

20 September 2017

Keras Resources plc ('Keras')

Calidus enters Joint Venture with Novo Resources

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 30% interest. Calidus has announced it has entered into a binding Term Sheet with Novo Resources Corp. (TSX.V:NVO) ('Novo') to form a joint venture under which Calidus will have the right to acquire a 70% interest in Novo's Exploration Licences 45/3381, 45/4194, 45/4622, 45/4666 and Prospecting Licences 45/2661, 45/2662, 45/2781 (the 'Novo Tenements') and all related technical information held by Novo (the 'Transaction'). These Novo Tenements' surround Calidus' flagship Warrawoona Gold Project and include direct extensions to the Klondyke Shear in the East Pilbara of Western Australia.

Calidus' current drilling campaign is intended to support a significant resource upgrade in Q4 2017 with a large portion of this updated resource estimate forecast to be in the Indicated category. As previously announced, once an Indicated Resource of at least 500,000oz is declared, Keras will receive 241.25m ordinary shares in Calidus, which will increase Keras' holding to approximately 50% of Calidus' total issued share capital, based on the number of Calidus shares currently in issue.

Highlights of Calidus' announcement:

- Calidus to significantly expand its Pilbara footprint via the earn-in of up to 70% in the Novo Tenements that total 184km² including direct extensions to the Klondyke Shear and associated structures.
- Right to exploit all gold mineralisation hosted within the Warrawoona Greenstone Belt including access to all technical information from Novo which enhances Calidus' regional database.
- Anomalies include a 5km extension of the Klondyke trend to the south east of Calidus' current tenement holding (Klondyke East) with limited drilling by CRA in 1996 returning encouraging gold intercepts including:
 - 10m @ 1.7g/t Au from 56m in hole RC96WA06
 - 2m @ 5.58g/t Au from 31m in hole RC96WA07
 - 4m @ 4.35g/t Au from 141m in hole RC96WA10
- A parallel 5km long soil-rock Au anomaly (Horrigans) 800m to the north has never been drill tested.

- Numerous other targets have been highlighted following an initial evaluation of the data, ranging from elevated soil Au-As values coincident with inferred structures to isolated rock values up to 66g/t Au.
- At Cutty Sark, historic RAB drilling intersected 8m @ 8.6g/t Au and limited follow-up RC drilling returned intercepts of 4m @ 2.41g/t Au and 3m @ 7.89g/t Au.
- Consideration to Novo is 20 million shares in Calidus and expenditure commitment of A\$2 million over three years (this would dilute Keras' holding in Calidus to approximately 29%)
- Total area at Warrawoona under control, application or option would total 363km² assuming the transaction closes

Dave Reeves commented, "Assuming due diligence is successful and the Transaction proceeds, Calidus would control the vast majority of this highly prospective Greenstone Belt. With drilled mineralisation extending 4km directly to the east of the current resource, highly prospective drill intercepts in satellite areas and substantial undrilled soil anomalies, the area provides significant upside to the Warrawoona Project. The Transaction benefits both Calidus and Novo by providing critical mass in one area, thereby enhancing the potential for development of a standalone operation in the area."

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/8802b0cb-d6f.pdf>

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

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