

15 April 2016

Keras Resources Plc ('Keras' or 'the Company')

Placing to Raise £1,250,000

Keras Resources plc, the Australian gold mining company, is pleased to announce that it has raised £1,250,000 before expenses through the placing of 113,636,364 new ordinary shares 0.1p each (the 'Placing Shares') at a price of 1.1p per Placing Share to new and existing shareholders (the 'Placing'). The Placing Shares were placed by the Company's broker, Beaufort Securities Limited.

Highlights

- Significant shareholder support for the Placing to enable the Company to accelerate the development of the Australian gold portfolio
- Proceeds will be used to fast-track production at the high grade Prince of Wales Underground Mine ('POW') located 30km north of Kalgoorlie where the Company has a five year Tribute Agreement with Paddington Goldfields ('Paddington'); and the Lindsay's Mine ('Lindsay's') located 65km NNE of Kalgoorlie where Keras has a profit share agreement with KalNorth Gold Mines Limited ('KalNorth').
 - POW has a resource of 154,000t at 8.0g/t and an exploration target of 500,000t at 10g/t for 160,000 oz and is expected to produce 15,000 to 20,000 ozs of gold at an all in cost of less than A\$900/oz. At the current gold price of A\$1,650/oz, this mine alone is budgeted to produce approximately A\$1 million of pre-tax cashflows per month;
 - Lindsay's Project incorporates total open pit and underground resources of 215,100 ounces Au at a grade of 1.7g/t Au which includes the high grade Parrot Feathers deposit comprising 401,000t at 4.2g/t Au for 54,000 ounces Au; and
 - The proceeds will bring forward the steady state production level of 30,000 to 40,000 ounces per year in H1 2017.

Keras Managing Director Mr. Dave Reeves said, "We are delighted to have received such strong support from our shareholders for this Placing. With these funds secured we can now accelerate production at these two key assets in the portfolio, namely the Prince of Wales and Lindsay's mines. Given that our tribute agreement over the latter is for a period of five years, it is important for us to fast-track its development as quickly as possible, so that we can fully maximise its cash generation for the Company. Together with ore production from Lindsay's, we will have a solid platform to secure additional tributes or acquisitions. The Company has opted to raise additional capital now, rather than wait for the cashflows from the open cast mining operations at Grants Patch, to take advantage of the favourable environment for gold mining companies in Australia at present, and to bring forward the additional cashflow from these two key assets."

Placing and Use of Proceeds

Over the past six months, the Company has made significant progress in the Kalgoorlie goldfields, not least the successful transition from an explorer/developer to a fully-fledged gold mining company. The Grants Patch open cast mining operations are not only producing cashflow for the Company but have also proven up the logistics of tribute mining and allowed Keras to take the decision to fast track the two Lindsay's and POW mines.

The POW mine forms part of the greater Grants Patch mineral lease, with a resource of 154,000t at 8.0g/t and an exploration target of 500,000t at 10g/t for 160,000 oz. This mine is the key asset in the Company's gold portfolio, with a planned underground production rate of 15,000 to 20,000 ounces per annum. The Company will need to re-establish shaft collar, de-water and refurbish shaft prior to commencing mining. The broken stocks in the stopes will allow for rapid re-start with all product to be treated at Norton's 3.5mtpa Paddington Mill, 25 km from the deposit. At an average steady state production rate of 17,500 recovered ounces per annum the estimated life of mine ('LOM') AISC (including the 22% royalty) is less than A\$900 per ounce. At the current gold price of A\$1,650 per ounce the POW mine will produce pre-tax cashflows of approximately A\$1 million per month.

The Lindsay's mine incorporates total open pit and underground resources of 215,000 ounces Au, of which 77% falls in the Indicated Resource category. This includes the high grade Parrot Feathers deposit which comprises a resource of 401,000t at 4.2g/t Au for 54,000 ounces Au. In addition there is significant potential down dip at Parrot Feathers, mineralisation extends up to 200m below the resource base with historic drill intercepts outside the resource including 4m at 7.88g/t Au and 3m at 7.89g/t Au. Keras is currently undertaking an internal assessment to look at decreasing dilution by developing on reef and upgrading the ore through the use of optical sorters. The mining will initially start on the remaining open pit resources with a fully ramped up underground production rate expected to be between 10,000 and 20,000 ounces per annum. All the mining permits are in place for the current operation.

Exercise of Warrants

Keras has also received notice of exercise in respect of 3,000,000 warrants at a price of 0.5p per ordinary share from Jarvis Investment Management ('JIM') Nominees Ltd. Accordingly the Company has today issued 3,000,000 ordinary shares of 0.1p ('New Ordinary Shares') arising from the exercise.

The New Ordinary Shares will be issued to Jim Nominees Limited a/c Jarvis and following this warrant exercise, Jim Nominees Limited will have an interest in 59,690,487 ordinary shares of 0.1p each representing 4.44% of the Company's enlarged issued share capital.

Broker Shares

Keras has issued 1,363,636 ordinary shares of 0.1p each at a price of 1.1p per ordinary share to Beaufort Securities Limited in respect of broker fees (the "Broker Shares").

Admission and Total Voting Rights

Application has been made for admission of the 113,636,364 Placing Shares, 3,000,000 New Ordinary Shares and 1,363,636 Broker Shares to trading on the AIM Market of the London Stock Exchange ('Admission'). It is anticipated that Admission will occur and dealings will commence in the New Ordinary Shares on 20 April 2016 and the Placing Shares and the Broker Shares on or around 29 April 2016. The Placing Shares and the New Ordinary Shares will rank pari passu with the existing ordinary shares of 0.1p each which are currently traded on AIM.

Following Admission, there will be 1,343,547,323 ordinary shares of 0.1p each 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 therefore will be 1,343,547,323 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.

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

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