

**FORM 51-102F3
MATERIAL CHANGE REPORT**

1. Name and Address of Company

Serabi Gold plc (“**Serabi**”)
The Long Barn
Cobham Park Road
Downside
Surrey KT11 3NE
England

2. Date of Material Change

March 9, 2021

3. News Release

A news release disclosing the material change was issued through Marketwire on March 2, 2021 and filed on SEDAR.

4. Summary of Material Change

Serabi completed a private placement of 16,650,000 new Ordinary Shares at a price of £0.75 (C\$1.32) per new Ordinary Share for gross proceeds of approximately US\$17.5 million (approximately £12.5 million / C\$22.0 million) (before expenses).

5. Full Description of Material Change

Serabi completed a private placement of a total of 16,650,000 new Ordinary Shares in the capital of the Company with new and existing investors at a Placing Price of £0.75 (C\$1.32) per new Ordinary Share for gross proceeds of approximately US\$17.5 million (approximately £12.5 million / C\$22.0 million) (before expenses).

Investors also subscribed for 4,003,527 common shares purchase warrants (each, a “**Warrant**”) at a price of £0.06 (C\$0.11) per Warrant to raise gross proceeds of US\$0.3 million (£0.2 million / C\$0.4 million), subject amongst other things to shareholder approval at a general meeting to be held on or before the end of May 2021. The Warrants will have an Exercise Price of £0.9375 (C\$1.65) per new Ordinary Share and will be exercisable for two years from their date of issue.

See the press release attached as Schedule “A” hereto for more detail particulars of the material change.

6. Reliance on subsection 7.1(2) or (3) of National Instrument 51-102.

Not applicable.

7. Omitted Information

Not applicable.

8. **Executive Officer**

For additional information with respect to this material change, the following person may be contacted:

Clive Line, Corporate Secretary – contact telephone details +44 20 7246 6830

9. **Date of Report**

March 19, 2021.

SCHEDULE "A"

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FURTHER, THIS ANNOUNCEMENT IS FOR INFORMATION PURPOSES ONLY AND DOES NOT CONSTITUTE AN OFFER OF SECURITIES IN ANY JURISDICTION. PLEASE SEE THE IMPORTANT NOTICES AT THE END OF THIS ANNOUNCEMENT.

This announcement contains inside information for the purposes of Article 7 of Regulation (EU) No 596/2014 which is part of UK law by virtue of the European Union (Withdrawal) Act 2018.

Terms used in this announcement have the same meaning given to them as defined in the Placing Announcement.

For immediate release

2 March 2021

Serabi Gold plc

("Serabi", the "Company" or the "Group")

Results of Placings

Serabi Gold Plc (AIM:SRB, TSX:SBI), the Brazil focussed gold producer and developer, is pleased to announce the successful completion of the Placings and PrimaryBid Offer announced yesterday (the "**Placing Announcement**").

A total of 16,650,000 new Ordinary Shares in the capital of the Company have been placed with new and existing investors at a Placing Price of £0.75 (C\$1.32) per new Ordinary Share. The Placing and PrimaryBid Offer have raised gross proceeds of approximately US\$17.5 million for the Company (approximately £12.5 million / C\$22.0 million) (before expenses).

Pursuant to the Placing, a total of 15,684,257 Placing Shares have been placed with new and existing investors at the Placing Price, raising gross proceeds of approximately US\$16.4 million (£11.8 million / C\$20.7 million). In addition, retail investors have subscribed in the PrimaryBid Offer for 965,743 PrimaryBid Offer Shares at the Placing Price raising gross proceeds of approximately US\$1.0 million (£0.7 million / C\$1.3 million).

The Placing Price of £0.75 pence represents a discount of approximately 5.1 per cent. to the closing price on 26 February 2021, the last trading day prior to the announcement of the Fundraising and a discount of approximately 2.6 per cent. to the closing price on the day of the launch of the Fundraising.

Pursuant to the Warrant Placing, investors have also subscribed for 4,003,527 Warrants at a price of £0.06 (C\$0.11) per Warrant (the "**Warrant Price**") to raise gross proceeds of US\$0.3 million (£0.2 million / C\$0.4 million), subject amongst other things to shareholder approval at a general meeting to be held on or before the end of May 2021. The Warrants will have an Exercise Price of £0.9375 (C\$1.65) per new Ordinary Share and will be exercisable for two years from their date of issue.

Peel Hunt and Tamesis acted as Joint Bookrunners and Beacon acted as Manager in respect of the Placings.

The 16,650,000 new Ordinary Shares to be issued in aggregate pursuant to the Placing and the PrimaryBid Offer (the "**New Ordinary Shares**") represent 28.2 per cent. of the issued ordinary share capital of the Company prior to the Placing.

The New Ordinary Shares will, when issued, be credited as fully paid and will rank *pari passu* in all respects with the existing Ordinary Shares at that time. The Warrants, when issued, will not be transferable and will not be listed on AIM, the Toronto Stock Exchange (the "**TSX**") or any other exchange or market.

The Company has applied to the London Stock Exchange plc for Admission, and to the TSX to list, 16,650,000 New Ordinary Shares. Subject to, inter alia, the Placing Agreement not having been terminated in accordance with its terms as well as admission to AIM, it is expected that admission to AIM of the 16,650,000 New Ordinary Shares will occur at 8:00 am on or around 9 March 2021 and admission to the TSX on or around 9 March 2021.

In accordance with the provision of the Disclosure Guidance and Transparency Rules of the FCA ("DTRs"), the Company confirms that, following Admission, its issued share capital will comprise 75,734,551 Ordinary Shares, each of which carries the right to vote, with no Ordinary Shares held in treasury. This figure may be used by Shareholders as the denominator for the calculations by which they will determine if they are required to notify their interest in, or a change to their interest in, the Company under the DTRs.

Greenstone

As announced in the Placing Announcement, the Company and Greenstone have entered into an agreement (the "**Redemption Agreement**") pursuant to which they have agreed, conditional on Admission, to redeem the outstanding Convertible Loan Notes held by Greenstone being US\$2 million together with accrued interest of approximately US\$200,000 and the arrangement fee and other expenses of approximately US\$333,000, to terminate the Subscription Deed and to release the security granted by the Company in favour of Greenstone.

Greenstone (which holds shares representing approximately 25.2% of the Company's share capital as at the date hereof) is a related party of the Company for the purposes of Rule 13 of the AIM Rules, and has participated in the Placing by subscribing for 4,195,424 Placing Shares and 2,097,711 Warrants. This constitutes a related party transaction under Rule 13 of the AIM Rules for Companies. As such, the Independent Directors of the Company (being the Board other than Mark Sawyer) consider, having consulted with the Company's nominated adviser, Beaumont Cornish, that the terms of the participation in the Placings by Greenstone are fair and reasonable insofar as the Company's shareholders are concerned.

Greenstone's participation in the Placing also constitutes a related party transaction for the Company under Canadian securities laws pursuant to Multilateral Instrument 61-101 – *Protection of Minority Security Holders in Special Transactions* ("MI 61-101"). In accordance with MI 61-101, the Company is relying on the exemptions from the requirement to obtain a formal valuation and minority shareholder approval on the basis that the board of directors of the Company determined that the fair market value of the transaction with Greenstone is less than 25% of the market capitalisation of the Company. For the purposes of MI 61-101, the independent directors of the Company (which excludes appointees of Greenstone) consider that the participation of Greenstone in the placing is fair and reasonable and in the best interests of the independent shareholders and the Company as a whole. For the purposes of MI 61-101 there has not been in the 24 months preceding the date of the Placing any valuation in respect of the Company that relates to the subject matter of or is otherwise relevant to the transaction.

FX rate used is the Bloomberg daily spot rate on 26 February 2021 for pounds sterling of £1.00 = US\$1.3976, £1.00 = C\$1.7580

Mike Hodgson, CEO of Serabi Gold plc commented:

"The financing completed today creates a strong financial position for Serabi from which we will be able to advance our significant growth opportunities.

Following this fundraising, Serabi will become debt free and, together with cash being generated from the current operations, the Company will be in a strong position to move forward with the development of Coringa and at the same time accelerate an aggressive exploration programme over the Palito Complex tenements.

With the all-important Preliminary Licence for Coringa awarded in October 2020, good progress is being made on the submissions required for the Installation Licence and with a trial mining licence in place to allow mine development, we will commence development of the underground mine this year. This will

improve the project, hopefully allow better optimisation of mine planning, and put us in a good position to seek attractive debt financing terms to continue the development and construction of the project.

It is also very pleasing that the Company now has the financing to advance some of the best of numerous exploration opportunities that exist in close proximity to both Palito and Sao Chico orebodies and I feel confident that over the next couple of years these exploration prospects will generate some significant resource growth for the Company.

We have added some very strong names to our shareholder register, who have been attracted by the growth that Coringa presents and the potential that exists for future resource and ultimately production growth in our tenements. I thank them and our existing shareholders for their support and look forward to updating them on continued progress as we drive forward on the next stage of the Company's growth.

Enquiries:

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For the purposes of MAR, the person responsible for arranging for the release of this Announcement on behalf of the Company is Clive Line, Director.

IMPORTANT NOTICES

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Neither the Placing Shares nor the Warrants have been, and they will not be registered under the US Securities Act of 1933, as amended (the "**US Securities Act**") or with any securities regulatory authority or under any securities laws of any state or other jurisdiction of the United States and may not be offered, sold, resold, pledged, taken up, exercised, transferred or delivered, directly or indirectly, in or into the United States except pursuant to an applicable exemption from, or in a transaction not subject to, the registration requirements of the US Securities Act and in compliance with the securities laws of any state or other jurisdiction of the United States. No public offering of securities is being made in the United States.

Neither the Placing Shares nor the Warrants have been approved, disapproved or recommended by the U.S. Securities and Exchange Commission, any state securities commission in the United States or any other U.S. regulatory authority, nor have any of the foregoing authorities passed upon or endorsed the merits of the offering of the Placing Shares or the Warrants.

Subject to certain exceptions, the securities referred to herein may not be offered or sold in the United States, Australia, Canada, Japan or the Republic of South Africa or to, or for the account or benefit of, any national, resident or citizen of the United States, Australia, Canada, Japan or the Republic of South Africa.

This Announcement is directed at and is only being distributed to: (a) persons in member states of the European Economic Area who are "qualified investors", as defined in Article 2(e) of the Prospectus Regulation (Regulation (EU) 2017/1129) (the "**Prospectus Regulation**") ("**Qualified Investors**"), (b) persons in the United Kingdom, who are qualified investors, being persons falling within the meaning of Article 2(e) of Prospectus Regulation (EU) 2017/1129 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 (the "**UK Prospectus Regulation**"), and who (i) have professional experience in matters relating to investments who fall within the definition of "investment professionals" in Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005, as amended (the "**Order**") or are high net worth companies, unincorporated associations or partnerships or trustees of high value trusts as described in Article 49(2)(a) to (d) of the Order and (ii) are Qualified Investors, or (c) otherwise, persons to whom it may otherwise lawfully be communicated (each such person in (a), (b) and (c), a "**Relevant Person**"). No other person should act on or rely on this Announcement and persons distributing this Announcement must satisfy themselves that it is lawful to do so. By accepting the terms of this Announcement, you represent and agree that you are a Relevant Person. This Announcement must not be acted on or relied on by persons who are not Relevant Persons. Any investment or investment activity to which this Announcement or the Placing relates is available only to Relevant Persons and will be engaged in only with Relevant Persons.

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No offering document or prospectus will be made available in any jurisdiction in connection with the matters contained or referred to in this Announcement or the Placing or the Warrant Placing and no such prospectus is required (in accordance with the Prospectus Regulation or the UK Prospectus Regulation) to be published. Members of the public are not eligible to take part in the Placing or the Warrant Placing and no public offering of Placing Shares or Warrants is being or will be made in the United States, United Kingdom or elsewhere.

All offers of the Placing Shares and Warrants will be made pursuant to an exemption under the Prospectus Regulation and the UK Prospectus Regulation from the requirement to produce a prospectus.

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Neither Peel Hunt, Tamesis or Beacon are responsible to anyone other than the Company for providing the protections afforded to clients of Peel Hunt, Tamesis or Beacon or for providing advice in connection with the contents of this Announcement, the Placing, the Warrant Placing or the transactions, arrangements and matters referred to herein.

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Beaumont Cornish is authorised and regulated in the United Kingdom by the FCA. Beaumont Cornish's responsibilities as the Company's nominated adviser under the AIM Rules for Nominated Advisers are owed solely to the London Stock Exchange and are not owed to the Company or to any Director or to any other person.

The distribution of this Announcement and the offering of the Placing Shares and/or the Warrants in certain jurisdictions may be restricted by law. No action has been taken by the Company, the Joint Bookrunners or the Manager or any of its affiliates that would permit an offering of the Placing Shares or the Warrants or possession or distribution of this Announcement or any other offering or publicity material relating to the Placing Shares and/or the Warrants in any jurisdiction where action for that purpose is required. Persons into whose possession this Announcement comes are required by the Company and the Joint Bookrunners and the Manager to inform themselves about, and to observe, such restrictions.

Persons distributing this Announcement must satisfy themselves that it is lawful to do so. Persons (including without limitation, nominees and trustees) who have a contractual right or other legal obligations to forward a copy of this Announcement (or any part thereof) should seek appropriate advice before taking any action.

In connection with the Placing, the Joint Bookrunners and the Manager and any of their affiliates, acting as investors for their own account, may take up a portion of the shares in the Placing and/or the Warrant Placing as a principal position and in that capacity may retain, purchase, sell, offer to sell for the own accounts or otherwise deal for their own account in such shares and other securities of the Company or related investments in connection with the Placing or otherwise. Accordingly, references to Placing Shares or Warrants being offered, acquired, placed or otherwise dealt in should be read as including any issue or offer to, or acquisition, placing or dealing by, the Joint Bookrunners, the Manager and their affiliates acting in such capacity. In addition, the Joint Bookrunners and the Manager and any of their affiliates may enter into financing arrangements (including swaps) with investors in connection with which the Joint Bookrunners and the Manager and any of their affiliates may from time to time acquire, hold or dispose of shares or other securities. The Joint Bookrunners and the Manager do not intend to disclose the extent of any such investment or transactions otherwise than in accordance with any legal or regulatory obligations to do so.

This Announcement may contain and the Company may make verbal statements containing "forward-looking statements" with respect to certain of the Company's plans and its current goals and expectations relating to its future financial condition, performance, strategic initiatives, objectives and results. Forward-looking statements sometimes use words such as "aim", "anticipate", "target", "expect", "estimate", "intend", "plan", "goal", "believe", "seek", "may", "could", "outlook" or other words of similar meaning. By their nature, all forward-looking statements involve risk and uncertainty because they relate to future events and circumstances which are beyond the control of the Company. As a result, the actual future financial condition, performance and results of the Company may differ materially from the plans, goals and expectations set forth in any forward-looking statements. Any forward-looking statements made in this Announcement by or on behalf of the Company speak only as of the date they are made. These forward-looking statements reflect the Company's judgment at the date of this Announcement and are not intended to give any assurance as to future results and cautions that its actual results of operations and financial condition, and the development of the industry in which it operates, may differ materially from those made in or suggested by the forward-looking statements contained in this Announcement and/or information incorporated by reference into this Announcement. The information contained in this Announcement is subject to change without notice and except as required by applicable law or regulation, each of the Company, the Joint Bookrunners and the Manager expressly disclaim any obligation or undertaking to publish any updates, supplements or revisions to any forward-looking

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This Announcement does not identify or suggest, or purport to identify or suggest, the risks (direct or indirect) that may be associated with an investment in the Placing Shares or the Warrants. Any investment decision to buy Placing Shares in the Placing or Warrants in the Warrant Placing must be made solely on the basis of publicly available information, which has not been independently verified by the Joint Bookrunners or the Manager.

This Announcement does not constitute a prospectus or offering memorandum or an offer in respect of any securities and is not intended to provide the basis for any decision in respect of the Company or other evaluation of any securities of the Company or any other entity and should not be considered as a recommendation that any investor should subscribe for, purchase, otherwise acquire, sell or otherwise dispose of any such securities. Recipients of this Announcement who are considering acquiring Placing Shares pursuant to the Placing and/or Warrants pursuant to the Warrant Placing are reminded that they should conduct their own investigation, evaluation and analysis of the business, data and property described in this Announcement. The price and value of securities can go down as well as up and investors may not get back the full amount invested upon the disposal of the shares. Past performance is not a guide to future performance. The contents of this Announcement are not to be construed as legal, business, financial or tax advice. Each investor should consult with his or her or its own legal adviser, business adviser, financial adviser or tax adviser for legal, financial, business or tax advice.

Any indication in this Announcement of the price at which the Company's shares have been bought or sold in the past cannot be relied upon as a guide to future performance. Persons needing advice should consult an independent financial adviser. No statement in this Announcement is intended to be a profit forecast or profit estimate for any period and no statement in this Announcement should be interpreted to mean that earnings, earnings per share or income, cash flow from operations or free cash flow for the Company for the current or future financial periods would necessarily match or exceed the historical published earnings, earnings per share or income, cash flow from operations or free cash flow for the Company.

References in this Announcement to other reports or materials, such as a website address, have been provided to direct the reader to other sources of information on the Company which may be of interest.

Neither the content of the Company's website (or any other website) nor the content of any website accessible from hyperlinks on the Company's website (or any other website) is incorporated into or forms part of this Announcement.

The Placing Shares to be issued or sold pursuant to the Placing will not be admitted to trading on any stock exchange other than AIM and the Toronto Stock Exchange ("TSX"). The Warrants will not be transferable and will not be admitted to trading on any stock exchange.

Copies of this announcement are available from the Company's website at www.serabigold.com.

Neither the London Stock Exchange, the Toronto Stock Exchange, nor any other securities regulatory authority, has approved or disapproved of the contents of this announcement.