largest investors dedicated to the natural resource sector, Sprott is excited to continue its partnership with Serabi. Our partnership with the Serabi team is consistent with our strategy of supporting exceptional management teams with innovative and flexible capital."

The 2,141,798 New Ordinary Shares, which have been issued at a price of 3.0375 pence per New Ordinary Share, are expected to be admitted to trading on AIM on 26 January 2018.

Total Voting Rights

Following the issue of the New Ordinary Shares, the Company's issued share capital will consist of 700,843,570 Ordinary Shares, with voting rights. This figure may be used by shareholders in the Company as the denominator for the calculation by which they will determine if they are required to notify their interest in, or a change to their interest in, the share capital of the Company under the Financial Conduct Authority's Disclosure Guidance and Transparency Rules and pursuant to Regulation 23 of the Company's articles of association. The Company does not hold any Ordinary Shares in treasury.

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Copies of this announcement 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 announcement.

This announcement is inside information for the purposes of Article 7 of Regulation 596/2014.

The person who arranged for the release of this announcement on behalf of the Company was Clive Line, Director.

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 30 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.