

LONDON, Aug. 19, 2016 (GLOBE NEWSWIRE) -- On 30 December 2015 Fratelli Investments Limited ( "Fratelli Investments") agreed to provide to [Serabi Gold Plc](#) (the "Corporation"), an interim unsecured short term working capital convertible loan facility of up to US\$5 million (the "Facility"). The Facility was for a period expiring on January 31, 2017 and for a maximum of US\$5 million. The Facility was available to be drawn-down in up to three separate instalments of an initial US\$2 million and two further installments of US\$1.5 million each. The Facility was available to be used at any time up to 30 June 2016. Interest was chargeable at the rate of 12% per annum. There was no prepayment penalty or arrangement fee.

On January 5, 2016, the Corporation announced that it had made an initial drawdown of US\$2.0 million (the "Loan"). The Corporation made no further draw-downs prior to 30 June 2016.

The first US\$2 million of the Facility was convertible at the election of Fratelli Investments into new Serabi Ordinary Shares ("Shares") at an exercise price of 3.6 pence per new Share at any time.

On August 12, 2016, Fratelli Investments served a notice of conversion upon the Corporation and in accordance with the terms of the Loan, the Corporation allotted to Fratelli Investments 42,312,568 new Shares, which rank pari passu in all respects with the existing Shares. The Shares were acquired at a conversion price of UK£0.036 or C\$0.06026 (Bank of Canada noon rate on August 12, 2016 UK£1.00 = C\$1.6740) per Share for aggregate consideration of approximately C\$2,549,924 (US\$2,000,000).

Prior to the transaction, Fratelli Investments owned or exercised control or direction over, 344,163,166 Shares, representing approximately 52.42% of the issued and outstanding Shares on a non-diluted basis. Immediately following the exercise of its conversion rights and following the allotment of the new Shares, Fratelli Investments owned or exercised control or direction over, 386,375,734 Shares, representing approximately 55.30% of the enlarged issued share capital on a non-diluted basis.

Immediately following the exercise of its conversion rights and following the allotment of the new Shares, Fratelli Investments has become interested in 386,375,734 Ordinary Shares, representing 55.30% of the enlarged issued share capital.

In this press release, for the purpose of calculating the percentage of Shares owned, Fratelli Investments has assumed that there are 698,701,772 Shares issued and outstanding as of the date hereof, as reported by the Corporation on its website as at August 17, 2016.

The acquisition was made solely for investment purposes. Fratelli Investments may, depending on various factors including, without limitation, market and other conditions, increase or decrease its beneficial ownership, control or direction over Shares or other securities of the Corporation, through market transactions, private agreements, treasury issuances, exercises of convertible securities or otherwise.

This press release is issued pursuant to National Instrument 62-103 *– The Early Warning System and Related Take-Over Bid and Insider Reporting Issues*, which also requires a report to be filed with regulatory authorities in each of the jurisdictions in which the Corporation is a reporting issuer containing information with respect to the foregoing matters (the "Early Warning Report"). A copy of the Early Warning Report will appear with the Corporation's documents on the System for Electronic Document Analysis and Retrieval and may also be obtained by contacting Nicolas Banados, the MD Private Equity of Fratelli Investments at +56 2577 3600.

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