

26 May 2017

Keras Resources plc ('Keras' or 'the Company')
Conversion of Additional Debt

Keras Resources plc, the AIM listed mineral resource company announces that following the approval of the resolution which renewed the authority of the Company's Directors to issues new shares at the General Meeting on 24 May 2017, the Company will settle creditors amounting to £769,384 (including £639,537 due to Directors) via the issue of 205,937,977 ordinary shares of 0.1p each ("Ordinary Shares") at a price of 0.3736p (the "Conversion Price").

The amounts due to directors are set out below:

Director	Amount Owed	Description
	(£)	
Dave Reeves	158,063	Accrued director fees
Russell Lamming	53,333	Accrued director fees
Peter Hepburn-Brown	36,051	Accrued director fees
Dave Reeves	392,090	Outstanding loan and accrued interest
Total:	639,537	

As such, the Company intends to issue 171,182,274 Ordinary Shares to the Directors (the "Directors Conversion Shares").

In addition the Company also intends to issue 34,755,703 Ordinary Shares at the Conversion Price to a current member of the Management Team and former director in lieu of accrued salary and director fee payments following the AGM (the "Management Conversion Shares").

The Conversion Price represents the Company's 30 day VWAP up to and including 25 May 2017.

Related Party Transactions

The issue of Directors Conversion Shares constitutes a related party transaction in accordance with AIM Rule 13. Mr Brian Moritz, the Company's Chairman, is considered to be an independent director for the purposes of AIM Rule 13. As such, the Company's independent director considers after consultation with the Company's Nominated Adviser, that the terms of the issue of the Directors Conversion Shares are fair and reasonable, in so far as its shareholders are concerned.

Application for Admission to Trading on AIM

Application has been made for the admission of the Directors Conversion Shares and the Management Conversion Shares to trading on the AIM Market of the London Stock Exchange ('Admission') and Admission is expected to occur on 2 June 2017. The Conversion Shares will rank *pari passu* with the existing Ordinary Shares, which are currently traded on AIM.

Holdings in Company

Following Admission, the beneficial shareholding of the Company's Directors will be as follows:

Director	Shareholding (Ordinary Shares)	% of Issued Capital
Brian Moritz	25,833,333	1.2%
David Reeves	332,591,718	16.0%
Russell Lamming	56,219,961	2.7%
Peter Hepburn-Brown	43,877,643	2.1%
	Total	22.0%

The holdings of certain other significant shareholders will also change and their likely new holdings are presented in the table below:

Shareholder	Shareholding (Ordinary Shares)	% of Issued Capital
Narnia Holdings	96,969,452	4.7%

Total Voting Rights

Following Admission there will be 2,080,861,272 Ordinary Shares in issue with each share carrying the right to one vote. There are no shares currently held in treasury. The total number of voting rights in the Company will therefore be 2,080,861,272 and this figure may be used by shareholders as the denominator for the calculations by which they determine if they are required to notify their interest in, or a change to their interest in, the Company under the Financial Conduct Authority's Disclosure Rules and Transparency Rules.

Keras Managing Director Dave Reeves said, "This repayment to creditors, primarily directors of the Company, via the issue of Ordinary Shares is a significant vote of confidence in the future prospects of Keras. This is the first stage in cleaning up the balance sheet of the Company, the next stage being the planned repayment of the acquisition finance facility predominately out of the capital raising associated with listing of the Company's gold assets on the ASX which is due for completion in the coming weeks. We are entering an exciting stage of development, which will strategically position the Company so that we gain prospective exposure to both the "safe-haven" of gold and the fast-growing battery / electric vehicle market. I believe Keras is well positioned for future growth and I would like to thank my fellow Directors, along with other long term supporters for this vote of confidence."

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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