

28 April 2017

**Keras Resources plc (“Keras” or “the Company”)
Notice of General Meeting, Extension of Finance Agreement
& Amendment to Haoma Purchase Agreement**

Keras Resources plc, the AIM listed mineral resource company, announces that a circular and Notice of General Meeting will be posted to shareholders on 2 May 2017 (“the Circular”) relating to the proposed acquisition by Pharmanet Group Limited (“Pharmanet”) of 100% of the issued share capital of the Company’s wholly owned subsidiary Keras (Gold) Australia Pty Ltd (“Keras Australia”) as previously announced on 21 March 2017 (the “Transaction”). The Circular is available on the Company’s website and can be accessed using the following link: <http://www.kerasplc.com/documents/KerasResourcesPlc-Circular28.4.2017.pdf>.

Overview

- General Meeting for the Company’s shareholders to approve the Transaction to be held on 24 May 2017 at 11.00a.m. at Craven House, West Street, Farnham, Surrey, GU9 7EN;
- The Transaction is the realisation of the Board’s intention to provide a standalone ASX listed gold company, with a dedicated board and management team to unlock value for shareholders from the Australian Gold Assets;
- Consideration for the Transaction will be satisfied via the issue of ordinary shares in Pharmanet, subject to the achievement of certain agreed milestones, detailed in the announcement of 21 March 2017;
- Pharmanet is an ASX listed company that has recently been reorganised, and it is anticipated to relist as Calidus Resources Limited (“Calidus”) in Q2 2017 subject to completion of the Transaction and re-compliance with Chapters 1 and 2 of the ASX Listing Rules;
- In conjunction with the Transaction, Pharmanet will complete a capital raising, by way of prospectus, targeting a raising of A\$8 million (approximately £4.6 million) (the “ASX Capital Raising”) following the recent oversubscribed raising by Pharmanet of A\$0.6 million from sophisticated investors as announced by Keras on 18 April 2017;
- The funds raised via the ASX Capital Raising will be used to undertake a major drilling and exploration programme at the Warrawoona Gold Project and to undertake initial Scoping Studies;
- The funds raised via the ASX Capital Raising will also repay the Company’s Acquisition Finance Facility, which has been extended by one month until 1 July 2017 (see below); and
- Keras will retain an 85% interest in the Company’s Nayega Manganese Project in Togo, which the Board is confident can deliver value in the near-term.

Anticipated schedule of events:

Circular posted to Keras Shareholders	2 May 2017
Pharmanet Prospectus lodged with ASX	5 May 2017
Keras General Meeting in the UK	24 May 2017
Proposed receipt of ASX Capital Raising funds by Pharmanet	28 May 2017

Pharmanet General Meeting in Australia	30 May 2017
Completion of Transaction	2 June 2017
Listing of Calidus on ASX	3 June or as directed by ASX

The Transaction is also subject to approval by Pharmanet's shareholders. Pharmanet has today posted a Notice of General Meeting to its shareholders. The Pharmanet Notice of General Meeting is available to download from the Company's website:

http://www.kerasplc.com/documents/NoticeofMeetingre2016AGM-PNO-27.04.17_001.pdf.

Keras Managing Director Dave Reeves said, "The creation of a standalone ASX listed company housing the Company's gold assets is a natural evolution for Keras. The Transaction has been catalysed both by Australian market demand, and by the Board's intention to provide the projects with adequate funds to realise their full potential."

"Through the creation of Calidus Resources Limited, I am delighted to provide Australian investors with direct exposure to our exciting portfolio of gold projects in Australia – something that is clearly understood and appreciated following the recent oversubscribed placing by Pharmanet announced earlier this month. Investors in Keras will also retain significant exposure to the upside of these assets through our major interest in Calidus, whilst simultaneously retaining optionality over the Company's additional interests; namely our manganese, nickel and cobalt interests in West Africa."

Notice of General Meeting

The Company's General Meeting will be held at on 24 May 2017 at 11.00a.m. at Craven House, West Street, Farnham, Surrey, GU9 7EN.

The purpose of the GM is to grant the Board the authority to proceed with its plans for the proposed sale of Keras Australia and the subsequent listing of the Australian Gold Assets on ASX and, following the fundraising announced on 24 April 2017, to renew the authorisations for the Directors to allot new Ordinary Shares.

The Transaction is classified as a fundamental change of business pursuant to AIM Rule 15 and, as such, is conditional on Shareholder approval at the General Meeting.

For the avoidance of any doubt, assuming Shareholders approve the Transaction at the General Meeting, Keras will continue to be classified as an operating mining company and not a cash shell pursuant to AIM Rule 15.

The Directors consider that the Transaction and its terms are fair and reasonable and in the best interests of the Company and its Shareholders as a whole. Accordingly, the Directors recommend the Shareholders to vote in favour of the Resolutions at the GM, as they intend to do so.

Consideration for the Transaction

The Consideration for the Transaction was determined after arm's length negotiations between the Company and Pharmanet. The Consideration for the Transaction shall be comprised of:

- (i) 225,000,000 Vendor Shares (representing approximately 31% of Pharmanet's then issued share capital) to be issued to Keras upon Completion; and
- (ii) 525,000,000 Performance Shares on Completion, to be converted to fully paid ordinary shares in Pharmanet following the achievement of certain milestones, namely:
 - a. 250,000,000 Performance Shares will be converted into the same number of ordinary shares in Pharmanet upon the announcement of a JORC compliant Indicated or Measured Resource of at least 500,000oz of gold at the Klondyke Project within 18 months of Completion; and
 - b. 275,000,000 Performance Shares will be converted into the same number of ordinary shares in Pharmanet upon the announcement of a positive pre-feasibility study, which demonstrates the Klondyke Project is commercially viable within 36 months of Completion.

In accordance with the ASX Listing Rules, the Consideration will be subject to escrow arrangements for 12 months following Completion. Keras will not be permitted to sell or otherwise deal with such shares until the expiration of this escrow period.

Keras's Australian advisers in respect of the Transaction, Discovery Capital Partners Limited, will be entitled to receive 3.5% of all Pharmanet shares issued to Keras as Consideration.

Were Calidus to enter into a transaction whereby it is acquired or it agrees to sell Keras Australia's gold assets for at least A\$50 million on a fully diluted basis, at a time when the Performance Shares had not yet vested, all of the Performance Shares would immediately be converted.

Further information regarding Keras Australia, the Australian Gold Assets and recent events that are relevant to Keras Australia can be found in the Circular within the section titled 'Assets subject to the Transaction'.

Extension of Finance Agreement

The Company announces an extension to the US\$2 million Acquisition Finance Facility Agreement with a consortium of investors arranged by Riverfort Global Capital Ltd (the "Investors") as originally announced on 12 September 2016. On 21 March 2017 the Company announced that the maturity date of the Acquisition Finance Facility had been extended until 3 June 2017 (the "Deferral Agreement"). The Deferral Agreement was subsequently amended on 28 April 2017 to extend the maturity date by a further month until 1 July 2017 to allow time for the Transaction to complete.

The Deferral Agreement provides that on 17 June 2017, Keras must repay the principal amount of US\$2 million, pay a deferral fee of 7.5% the principal amount and approximately US\$25,000 of accrued interest to the Investors, as well as pay a US\$25,000 fee to the Investors. Keras' payment obligations under the Deferral Agreement total approximately US\$2.4 million.

If the final payment is not made by 17 June 2017, the repayment date will be extended to 1 July 2017 without the need for further documentation, provided Keras pays, on 1 July 2017, an additional cash fee of 5% the total outstanding amount as at 1 July 2017.

Amendment to Haoma Purchase Agreement

The Company announced on 12 September 2016 a Right to Mine and Option to Purchase Agreement with Haoma Mining NL ('HML') relating to tenements contiguous and near to the Company's 100% owned Klondyke Prospect.

The Company agreed to pay on completion A\$250,000 (£145,000) for the five year right to mine the HML Tenements and the irrevocable right to acquire within a 5 year period the HML Tenements for a total consideration of A\$1.25million, comprising A\$500,000 in cash and a Convertible Note in the amount of A\$750,000 with the right to convert into the Company's Ordinary Shares at the 30 day VWAP to 12 September 2016. In light of the Transaction, HML has now elected to receive 37,500,000 shares in Calidus (subject to approval by Calidus's shareholders) or payment of A\$750,000 in cash at the election of HML as opposed to the Ordinary Shares in Keras.

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

Unless otherwise indicated, all defined terms in this announcement shall have the same meaning as described in the Circular.

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

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