

Serabi Mining plc -- AGM Statement

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Serabi Mining plc advises that at 9:30 today, it will be holding its Annual General Meeting.

The following reproduces the text of the statement that will be made by Graham Roberts, Chairman of the Company:

"The period since the last AGM has seen Serabi Mining successfully repositioned as an exploration focussed company operating in a region which is now attracting increased attention from the mining community. It has always been our belief that the Tapajos region has the potential to become a modern, world class gold production area and we believe this view is now being vindicated.

With reported historic artisanal production of some 30 million ounces from alluvial and shallow oxide deposits, the hard rock source remains almost entirely undiscovered and unexploited. During 2007 and 2008 the Company started to expand its exploration programme around the existing Palito mine in order to increase the resource base and identify possible satellite deposits for mining.

Through necessity, this was put on hold at the end of 2008 as the Company needed to conserve its cash resources but, following the successful refinancing of the Company at the end of 2009, this initiative has now been restarted.

The current exploration programme is now focussed on a number of promising geophysical anomalies highlighted by the 2008 airborne VTEM survey. Over the last 6 months, the Company has been carrying out additional exploration work over a number of these anomalies in order to identify and prioritize potential drill targets. All of these anomalies lie within three kilometres of the existing Palito mine and plant.

The results of this work were announced at the end of May and exceeded our expectations by yielding nine drill targets located within five zones and, subject to finalising a drill contract and mobilising, we will be undertaking an estimated 7,500 metres of diamond drilling on these targets over the remainder of the year. With section lines spaced 100-200 metres apart this initial drill programme is targeted only at discovery and, if successful, further drilling will be required before any discovery can be classified as a resource.

The five zones that we have identified are located to the north-east, south-west and south-east of the established Palito resources. The geophysical results for the areas to the south-west and south-east along strike are particularly exciting and indicative of bodies that are potentially larger than Palito itself. I would stress, however, that the geophysics identifies the potential for mineralisation and is not in itself a guarantee that gold at commercially viable grades will be present. However, the presence of other coincident indicators such as garimpeiro activity and/or surface geochemical anomalies for example, gives us reason for confidence.

Serabi has been operating in the Tapajos since 1999 and can justifiably be seen as one of the pioneers of modern exploration across the region. To date, Palito remains the only modern gold operation established in the area. Whilst there has been a growing interest in the region from junior mining companies, it is only recently that the presence of larger players has become evident. Most significant of these has been Canadian listed Eldorado Gold Corporation, with a market capitalisation in excess of \$9 billion. Eldorado recently announced the proposed acquisition of Brazauro Resources, a junior Canadian listed company, whose principal asset is the Tocantinzinho project located some 50 kilometres to the north-west, along strike of Palito. The transaction has valued Brazauro at over C\$120 million.

We believe that in the future the region is most likely to be developed from the east, where the infrastructure and population lies. As a result we therefore view Palito as also having a potentially important strategic position, located, as it is, close to the main north-south highway of the region and with access to an established power grid. Both deposits are located within the regional Tocantinzinho geological trend, and as further exploration is undertaken we envisage a mining belt could be established taking in Palito in the south-east and running north-west following and taking in the Tocantinzinho project itself, and ultimately other projects.

Against this background, we were therefore pleased to conclude a £3.6 million share subscription with Eldorado at 3 pence per share earlier this month, who as a result now have a 26.8% interest in Serabi. Whilst this will enable us to pursue our exploration plans, we see this as an endorsement of the company's

potential. Eldorado have shown a strong commitment to the region and have the resources and expertise required to develop projects of significant size. Their work, in other parts of the world, is a testament to their willingness and ability to develop successful opportunities in some of the more challenging locations.

The news of the share placement with Eldorado was somewhat overshadowed by the previous announcement of alleged breaches of the terms of the Operating Licence at Palito. Whilst clearly of concern to shareholders we believe, on the basis of the legal advice we have received, that the actions taken by the authorities were unjustified and we remain confident that both the suspension and fine placed upon Serabi Mineracao Limitada will be lifted in the near future. With this in mind we look forward with excitement to the next six months as the Company begins to drill- test the mine-site targets it has identified."

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