SERABI GOLD

Audited Results for the year ended 31 December 2017

Serabi (AIM:SRB, TSX:SBI), the Brazilian focused gold mining and development company, today releases its audited results for the year ended 31 December 2017.

Key Financial Information

SUMMARY FINANCIAL STATISTICS FOR THE THREE AND TWELVE MONTHS ENDING 31 DECEMBER 2017

	3 months to 31 December 2017 US$	12 months to 31 December 2017 US$	3 months to 31 December 2016 US$	12 months to 31 December 2016 US$
Revenue	**12,224,818**	**48,449,868**	10,472,823	52,593,751
Cost of Sales	**8,407,318**	**32,965,498**	7,077,485	32,906,426
Depreciation and amortisation charges	**2,919,436**	**10,465,283**	1,832,637	8,384,738
Gross profit	**898,064**	**5,019,087**	1,562,701	11,302,587
(Loss) / profit before tax	**(1,408,368)**	**(1,745,503)**	(435,552)	1,870,179
(Loss) / profit after tax	**(1,627,274)**	**(2,397,903)**	2,958,630	4,430,292
Earnings per ordinary share (basic)	**(0.23) cents**	**(0.343) cents**	0.423 cents	0.659 cents
Average gold price received	**US$1,265**	**US$1,244**	US$1,207	US$1,245

	As at 31 December 2017	As at 31 December 2016
Cash and cash equivalents	**4,093,866**	4,160,923
Net assets	**60,770,712**	63,378,973

Cash Cost and All-In Sustaining Cost ("AISC")

	12 months to 31 December 2017	12 months to 31 December 2016
Gold production for cash cost and AISC purposes	**37,004**	39,390
Total Cash Cost of production (per ounce)	**US$799**	US$770
Total AISC of production (per ounce)	**US$1,071**	US$965

Financial Highlights

- Cash Cost for the year of US$799 per ounce.
- All-In Sustaining Cost for the year of US$1,071 per ounce.
- Gross profit from operations of US$5.0 million for 2017.
- Post tax loss of US$2.4 million reflecting lower gold production and increased amortisation and depreciation charges resulting from exchange variations and larger mining fleet.
- Loss per share of 0.34 cents for 2017.
- Cash holdings of US$4.1 million at 31 December 2017 (31 December 2016 : US$4.2 million)
- Average gold price of US$1,244 received on gold sales in 2017.
- Concluding a new US$5 million loan with Sprott Resource Lending Partnership ("Sprott").

2018 Guidance

- Management does not anticipate a major shift in mine performance and therefore hard rock gold production, in 2018 compared with 2017. However, with the ability to process increased levels of stockpiled flotation tails in 2018, management expects that gold production for 2018 will exceed that of 2017 and be up to 40,000 ounces

Post year End Highlights

- Additional US$3 million loan with Sprott to take total loan to US$8 million
- Announcement of equity financing raising US$15 million through an investment by Greenstone Resources, a new long-term supportive shareholder.

Operational Highlights

- The acquisition of Chapleau Resources Ltd and its wholly owned 376,000 ounce Coringa gold deposit.
- Total gold production for 2017 of 37,004 ounces.
- Commencement of an initial 8,000 metre surface drill programme at Palito in December 2017.
- Completion of new estimation of Mineral Reserves and Resources for the Palito Mining Complex. Total Mineral Reserves estimated at 181,000 with total Mineral Resources of 538,000 ounces.
- Mine production totalling 168,876 tonnes at 8.92 grammes per tonne ("g/t") of gold.
- 172,565 tonnes processed through the plant for the combined mining operations, with an average grade of 7.11 g/t of gold.
- 9,864 metres of horizontal mine development completed in the year.
- Successful test work to evaluate the benefits or ore-sorting to improve process plant efficiency.
- Palito development and production continues to focus on the four main sectors of Senna, Pipocas, G3 and Mogno, whilst in the Sao Chico orebody, the main ramp has now reached level 10mRL, approximately 245 vertical metres below surface.

Mike Hodgson, CEO of Serabi commented,

I am very pleased to report another solid year for Serabi and with the future growth that the Company now anticipates over the coming years from the development of the Coringa gold project and resource growth and resultant production from the Palito Mining Complex the outlook is very exciting.

Small producers like Serabi, need to exercise strong control over their cost base and maximise the efficiencies of their assets to protect themselves from the economic factors that are beyond their control. To this end it is pleasing to see that production costs have slightly reduced year-on-year by 2.7% more than offsetting the effects of inflation and exchange rate movements. We continue to look at ways to improve efficiency and make our assets work harder and better, looking to improve gold production whilst keeping costs at least static.

Gold production in 2017 was down compared with the preceding year with a consequential impact on revenue and gross profit. However, the equipment commissioning issue that gave rise to a slight fall in production in the second quarter of 2017 is now well behind us, we have delivered two subsequent quarters of solid gold production and we expect gold production for 2018 to return to around or even slightly above that of 2016. I hope that the favourable gold price and exchange rate that we have enjoyed during the first quarter of 2018, can continue and we will be able to enjoy a successful year.

The benefit of the reduced levels of debt that the Company held during 2017 are reflected in a significantly lower level of finance costs and whilst administration expenses rose year on year, these do reflect one off costs associated with the work undertaken on the acquisition of Chapleau Resources at the end of the year as well as the NI 43-101 technical report including the new resource and reserve estimation that was released in December 2017.

Following the end of the year we have taken steps to improve the financial strength of the Company. The US$15 million share subscription by Greenstone Resources, a private equity fund dedicated to supporting mining operations, announced in March

2018, provides the Company with the necessary capital to advance its ambition to become a 100,000 ounce producer in the relatively near term. This growth through a combination of a successful development of the Coringa project and internal growth at Palito and Sao Chico which can generate further new production can be significantly advanced with this new injection of capital, supplemented by the cash flow that we can generate from our existing operations.

Chairman's Statement

Serabi's core business is high grade gold production, and I am pleased to say that 2017 was another solid year from an operational perspective. Whilst production was marginally lower than 2016, a total of over 37,000 ounces in 2017 was more than satisfying. With both the Palito and Sao Chico orebodies in production at planned levels, and some gold production upside as we step up the treatment of gold bearing flotation tails generated during the first year of production in 2014, we expect 2018 to be slightly better and return approximately 40,000 ounces of gold production. Another highlight of the year was, of course, our acquisition of the neighbouring Coringa gold project. Coringa has always been an obvious acquisition for us. It is very much a Palito look-a-like requiring the same approach, project development, mining and processing we employ at Palito, so Serabi's management and team is well placed to bring this project into production in the next 24 months. We have also commenced a surface drill programme that is focussing on evaluation of the existing discoveries in and around both the Palito and Sao Chico orebodies. Therefore, through the combination of organic growth and the development of Coringa, we very much hope we will be increasing our current gold production levels of 40,000 ounces per annum and see a significant step change in the Group's evolution.

With the announcement at the end of March of a subscription for new shares by Greenstone Resources II LP, raising US$15 million, Serabi is also now well-funded and able to progress its plans. Greenstone is a well respected, specialist private equity mining fund and I am delighted to welcome them as a long-term strategic investor in the Company and look forward to working closely with them to unlock the full potential of Serabi's gold projects and pursue other growth opportunities.

Over the past three years there has been very stable production from the Palito complex, and whilst we feel the potential from both orebodies far exceeds current production levels, the Group has remained focused on maximising cash generation and building up the working capital of the business. This allowed us to act quickly, when the opportunity unexpectedly arose, to acquire the Coringa deposit in December 2017 and the Group was able to meet the first instalment payment without needing to secure additional funding at that time. Nevertheless, it is not lost on the Board that fortunes of small producers like Serabi are very closely linked to the gold price and also, in our case, the Brazilian Real/ US Dollar exchange rate. Ultimately, more production with stronger margins bring the improved economies associated with scale, and this is the logic behind the acquisition of Coringa. It reinforces the Group as very much a Brazilian focused producer and developer, and the synergies are clear, with an established experienced management and operational team in Brazil, we believe the Group is well placed to repeat the successful 2013/14 development and commissioning of Palito, at Coringa.

2017 saw some improvements in metal prices and general confidence in the sector, and in Brazil, we enjoyed exchange rates working in our favour a little more, particularly towards the end of the year. Brazil remains something of an enigma for investors, with juniors struggling to deliver, and for a country with such resource wealth, the country has been strangely light on attracting exploration investment from both junior and major mining companies. This, we feel, gives us great competitive advantage. With many years of operational experience, we are well placed to take advantage of others that find the going more challenging. We have built sound relationships with the various governing agencies and stakeholders, giving us further advantage. However, things seem to be changing for the better, as we have seen a number of companies increasing their involvement in the country over the past 12 months, some with considerable rumoured success. This renewed appetite is resulting in larger mining groups, looking to the junior sector for joint venture opportunities on projects to support their own growth. This cycle has always been the engine that drives the mining sector. It brings renewed investor interest and support for the sector to boost growth and new developments. We are seeing renewed interest from larger mining groups in the land holdings of the smaller companies in the country and keen to look at ways to work together that could accelerate evaluation of some of our tenements This can only bode well for the region and country as a whole.

Nevertheless the Serabi Board will continues to be prudent in its own strategy for growth as we seek to maximise the value that we can achieve from each dollar invested. We remain a small producer for now and will insist that management continues to follow its proven formula and systematic approach to exploration activity. We feel we have excellent potential in our tenements, at Palito, Sao Chico and Coringa, so anything outside these areas has to be substantially better to be included in our growth strategy. Growth will always need to be balanced with the concurrent need to continue to improve the Group's working capital position and improve its resilience to short term market movements that can negatively impact on cash flow and margin.

As well as the acquisition of the Coringa gold project, we commenced a surface drill programme at Palito in late 2017. Our exploration programme and organic growth, has effectively been on-hold since 2011 as we focussed on the start-ups at both Palito and Sao Chico, and this has consumed our free cash flow as well as human resources. We are delighted these mine site discoveries, made in 2011/2012, are finally being tested. Just as with the initial acquisition payment for Coringa, the Group has been able to finance the initial drill from internal cash flow. The Palito resource comprises over 26 veins clustered together covering a strike length of up to one kilometre. However, we have now traced some of the veins over four kilometres so the potential to grow the resource is compelling.

It is a similar story at Sao Chico, a far more immature deposit than Palito in terms of geological understanding, but the orebody being mine lies within a strong regional shear zone that hosts numerous historical artisanal mines over a five kilometre strike length. In addition, recent geophysics work, undertaken in 2016, suggests the presence of additional sub-parallel structures.

Management continue to actively assess other opportunities in Brazil and the Group's track record of moving exploration projects into production makes Serabi an attractive partner for companies with less operational experience. We acquired Coringa during the year, as an asset level deal that we feel represents great value. The Group has tried to acquire this asset on other occasions in the past recognising both the potential of the project and its synergies. The previous operators put a huge amount of effort and investment into the project and we feel our patience has been rewarded by acquiring it at a very attractive price. Furthermore, we believe we have acquired an asset which has high potential and which can be a more significant gold producer than currently forecast. The acquisition of Coringa along with our existing growth opportunities starts us on the path of expansion and we will continue to pursue opportunities that will bring strong, long term returns to our existing shareholders.

The next 12 months will bring different, new challenges to the Company. Whilst we need to maintain production levels, we need to expand the team to absorb and advance Coringa through permitting and into construction. The exploration team also need to meet the expectations we have for our internal growth. Overall, I feel the Company has enjoyed a very successful 2017, which will form a strong platform for further success in 2018.

On behalf of the Board of Directors I would like to extend my appreciation to the employees and management of Serabi for a job well done during the past year. Their hard work and determination to succeed means your Company is well positioned to reap the benefits of the higher gold price environment we expect during 2018 and beyond. Finally, thank you to our shareholders, large and small, for your patience during the last few years. I continue to believe the future is extremely bright for Serabi

Mel Williams - Chairman

Serabi's Directors Report and Financial Statements for the year ended 31 December 2017 together the Chairman's Statement and the Management Discussion and Analysis, are available from the Company's website – www.serabigold.com and will be posted on SEDAR at www.sedar.com.

This announcement contains inside information for the purposes of Article 7 of the EU Regulation 596/2014. The person who arranged for the release of this announcement on behalf of the Company was Clive Line, Director.

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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.

The following information, comprising, the Income Statement, the Group Balance Sheet, Group Statement of Changes in Shareholders' Equity, and Group Cash Flow, is extracted from these financial statements.

The Company will, in compliance with Canadian regulatory requirements, post its Management Discussion and Analysis for the year ended 31 December 2017 and its Annual Information Form on SEDAR at www.sedar.com. These documents will also available from the Company's website – www.serabigold.com.

Annual Report
The Annual Report has been published by the Company on its website at www.serabigold.com and printed copies are expected to be available by 15 May 2018. Additional copies will be available to the public, free of charge, from the Company's offices at 2nd floor, 30 – 32 Ludgate Hill, London, EC4M 7DR and will be available to download from the Company's website at www.serabigold.com.

The data included in the selected annual information table below is taken from the Company's annual audited financial statements for the year ended 31 December 2017, which were prepared in accordance with International Financial Reporting Standards in force at the reporting date and their interpretations issued by the International Accounting Standards Board ("IASB") and adopted for use within the European Union (IFRS) and with IFRS and their interpretations issued by the IASB. There are no material differences on application to the Group. The consolidated financial statements have also been prepared in accordance with those parts of the Companies Act 2006 applicable to companies reporting under IFRS.

The audited financial statements for the year ended 31 December 2017 will be presented to shareholders for adoption at the Company's next Annual General Meeting and filed with the Registrar of Companies.

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Statement of Comprehensive Income
For the year ended 31 December 2017

	Notes	Group For the year ended 31 December 2017 US$	Group For the year ended 31 December 2016 US$
CONTINUING OPERATIONS			
Revenue		48,449,868	52,593,751
Cost of sales		(32,015,498)	(32,906,426)
Provision for impairment of inventory		(950,000)	–
Depreciation and amortisation charges		(10,465,283)	(8,384,738)
Gross profit		5,019,087	11,302,587
Administration expenses		(5,500,275)	(4,962,524)
Share-based payments		(381,362)	(350,899)
Gain on disposal of fixed asset		170,591	34,742
Operating (loss) / profit		(691,959)	6,023,906
Foreign exchange loss		(214,488)	(236,619)
Finance expense		(839,191)	(3,917,681)
Finance income		135	573
(Loss) / profit before taxation		(1,745,503)	1,870,179
Income tax (expense) / benefit		(652,400)	2,560,113
(Loss) / profit for the period from continuing operations(1)		(2,397,903)	4,430,292
Other comprehensive income (net of tax)			
Items that may be reclassified subsequently to profit or loss			
Exchange differences on translating foreign operations		(591,720)	8,618,687
Total comprehensive profit / (loss) for the period(1)		(2,989,623)	13,048,979
(Loss) / profit per ordinary share (basic)	4	(0.34c)	0.66c
(Loss) / profit per ordinary share (diluted)	4	(0.34c)	0.61c

(1) The Group has no non-controlling interests and all losses are attributable to the equity holders of the parent company

Balance Sheet as at 31 December 2017

	Group	
	2017	2016
	US$	US$
Non-current assets		
Deferred exploration costs	23,898,819	9,990,789
Property, plant and equipment	48,980,381	45,396,140
Taxes receivable	1,474,062	–
Deferred taxation	2,939,634	3,253,630
Total non-current assets	77,292,896	58,640,559
Current assets		
Inventories	6,934,438	8,110,373
Trade and other receivables	1,277,142	1,233,049
Prepayments	3,237,412	3,696,550
Cash and cash equivalents	4,093,866	4,160,923
Total current assets	15,542,858	17,200,895
Current liabilities		
Trade and other payables	5,347,964	4,722,139
Interest-bearing liabilities	2,845,712	2,964,057
Acquisition payments outstanding	5,000,000	–
Derivative financial liabilities	709,255	–
Accruals	614,198	635,446
Total current liabilities	14,517,129	8,321,642
Net current assets	1,025,729	8,879,253
Total assets less current liabilities	78,318,625	67,519,812
Non-current liabilities		
Trade and other payables	2,753,409	2,211,078
Provisions	2,047,131	1,851,963
Acquisition payments outstanding	9,997,961	–
Interest-bearing liabilities	2,749,412	77,798
Total non-current liabilities	17,547,913	4,140,839
Net assets	60,770,712	63,378,973
Equity		
Share capital	5,540,960	5,540,960
Share premium reserve	1,722,222	1,722,222
Option reserve	1,425,024	1,338,652
Other reserves	4,015,369	3,051,862
Translation reserve	(31,199,568)	(30,607,848)
Retained surplus	79,266,705	82,333,125
Equity shareholders' funds attributable to owners of the parent	60,770,712	63,378,973

Statements of Changes in Shareholders' Equity
For the year ended 31 December 2017

Group	Share capital US$	Share premium US$	Share option reserve US$	Other reserves US$	Translation reserve US$	(Accumulated losses) / retained surplus US$	Total equity US$
Equity shareholders' funds at 31 December 2015	**5,263,182**	**–**	**2,747,415**	**450,262**	**(39,226,535)**	**77,549,321**	**46,783,645**
Foreign currency adjustments	–	–	–	–	8,618,687	–	8,618,687
Profit for year						4,430,292	4,430,292
Total comprehensive loss for the year	–	–	–	–	8,618,687	4,430,292	13,048,979
Transfer to taxation reserve	–	–	–	2,690,401	–	(2,690,401)	–
Release of fair value provision on convertible loan	–	–	–	–	–	1,195,450	1,195,450
Warrants lapsed	–	–	–	(88,801)	–	88,801	–
Shares issued in period	277,778	1,722,222	–	–	–	–	2,000,000
Share options lapsed in period	–	–	(1,759,662)	–	–	1,759,662	–
Share option expense	–	–	350,899	–	–	–	350,899
Equity shareholders' funds at 31 December 2016	**5,540,960**	**1,722,222**	**1,338,652**	**3,051,862**	**(30,607,848)**	**82,333,125**	**63,378,973**
Foreign currency adjustments	–	–	–	–	(591,720)	–	(591,720)
Loss for year	–	–	–	–	–	(2,397,903)	(2,397,903)
Total comprehensive income for the year	–	–	–	–	(591,720)	(2,397,903)	(2,989,623)
Transfer to taxation reserve	–	–	–	963,507	–	(963,507)	–
Share options lapsed in period	–	–	(294,990)	–	–	294,990	–
Share option expense	–	–	381,362	–	–	–	381,3620
Equity shareholders' funds at 31 December 2017	**5,540,960**	**1,722,222**	**1,425,024**	**4,015,369**	**(31,199,568)**	**79,266,705**	**60,770,712**

Other reserves comprise a merger reserve of US$361,461 and a taxation reserve of US$3,653,908 (2016: merger reserve of US$361,461 and taxation reserve of US$2,690,401).

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Cash Flow Statements

For the year ended 31 December 2017

	Group	
	For the year ended 31 December 2017 US$	For the year ended 31 December 2016 US$
Cash outflows from operating activities		
Operating profit / (loss)	(2,397,903)	4,430,292
Net financial expense	1,053,544	4,153,727
Depreciation – plant, equipment and mining properties	10,465,283	8,384,738
Provision for impairment of inventory	950,000	–
Other provisions	156,404	–
Taxation (benefit) / expense	652,400	(2,560,113)
Share-based payments	381,362	350,899
Interest paid	(747,072)	(2,049,900)
Foreign exchange	(178,753)	(1,045,460)
Finance charges	–	(37,500)
Changes in working capital		
(Increase) / decrease in inventories	(287,898)	153,314
(Increase) / decrease in receivables, prepayments and accrued income	(1,968,858)	4,177,110
Increase / (decrease) in payables, accruals and provisions	165,249	195,845
Increase / (decrease) in short term intercompany payables	–	–
Net cash flow from operations	8,243,758	16,152,952
Investing activities		
Acquisition of subsidiary net of cash acquired	(4,994,665)	–
Purchase of property, plant, equipment and projects in construction	(2,144,753)	(3,042,043)
Mine development expenditure	(4,362,192)	(2,366,486)
Geological exploration expenditure	(2,487)	(525,444)
Proceeds from sale of assets	214,566	34,742
Interest received and other finance income	135	573
Net cash outflow on investing activities	(11,289,396)	(5,898,658)
Financing activities		
Convertible loan received and subsequent conversion to ordinary shares	–	2,000,000
Draw-down of short-term loan facility	3,628,511	–
Repayment of short term secured loan	–	(3,111,111)
Receipt from repayment of intercompany loan	–	–
Payment of finance lease liabilities	(644,340)	(755,858)
Receipts for short term trade finance	–	15,146,817
Repayment of short term trade finance	–	(21,384,139)
Net cash (outflow) / inflow from financing activities	2,984,171	(8,104,291)
Net (decrease) / increase in cash and cash equivalents	(61,467)	2,150,003
Cash and cash equivalents at beginning of period	4,160,923	2,191,759
Exchange difference on cash	(5,590)	(180,839)
Cash and cash equivalents at end of period	4,093,866	4,160,923

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Notes

1. General Information

The financial information set out above for the years ended 31 December 2017 and 31 December 2016 does not constitute statutory accounts as defined in Section 434 of the Companies Act 2006,,but is derived from those accounts. 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. A copy of the statutory accounts for 2016 has been delivered to the Registrar of Companies and those for 2017 will be delivered to the Registrar of Companies following approval by shareholders at the Annual General Meeting. The full audited financial statements for the years end 31 December 2017 and 31 December 2016 comply with IFRS.

2. Auditor's Opinion

The auditor has issued an unqualified opinion in respect of the financial statements for both 2016 and 2017 which do not contain any statements under the Companies Act 2006, Section 498(2) or Section 498(3).

3. Basis of Preparation

The financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") in force at the reporting date and their interpretations issued by the International Accounting Standards Board ("IASB") as adopted for use within the European Union and with IFRS and their interpretations issued by the IASB. The consolidated financial statements have also been prepared in accordance with those parts of the Companies Act 2006 applicable to companies reporting under IFRS.

At the date of authorisation of the financial statements, the following standards and relevant interpretations, which have not been applied in these financial statements, were in issue but not yet effective (and some of which were pending endorsement by the EU):

lFRS 9 Financial Instruments
lFRS 15 Revenue from Contracts
IFRS 16 Leases

The only standard that is anticipated to be significant or relevant to the Group is IFRS 9 "Financial Instruments". The new standard will replace existing accounting standards. It is applicable to financial assets and liabilities and will introduce changes to existing accounting concerning classification, measurement and impairment (introducing an expected loss method).

IFRS 15 'Revenue from Contracts with Customers' is not expected to have a material impact on the Group at this stage of the Group's operations. IFRS 16 will require the recognition of an asset and liability with respect to the material operating lease commitments that the group have. Management are currently considering the impact that this will have on the financial statements.

The revenue contracts held by the Group usually contain a single performance criteria that is satisfied at a point in time. The Group will adopt the above standards at the time stipulated by that standard. The Group does not at this time anticipate voluntary early adoption of any of the standards.

Going concern and availability of finance

On 23 March 2018 the Company entered into a Subscription Agreement with Greenstone resources II LP ("Greenstone"), Greenstone has conditionally agreed to subscribe ("the Subscription") for 297,759,419 New Ordinary Shares ("the Subscription Shares") at a price of 3.6 pence per share (the "Subscription Price"). The New Ordinary Shares to be issued pursuant to the Subscription will rank pari passu with the existing Ordinary Shares. Application will be made to the London Stock Exchange for the Subscription Shares to be admitted to trading on AIM ("Admission") and listed for trading on the TSX. Completion of the Subscription and Admission is expected to take place at 8:00 a.m. on or around 12 April 2018.
The Directors anticipate the Group now has access to sufficient funding for its immediate projected needs. The Group expects to have sufficient cash flow from its forecast production to finance its on-going operational requirements, to repay its secured

loan facilities and to fund planned exploration and development activity on its other gold properties. However additional funding will be required to bring the newly acquired Coringa gold project into production including the final acquisition payment. The secured loan facility is repayable by 30 June 2020 and at 31 December 2017, the amount outstanding under this facility was US$4.48 million (2016: US$1.37 million).

The Directors consider that the Group's operations are performing at the levels that they anticipate but the Group remains a small-scale gold producer. Any unplanned interruption or reduction in gold production, unforeseen reductions in the gold price or appreciation of the Brazilian currency, could adversely affect the level of free cash flow that the Group can generate on a monthly basis. Nonetheless with the proceeds to be received from the Subscription, the Directors consider that they will nonetheless be able to meet its financial obligations as they fall due.

On this basis, the Directors have therefore concluded that it is appropriate to prepare the financial statements on a going concern basis.

4. Earnings per Share

	For the year ended 31 December 2017	For the year ended 31 December 2016
(Loss) / profit attributable to ordinary shareholders (US$)	(2,397,903)	4,430,292
Weighted average ordinary shares in issue	698,701,772	672,502,757
Basic (loss) / profit per share (US cents)	(0.343)	0.659
Diluted ordinary shares in issue	698,701,772(1)	722,412,757(2)
Diluted (loss) / profit per share (US cents)	(0.343)	0.613

(1) As the effect of dilution is to reduce the loss per share, the diluted loss per share is considered to be the same as the basic loss per share.

(2) Assumes exercise of all options and warrants outstanding as of that date.

5. Post balance sheet events

On 22 January 2018, the Group increased its loan with Sprott by US$3 million ("The New Loan") and at the same time extended the final repayment period on its existing US$5 million loan (The Existing Loan") with Sprott by six months from 31 December 2019 to 30 June 2020. The New Loan 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 Loan must be repaid in full on 30 September 2018. Notwithstanding the above, both the New Loan and the Existing Loan may be repaid by Serabi in full without penalty at any time.

On 23 March 2018 the Company entered into a Subscription Agreement with Greenstone resources II LP ("Greenstone"), Greenstone has conditionally agreed to subscribe ("the Subscription") for 297,759,419 New Ordinary Shares ("the Subscription Shares") at a price of 3.6 pence per share (the "Subscription Price"). The New Ordinary Shares to be issued pursuant to the Subscription will rank pari passu with the existing Ordinary Shares. Application will be made to the London Stock Exchange for the Subscription Shares to be admitted to trading on AIM ("Admission") and listed for trading on the TSX. Completion of the Subscription and Admission is expected to take place at 8:00 a.m. on or around 12 April 2018.

With these exceptions there has been no item, transaction or event of a material or unusual nature likely, in the opinion of the Directors of the Company, to affect significantly the continuing operation of the entity, the results of these operations, or the state of affairs of the entity in future financial periods.

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.