

20 December 2016

Keras Resources plc ('Keras' or 'the Company')
High Grade Gold Intersected at Klondyke
and Update to Tribute with KalNorth

Keras Resources plc, the Australian gold mining company, is pleased to provide an update on assay results from the first two holes of the reverse circulation ('RC') drilling programme completed in November 2016 at the Company's 100% owned, flagship Klondyke Gold Project ('Klondyke') in the East Pilbara District of Western Australia ('WA').

Highlights

- First two holes drilled at the satellite Copenhagen deposit at Klondyke and assays for a further six holes on the main Klondyke trend are still pending
- Holes drilled to date intersected thick, high grade gold mineralisation:
 - Hole KKC001: 18m @ 6.3g/t gold ('Au') from 33m (incl. 6m @ 9.27g/t Au from 34m)
 - Hole KKC002: 9m @ 6.9g/t Au from 49m (incl. 6m @ 9.47g/t Au from 49m)
- Drilling designed to confirm known mineralisation ahead of resource drill programme planned for early 2017 to extend current JORC compliant mineral resource estimate of 5.6Mt at 2.08g/t gold ('Au') for 374,000oz
- Potential for the discovery of additional mineralisation following anomalous footwall intercepts in KKC002 (3m @ 1.06g/t Au from 69m and 2m @ 0.16g/t Au at end of hole) - to be followed up in future work programmes
- Rock sample results from recently completed mapping programme highlight potential for entire 7.5km strike length being mineralised – current resource confined to just 2km of the main 7.5km strike. Results include:
 - 56g/t Au peak value at Copenhagen
 - 10g/t Au samples at eastern and western extremities of main lease package, with multiple high grade assays between
- Tribute with KalNorth Gold Mines Limited ('KalNorth') over the Lindsay's Project ('Lindsay's') deposit terminated, third party costs of Keras reimbursed totalling A\$120,000

Keras Managing Director Dave Reeves said,

"It is rare to find such wide, high grade intercepts so near to the surface and these results from the two Copenhagen drill holes continue to support our belief that our flagship Klondyke Gold Project has the potential to become a significant gold deposit. Drilling has confirmed the historic intercepts and builds confidence in the database as we identify targets for our 2017 drill programme with the intention of extending the current resource estimate of 5.6Mt at 2.08g/t Au for 374,000oz. Copenhagen is open in most directions and in the recently completed mapping and sampling programme, visible gold was identified in a chip sample 400m to the north of the drilled area. A 3g/t Au rock sample collected from outcrop in an area of no historic workings more than 300m south east of the drilled area has also

highlighted the excellent upside we see in this area, indicating the strong potential to build upon the current resource. The entire project area has seen limited systematic modern exploration over extensive strike lengths due to its previous fragmented ownership, creating significant upside opportunity for Keras. We look forward to delivering upon these objectives in the New Year.

“Alongside Klondyke, the Company continues to investigate near-term production projects that meet our investment criteria and in line with this has established a strategic portfolio of joint venture / tribute mining operations. After careful review and discussions with KalNorth, with whom Keras has a tribute mining agreement, the parties have agreed to terminate the agreement covering the Lindsay’s deposit and KalNorth has reimbursed Keras all third party fees incurred as part of the study.”

Further Details

Results from the first two holes (of an eight hole programme) have been received. The holes were drilled under the Copenhagen pit to confirm historic gold intercepts. Results highlight the potential for resumption of mining at Copenhagen, with high grade mineralisation confirmed directly beneath the small historic open cut. Extensional drilling and further check drilling is planned in this area next year as it hosts high grade, potentially open-pittable mineralisation.

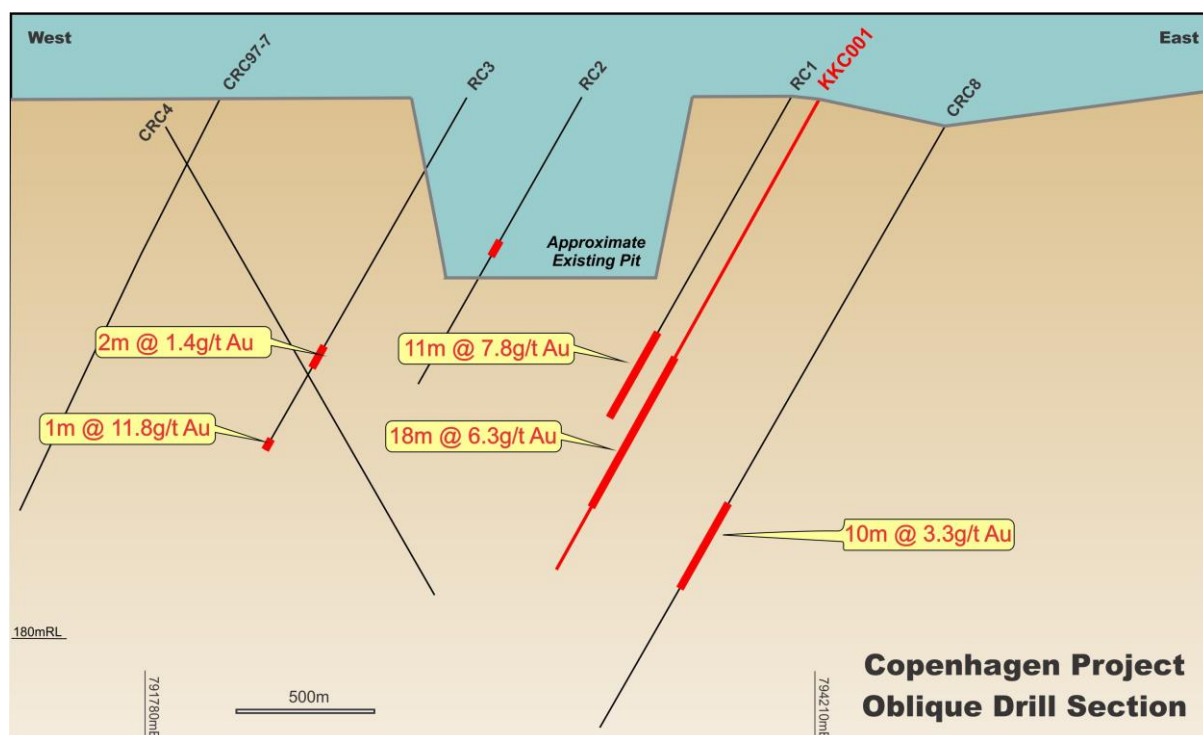


Figure 1 – KKC001

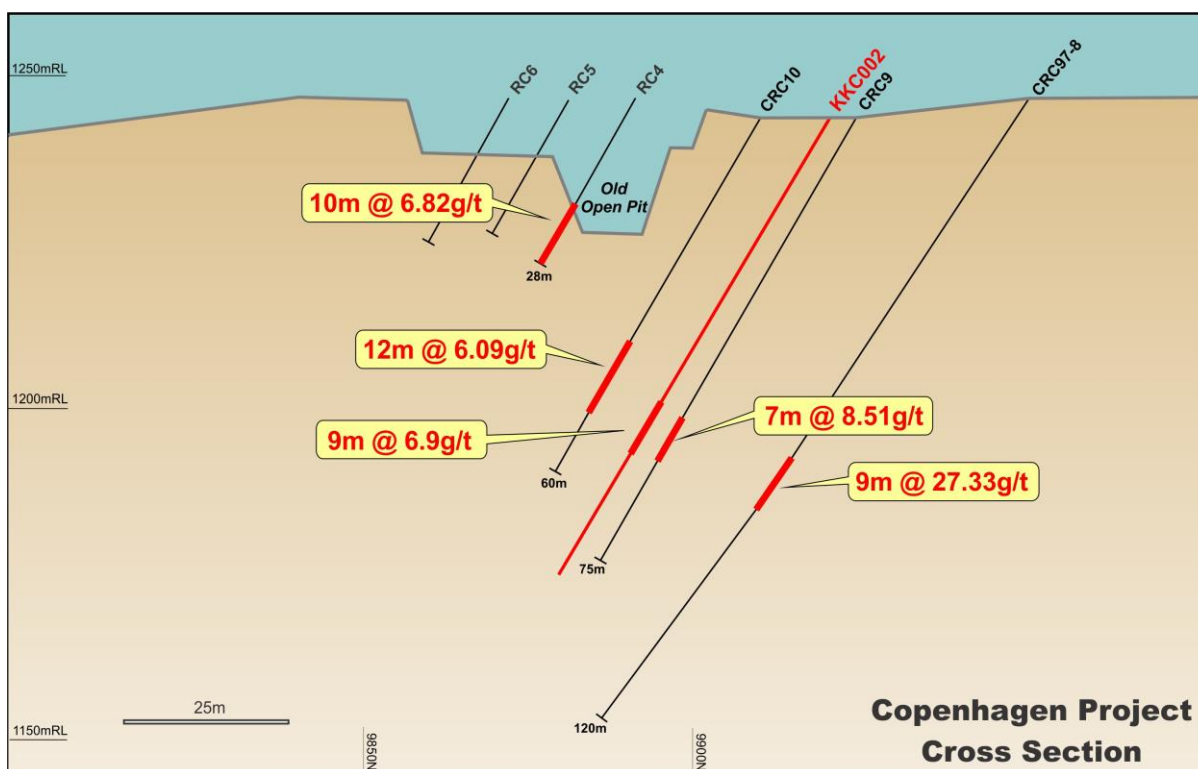


Figure 2 – KKC002

An RC drilling programme was implemented at Klondyke in November 2016. Two holes (for 140m) were drilled at Copenhagen, with an additional six holes (for 402m) drilled at points along the Klondyke trend. Hole details are listed in Table 1.

Table 1: Drill hole details

| HoleID | Prospect | Tenement | East | North | RL | Depth (m) | Dip | Azimuth |
|--------|------------|----------|--------|---------|-----|-----------|-----|---------|
| KKC001 | Copenhagen | M45/240 | 791817 | 7641411 | 241 | 60 | -61 | 216.5 |
| KKC002 | Copenhagen | M45/240 | 791801 | 7641439 | 244 | 80 | -60 | 206.5 |
| KKC003 | King | M45/669 | 800102 | 7637648 | 287 | 60 | -60 | 31.5 |
| KKC004 | King | M45/669 | 799920 | 7637755 | 295 | 52 | -75 | 31.5 |
| KKC005 | King | M45/669 | 800200 | 7637628 | 290 | 50 | -60 | 31.5 |
| KKC006 | King East | M45/547 | 800421 | 7637575 | 298 | 90 | -60 | 211.5 |
| KKC007 | Kopcke | M45/670 | 801175 | 7637141 | 306 | 60 | -60 | 36.5 |
| KKC008 | Kopcke | M45/670 | 801052 | 7637184 | 304 | 90 | -75 | 31.5 |

Sampling, sample preparation and analysis followed industry best practice, incorporating a comprehensive suite of QA/QC samples – blanks, analytical standards and field duplicates. Analytical samples were collected from a cone splitter connected to the drill rig's cyclone, with the remaining sample collected in green plastic bags for future reference.

Samples were transported from Port Hedland to Perth using a commercial contractor, and delivered to Nagrom for analysis. After sorting and logging, samples were dried, crushed, split (if in excess of 2kg)

and pulverised. A 50g sub-sample was collected and analysed for gold by fire assay with an ICPOES finish.

Mapping Programme

A detailed mapping programme has also been carried out over the last 2 months. Key outcomes of the campaign were:

- Visible gold noted at numerous points along the Klondyke trend and along strike of the mineralising structure north of the Copenhagen pit; note that analytical samples were not collected if visible gold was observed
- High grade (10g/t) samples collected at each end of the Klondyke lease package, confirming gold potential over the full 7.5km strike length of the main shear
- Subsidiary shears and splays mapped, highlighting potential for additional mineralisation outside of the main shear
- Enhanced understanding of controls on gold mineralisation, will be used to assist drill planning and future exploration campaigns

A total of 49 rock samples were collected and submitted to Nagrom for analysis. Samples were assayed for gold by 50g fire assay with ICPOES finish and for a multi-element suite by mixed acid digest with ICPMS finish. The map below (figure 3) shows gold results for the rock samples.

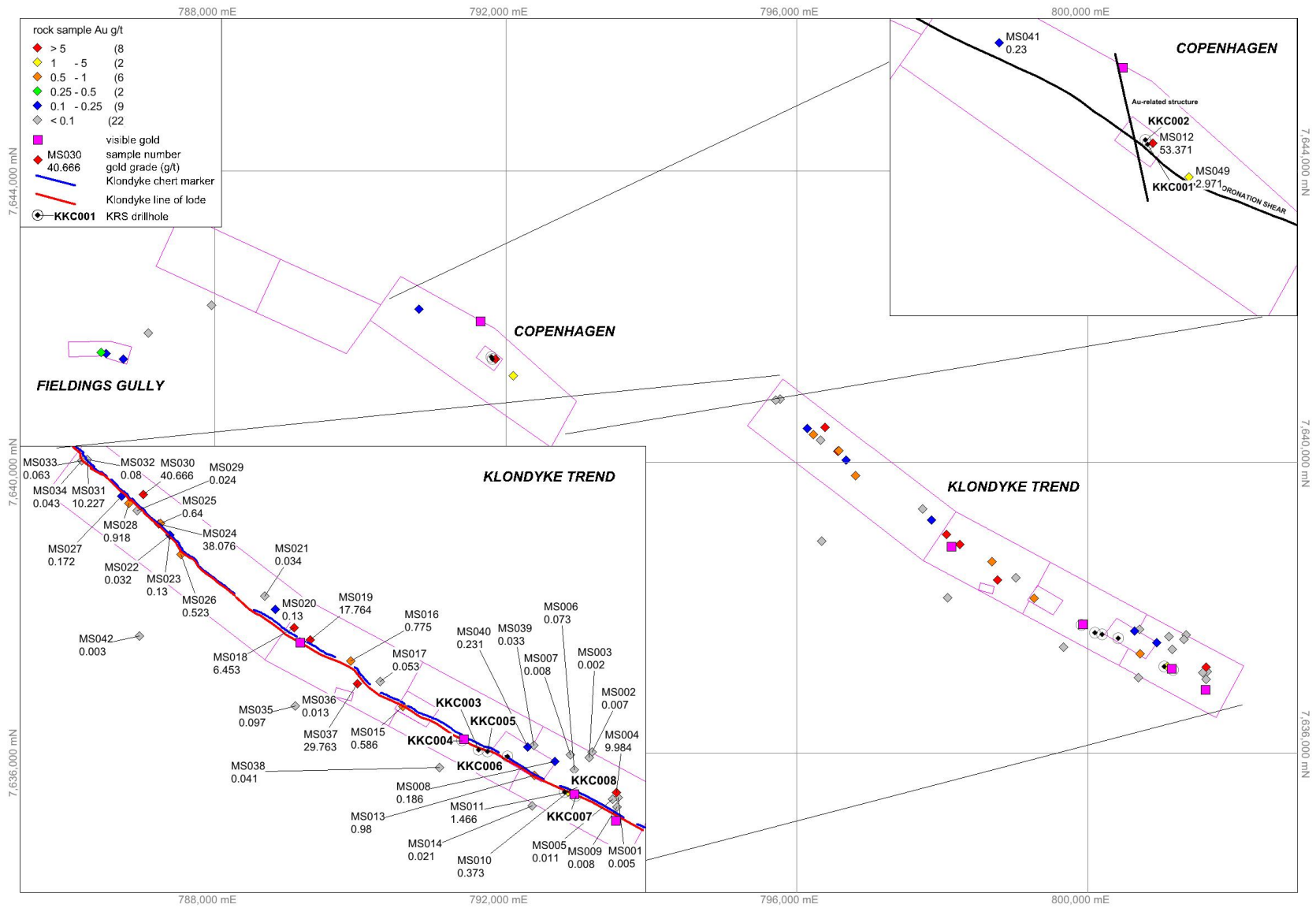


Figure 3 – Gold results for rock samples collected during mapping

KalNorth Tribute

As part of the Company's strategy to focus management's time on high margin mining projects and the flagship Klondyke Project, the Company's Tribute Mining Agreement over Lindsay's in the Western Australian Goldfields with KalNorth has been mutually terminated. Under the terms of the termination Keras has been refunded all third party costs totalling A\$120,000. In addition, as the Company focuses on advancing the Klondyke project, and as it has currently ceased tribute operations, Peter George, Keras' Chief Operating Officer, has resigned. The Company would like to thank Peter for his contribution to the Company during its early days of gold mining.

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

****ENDS****

For further information please visit www.kerasplc.com, follow us on Twitter @kerasplc or contact the following:

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Notes

Keras Resources plc is AIM's only Australian gold mining company. Keras has a portfolio of owner-operated gold interests and cash generative joint venture gold projects. The Company's strategy is focussed on advancing its owner-operator gold interests towards production whilst concurrently identifying and assessing low risk, high margin joint venture operations to enable continuing cash flows. The Company benefits from an experienced management team, which has extensive gold experience and is based in Perth, reducing execution risk.

Gold Projects

Klondyke Project Area – 100% owned gold development project in Western Australia

- Current resource of 5.6Mt at 2.08g/t gold ('Au') for 374,000oz confined to just 2km of the main 7.5km shear strike
- Right to mine contiguous Haoma tenements covering 650 hectares with excellent discovery potential
- Active growth strategy – continue to assess additional opportunities in the project area to add contiguous lease areas to the critical mass that has been consolidated

Tribute Gold Projects

Keras has a portfolio of tribute mining agreements in the Kalgoorlie Goldfield, Australia and is targeting 20,000-30,000oz gold per annum from these assets.

Wider Portfolio

Keras is currently awaiting a mining permit for its Nayega Manganese Project in Togo. Once received it will look to develop the asset into a low-cost export mining operation.