

26 January 2017

Keras Resources plc ('Keras' or 'the Company')
Placing to raise £600,000

Keras Resources plc, the Australian gold mining company, is pleased to announce that it has raised £600,000 (before expenses) through the placing of 171,428,571 ordinary shares of 0.1p each ('Ordinary Shares') at a placing price of 0.35p per Ordinary Share (the 'Placing Shares') to new and existing shareholders (the 'Placing'). The Placing Shares represent approximately 10.6% of the Company's issued share capital as enlarged by the Placing.

Proceeds of the Placing will support ongoing exploration and development works at the Company's 100% owned, flagship Klondyke Gold Project ('Klondyke' or the 'Project') in the East Pilbara District of Western Australia, which has a current resource estimate of 5.6Mt at 2.08g/t Au for 374,000oz with significant further upside potential indicated. Funds will also be used to retire 12-month loan notes secured in February 2016 (see announcement dated 1 February 2016 for further detail) and for general working capital purposes as the Company continues to finalise plans for a potential listing on the Australian Stock Exchange ('ASX'). Further details regarding the Company's proposed ASX listing will be provided in due course.

Keras Managing Director Dave Reeves said, "We are finalising plans for a potential listing on the ASX, which will support our current London listing whilst reflecting our growing operational presence in Australia as we continue to advance our flagship Klondyke Gold Project and regional asset portfolio. The funds raised will enable the Company to retire some short term debt and ensure the continued advancement of Keras' growth plans and I would like to thank investors for their support. We are excited about the opportunities ahead and look forward to updating the market on future developments; the current environment for gold is positive and investor appetite for projects such as ours appears evident. Alongside this, we remain confident that our Nayega Manganese Project in Togo, West Africa, could deliver significant upside and remain optimistic of its development potential."

Details of the Placing

The gross proceeds of the Placing will be received in two tranches:

- £300,000 within five working days of the date of the transaction; and
- £300,000 within ten working days of the date of the transaction.

Application has been made for admission of the 171,428,571 Placing Shares to trading on the AIM Market of the London Stock Exchange ('Admission'). It is anticipated that Admission of the first tranche of 85,714,285 shares will take place on 2 February 2017 and Admission of the second tranche of 85,714,286 shares will take place on 9 February 2017. The Placing Shares will rank *pari passu* with the existing Ordinary Shares, which are currently traded on AIM.

Following Admission, there will be 1,619,398,194 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 1,619,398,194 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.

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.