

27 September 2017

Keras Resources plc ('Keras')
Calidus completes A\$10m placement

Keras Resources plc, the AIM listed mineral resource company, is pleased to provide an update following an announcement published by Calidus Resources Limited ('Calidus'), in which Keras currently holds a 217.25m shares, which will increase to 723.75m shares as and when Calidus meets certain exploration milestones. Calidus has announced the placement of approximately 243.9m shares at an issue price of A\$0.041/share to both new and existing institutional and sophisticated investors in Australia, Asia and North America to raise gross proceeds of up to A\$10m.

The capital raising is consistent with the Calidus' strategy of strengthening its institutional shareholder base and increasing its profile in global financial markets.

The new shares will be allotted in two tranches, the first tranche (95,061,395 shares) pursuant to Calidus' existing capacity and the second tranche (148,841,045 shares) subject to shareholder approval.

Highlights of Calidus' announcement:

- Calidus to raise up to A\$10m in heavily over-subscribed Placement to advance exploration.
- Cornerstone participation from Novo Resources Corp. (TSX.V:NVO) of A\$1.5 million represents a strong endorsement of Calidus' strategy and regional synergies as Calidus transitions towards development.
- Strong support received from existing sophisticated and institutional shareholders and a number of new high quality institutional investors introduced to Calidus' share register.
- 243,902,440 new shares to be issued at A\$0.041 per share, representing a 10.9% discount to last close and a 12.5% discount to the 5 day VWAP.
- Funding allows the acceleration of exploration at Warrawoona to build on Calidus' current resource base of 410,000 ounces at Klondyke and advance a number of existing prospects and new targets that host significant exploration potential.
- Post completion of the Capital Raising, Calidus is well funded through to the commencement of the planned pre-feasibility study.

Dave Reeves commented, "The equity raising follows continued exploration success at the Warrawoona Project and confidence that Calidus can continue to deliver additional, low risk gold ounces with additional funding. As a result of the placement Calidus adds a number of new institutional shareholders (including Novo Resources Corp.) to its share register.

Calidus' recent drilling campaign has linked the 'Gap' zone at Klondyke which now provides 2.6km of continuous mineralisation which is open at depth and along strike in both directions and underpins the large near surface potential that exists at Warrawoona. When combined with the recently acquired Novo JV extensions, we have a compelling opportunity to rapidly advance the project.

Although Keras will suffer dilution to its interest in Calidus as a result of the placement this raising will underpin the work that is required to achieve the award of the previously announced Performance Shares where once an Indicated Resource of at least 500,000oz is declared, Keras will receive 241.25m ordinary shares in Calidus and on completion of a pre-feasibility study, a further 265.4m ordinary shares potentially bringing the total shareholding of Keras in Calidus to 723.75 million shares. At the Placement price these shares would have a value of A\$29.67m, approximately £17.4m, compared with Keras market capitalisation of £8.23m."

To view a full version of the Calidus announcement, which includes figures and maps, please click here:

<https://www.investi.com.au/api/announcements/cai/d5f24a62-fec.pdf>

This announcement contains inside information for the purposes of Article 7 of Regulation (EU) 596/2014.

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