

18 October 2017

Keras Resources plc

("Keras" or the "Company")

Placing to raise £250,000

Keras Resources plc is pleased to announce that it has raised £250,000 (before expenses) through the placing of 66,666,667 ordinary shares of 0.1p each ("Ordinary Shares") at a placing price of 0.375p per Ordinary Share (the "Placing Shares") to new and existing shareholders (the "Placing"). The Placing was executed at a discount of 2.3% to the 30 day VWAP of 0.384p and a discount of 10.7% to the closing price of 0.42p on 17 October 2017. The Placing Shares represent approximately 3.1% of the Company's issued share capital as enlarged by the Placing.

The net proceeds of the Placing will primarily be used to provide the Company with additional working capital over the next 12 months. The Company has also implemented significant capital saving measures, details of which are summarised below.

Valuation

Keras currently hold 217.125m shares in ASX listed Calidus Resources Limited ("Calidus") which equates to 22.58% of the Calidus' issued share capital. Keras expects to receive a further 241.25m Calidus shares by the end of 2017, given the expected achievement of the first performance milestone, namely 500,000oz of Indicated Resource at Calidus' Klondyke Project. The result would be a shareholding equivalent to 0.59p per Keras share at the last traded price of Calidus. A further tranche of Calidus shares will be issued to Keras upon the announcement of a positive pre-feasibility study by Calidus.

Having recently raised AUD\$10 million via a heavily oversubscribed placing of shares in Australia, Calidus is fully funded for a significant drill campaign as well as the completion of a feasibility study. As

such, Keras looks forward to providing shareholders with further updates of Calidus' progress in the coming months.

Cost Saving Measures

In addition to previously announced measures to remove the Company's debt, over the last 4 months all Directors have taken lower salaries resulting in the total cost to Company for all Directors of £36,000 on an annualised basis. The Company will continue to implement cost saving measures until the monetisation of a company asset occurs, an existing project advances significantly or a new project is brought into the Company. Other corporate overheads have also been lowered significantly in line with this strategy.

Dave Reeves, commented, "After much deliberation, the Directors of Keras have decided that a capital raising was required to cover operating expenses for the next 12 months. We believe that the drilling programme Calidus has been conducting since June will underpin a substantial resource upgrade this year, and is likely to include a 500,000oz indicated resource, thereby leading to the issue of our second tranche of performance shares. In successfully raising AUD\$10 million a few weeks ago, Calidus has the capacity to continue growing the resource as well as to complete a pre-feasibility study before the end of next year, after which the third and last tranche of performance shares would be issued."

"Keras has implemented significant capital saving measures to ensure the longevity of the recently raised funds. We hope to see some of the strong support that global capital markets have provided to Calidus recently, extend to Keras as the understanding that Keras will be the dominant shareholder in Calidus, takes hold".

In addition, we continue to work on progressing the Company's existing assets and have commenced a process of identifying complementary new assets for Keras itself to operate."

Details of the Placing

Application has been made for admission of the 66,666,667 Placing Shares to trading on the AIM Market of the London Stock Exchange ("Admission"). It is anticipated that Admission will take place on 24 October 2017. The Placing Shares will rank *pari passu* with the existing Ordinary Shares, which are currently traded on AIM.

Following Admission, there will be 2,147,527,939 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 2,147,527,939 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.

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