

13 June 2017

Keras Resources plc ('Keras' or 'the Company')
Allotment of Shares in Calidus Resources
Repayment of Acquisition Finance Facility
Issue of new Ordinary Shares

Keras Resources plc, the AIM listed mineral resource company is pleased to advise that shares in Calidus Resources Limited ('Calidus'), the entity through which the Company's Australian gold assets are being listed on the Australian Securities Exchange ("ASX") have now been allotted. As a result, the Company has transferred its shares in Keras (Gold) Australia (Pty) Ltd to Calidus and Mr David Reeves and Mr Peter Hepburn-Brown have now been appointed to the board of Calidus.

In addition, repayment of the secured Acquisition Finance Facility (the "Facility") with a consortium of investors arranged by Riverfort Global Capital Ltd (the "Investors") as originally announced on 12 September 2016 has been completed. The Facility was originally drawn down in October 2016 and utilised to fund the Company's acquisition of the Warrawoona gold projects and subsequent exploration work.

Based on the repayment date of 9 June 2017, the amount owing to the Investors is US\$2,448,972.60. Of this, US\$2,200,000 is being repaid by Calidus from proceeds of its recently completed ASX Capital Raising, as announced by the Company on 5 June 2017, and the balance of US\$248,972.60 (£192,412.85) is being settled via the issue of ordinary shares of 0.1p each ("Ordinary Shares") in Keras (the "Facility Shares"). The share price for determining the number of Facility Shares to be issued is 0.352 pence based on a 5% discount to the 5 day Value Weighted Average Price prior to the extension being signed on 20 March 2017, as such 54,666,623 Facility Shares are being issued to the Investors. In addition, the 59,542,743 warrants granted to the Investor as part of the Facility have been repriced at 0.46p.

The Company is also settling certain other creditors by the issue of Ordinary Shares, resulting in the issue of a further 59,605,543 Ordinary Shares at a price of 0.38 pence¹, a 5% discount to the 5 day VWAP prior to 9 June 2017 (the "New Ordinary Shares"). The payments cover a total of £226,671 of third party creditors who have been involved in the Company's recent corporate activities, with the majority being paid to geological consultants associated with the exploration of the Company's cobalt assets in Togo, who have elected to take a substantial portion of past fees in equity to align their interests with the Company's regarding the prospectivity of the cobalt licences.

Application is being made for the total of 114,272,166 Facility Shares and New Ordinary Shares to be admitted to trading on the AIM Market of the London Stock Exchange ('Admission'). Admission is expected to occur on 16 June 2017. The Facility Shares and New Ordinary Shares will rank *pari passu* with the existing Ordinary Shares, which are currently traded on AIM.

¹ Exact price is 0.00380285 pence per share

Keras Managing Director Dave Reeves said, “The allotments of shares, change in ownership, appointment of board members to Calidus Resources Limited, repayment of the acquisition finance facility and the subsequent release of security over the Company’s Australian gold assets marks the satisfaction of the final pre-conditions to re-listing Calidus on the ASX. We anticipate that share trading will commence within the next two weeks subject to final approvals from the ASX. The repayment of the Facility and settling of additional third-party creditors completes the Company’s balance sheet clean up ahead of the forthcoming listing. I would like to re-iterate that Keras now enters an exciting stage of development potential – having “safe-haven” exposure to Gold as well as access to the fast-growing battery/electric vehicle market following the award of five cobalt and nickel licences in Togo as announced on 15 May 2017.”

Total Voting Rights

Following Admission there will be 2,195,133,438 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 2,195,133,438 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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For further information please visit www.kerasplc.com, follow us on Twitter @kerasplc or contact the following:

Dave Reeves	Keras Resources plc	dave@kerasplc.com
Nominated Adviser		
Gerry Beaney/David Hignell	Northland Capital Partners Limited	+44 (0) 20 3861 6625
Broker		
Elliot Hance/Jonathon Belliss	Beaufort Securities Limited	+44 (0) 20 7382 8415
Damon Heath/Erik Woolgar	Shard Capital Partners LLP	+44 (0) 20 7186 9952
Tom Curran/Ben Tadd	SVS Securities Plc	+44 (0) 203 700 0093
Financial PR		
Susie Geliher/Charlotte Page	St Brides Partners Limited	+44 (0) 20 7236 1177