

14 March 2016

**Keras Resources plc ('Keras' or 'the Company')**  
**Third Gold Tribute Agreement Signed Over 215,000 Ounce Resource**

Keras Resources plc, the Australian gold mining company, is pleased to announce a potential increase in its gold tribute inventory after signing a binding profit share agreement with KalNorth Gold Mines Limited ('KalNorth') over the Lindsay's Project in the Western Australian goldfields (the 'Agreement').

Under the terms of the Agreement, Keras has been granted an exclusive and irrevocable option to mine the Lindsay's Project in consideration for a share of the net revenues derived from the Lindsay's Project (the 'Option'). Upon exercise of the Option, Keras and KalNorth will enter into a formal agreement which will contain full representations and warranties in respect of the Lindsay's Project, prior to the commencement of mining operations.

The Lindsay's Project is located 65km NNE of Kalgoorlie and about 60km NE of the Grants Patch Gold Tribute Project ('the Project'), where the Company is on track to commence initial mining in the very near-term.

### **Highlights**

- **Lindsay's Project incorporates total open pit and underground resources of 215,100 ounces Au at a grade of 1.7g/t Au of which 77% falls in the Indicated Resource category**
- **Includes the high-grade Parrot Feathers deposit (likely to be an underground operation) which comprises a resource of 401,000t at a grade of 4.2g/t Au containing 54,000 ounces Au**
- **Significant exploration potential down dip at Parrot Feathers, mineralisation extends up to 200m below the resource base with historic drill intercepts outside the resource including 1.15m @ 10.12g/t and 2.8m @ 4.41g/t from hole LD001**
- **All permits in place, Keras to revise the current proposal to mine**
- **Targeting mining for H2 2016**
- **Profit share arrangement**
- **Substantially increases Keras' gold tribute inventory to over 500,000 ounces in line with its strategy to become London's next, and possibly only Australian focused gold miner listed on AIM**

Keras Managing Director Dave Reeves said, "I am delighted with the rapid progress we have made in our strategy of becoming a cash flow positive mining company. With this transaction, we can look to expand our cash flow generation which is due to start in the very near-term, as highlighted by the

recent arrival of the mining fleet at Grants Patch. We intend to fully exploit the niche market we have identified, which sees us applying our expertise in developing and mining gold resources in Australia.

“Signing this agreement with KalNorth sees a marked increase in our attributable gold resource inventory and incorporates significant exploration upside potential immediately down dip and along strike of the high-grade Parrot Feathers deposit. Resources are located on granted mining leases, with all necessary approvals in place to allow mining. We will now start work on revising the proposal to mine with a view towards commencing open pit production from this area in Q3 2016 to add to planned production from Grants Patch and Wycheproof. I look forward to working closely with KalNorth on this operation in what is mutually beneficial agreement for both companies.”

**Further Information**

Mineralisation at the Lindsay's Project, located 65km NNE of Kalgoorlie (Figure 1), is typical of orogenic gold systems, with strong lithostructural control. Gold is associated with a series of northwest-striking, moderately southwest-dipping shear zones, and is best developed where these shears cut dolerite. At Parrot Feathers, high-grade gold mineralisation occurs in a zone of alteration and quartz-sulphide veining within the host shear. Mineralisation extends to considerable depths, as is commonly the case in orogenic gold systems.

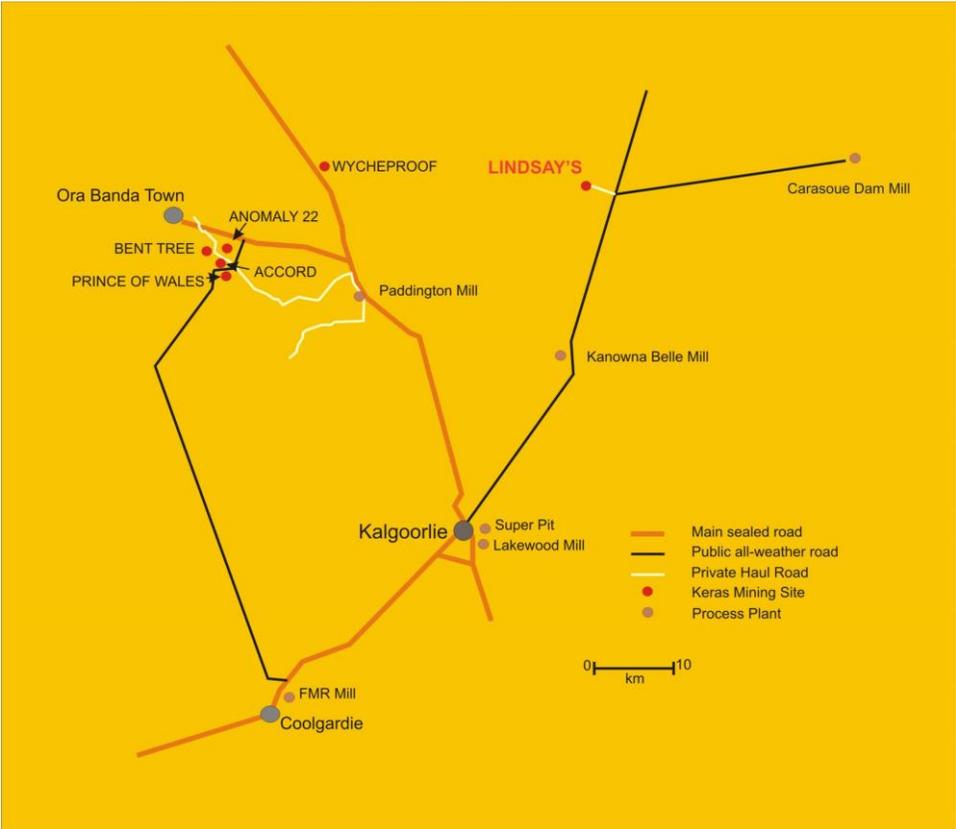


Figure 1: Location of Keras Tribute Areas

Under the terms of the Agreement, Keras, at its cost, will compile a revised open pit mining proposal and present to KalNorth within the next two months. Modifications required by KalNorth will be incorporated and if required, the document will be submitted to the West Australian Mines Department for approval. Allowing for standard approval time and assuming a toll-treatment agreement is secured, mining is anticipated to commence at Parrot Feathers in H2 2016. It is anticipated that the ore will be toll treated at one of the five nearby gold plants. Discussions with third party plant owners have already commenced.

Resources that form part of the agreement are listed in Table 1.

**Table 1: Lindsay's mineral resource estimate, reported under the JORC Code 2004 or 2012.**

Deposit	Indicated			Inferred			Total		
	Tonnes	Grade (g/t)	Ounces	Tonnes	Grade (g/t)	Ounces	Tonnes	Grade (g/t)	Ounces
Eastern Structure	1,479,000	1.6	76,000	203,000	1.6	10,500	1,682,000	1.6	86,500
Parrot Feathers <sup>1</sup>	140,000	4.0	18,000	261,000	4.3	36,000	401,000	4.2	54,000
Central Structure	1,315,100	1.1	46,500	47,900	1.1	1,700	1,363,000	1.1	48,200
Neves Prospect	490,900	1.6	24,900	37,700	1.3	1,500	528,600	1.6	26,400
<b>Total</b>	<b>3,425,000</b>	<b>1.5</b>	<b>165,400</b>	<b>549,600</b>	<b>2.8</b>	<b>49,700</b>	<b>3,974,600</b>	<b>1.7</b>	<b>215,100</b>

<sup>1</sup> Parrot Feathers resource estimate complies with the JORC Code 2012

Under the agreement with KalNorth, gross revenue from production will be allocated in order as follows:

- Payment of State or Government royalties, direct operating expenditure and working capital expenditure (excluding any capital expenditure on mining equipment which will remain the property of Keras);
- 10% of operating cash flow deemed as a management fee payable to Keras;
- Amount remaining after deducting the management fee to be split 49:51 between Keras and KalNorth for a gold price equal or lower than A\$1,600/oz; and
- For that part of the Project Profit derived from a Gold Price which is greater than A\$1,600/oz, 30% of the Project Profit attributed to the Gold price above \$1,600/ounce will be distributed to Kalnorth, with the remaining 70% to Keras.

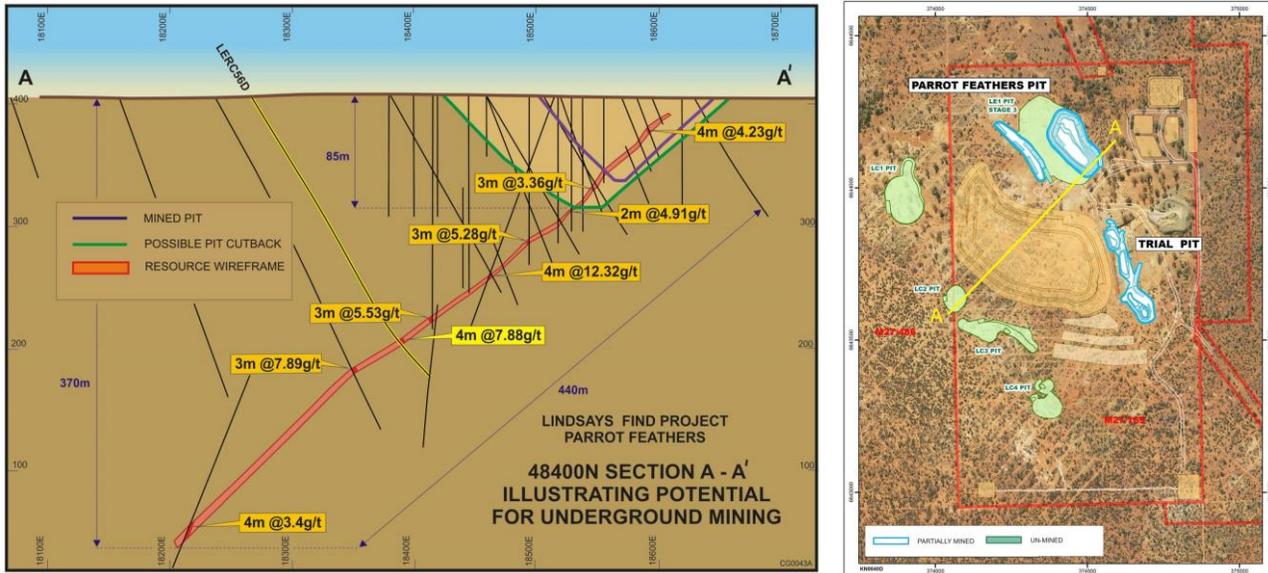


Figure 2: General layout and cross-section of the Lindsay's mining area

### Glossary

A\$ – Australian dollar

Au – gold

g/t – grams per tonne

k – thousand

km – kilometre

oz – ounce

t – tonnes

tribute agreement – entitlement to work a mine or a portion of a mine under an agreement with the lessee claimholder or proprietor to pay or receive from such titleholder a proportion or percentage of the produce of the mine or of the value of such produce

### COMPETENT PERSON

Information in this release that relates to resources is based on information published by KalNorth in an ASX release dated 20/7/2015.

**\*\*ENDS\*\***

For further information visit [www.kerasplc.com](http://www.kerasplc.com), follow us on Twitter @kerasplc or contact the following:

Dave Reeves	Keras Resources plc	<a href="mailto:dave@kerasplc.com">dave@kerasplc.com</a>
<b>Nominated Adviser</b>		
Gerry Beaney/David Hignell	Northland Capital Partners Limited	+44 (0) 20 3861 6625
<b>Broker</b>		
Elliot Hance/ Jonathon Belliss	Beaufort Securities Limited	+44(0)20 7382 8415
<b>Financial PR</b>		
Elisabeth Cowell/ Frank Buhagiar	St Brides Partners Limited	+44 (0) 20 7236 1177

## Notes

Keras Resources plc is an AIM quoted, resource development company. The Company is focussed on advancing lowest quartile, low capex deposits which benefit from proximal established infrastructure up the development curve and into production. Keras plans to commence production at its Australian Gold Project in Q2 2016 and then use this cash flow towards to expand gold production further.

At Nayega, Keras has concluded a Bankable Feasibility Study and awaits award of the mining permit. The Bankable Feasibility Study indicates that Nayega could produce 250,000 tonnes per year of manganese concentrate at 38%. The Company will investigate bringing the mine into production on grant of the mining permit to generate further cash flows for the Company.

The Company also holds iron ore and manganese projects in Gabon and South Africa and is actively assessing ways to realise value from these assets.

Keras has 1,193,794,390 shares in issue. The Directors have subscribed for and purchased approximately 25.0% of the issued share capital of the Company and are therefore aligned with shareholders' interests.