

9 January 2017

Keras Resources plc ('Keras' or 'the Company')
Further High Grade Gold within Broad Mineralised Zones at Klondyke

Keras Resources plc, the Australian focused gold mining company, is pleased to announce that drilling has confirmed historic intercepts at its 100% owned, flagship Klondyke Gold Project ('Klondyke' or the 'Project') in the East Pilbara District of Western Australia ('WA'). This follows the receipt of assay results for the remaining six holes of the reverse circulation ('RC') drilling programme completed in November 2016, which returned high-grade gold intersections.

Highlights

- Wide, near surface gold intercepts including multiple higher grade zones returned in the final six holes of the Klondyke drill programme, underlining the potential for bulk open pit extraction
- High-grade gold intervals at depth suggest suitability for underground exploitation, as well as, initial open pit operations, potentially extending the life of mine
- Five holes were drilled within the defined JORC compliant mineral resource estimate, of 5.6Mt at 2.08g/t gold ('Au') for 374,000oz, along the Klondyke trend, over a strike length of approximately 1.4km
- One hole was drilled in the area between the current resources confirming grade continuity in this area
- Intercepts include:
 - Hole KKC003: 60m @ 1.00g/t from 0m to end of hole ('EOH') incl. **2m @ 5.77g/t Au** from 6m, **4m @ 1.94g/t Au** from 15m, **16m @ 1.97g/t Au** from 35m
 - Hole KKC004: 44m @ 1.08g/t Au from 0m incl. **13m @ 2.28g/t Au** from 14m
 - Hole KKC005: 38m @ 1.52g/t Au from 0m incl. **28m @ 1.98g/t Au** from 0m
 - Hole KKC006: 37m @ 1.60g/t Au from 50m incl. **21m @ 2.66g/t Au** from 62m
 - Hole KKC007: 38m @ 1.92g/t Au from 0m, incl. **23m @ 2.68g/t Au** from 2m
 - Hole KKC008: 90m @ 1.34g/t from 0m to EOH incl. **6m @ 3.32g/t Au** from 11m, **6m @ 4.45g/t Au** from 24m, **7m @ 1.87g/t Au** from 57m, **5m @ 3.42g/t Au** from 69m, **4m @ 5.50g/t Au** from 86m to EOH
- Results bolster previously reported gold intercepts in holes drilled under the satellite Copenhagen pit:
 - Hole KKC001: 18m @ 6.3g/t Au from 33m (incl. 6m @ 9.3g/t Au from 34m and 3m @ 16.0g/t Au from 45m)
 - Hole KKC002: 9m @ 6.9g/t Au from 49m (incl. 6m @ 9.5g/t Au from 49m)
- Significant further upside potential:
 - High-grade gold (up to 14.1g/t over 1m) intersected near the bottom of hole KKC008, beyond the final depth of the hole being twinned, underscores potential for the discovery of additional gold mineralisation
 - Drilling tested only 1.4km of the 7.5km trend and that historic drilling did not test the full trend
 - Recent chip sampling recorded 10g/t Au results at both the extreme eastern and western ends of the Klondyke tenement package
 - Old workings present along the 7.5km trend

- Samples from significant intercepts are currently being analysed by screen fire assay to provide more accurate grades and analyse more accurately any coarse gold mineralisation intercepted
- Following receipt of screen fire assay results, the 2017 drill programme will be finalised to target expansion of the current resource estimate

Keras Managing Director Dave Reeves said,

"Our maiden drill programme at the Klondyke Gold Project has confirmed that gold mineralisation of substantial thickness commences at surface along parts of the Klondyke trend. It is important to note that our drilling tested only 1.4km of the 7.5km trend and that historic drilling did not test the full trend. Rock samples collected from the Klondyke horizon during the recent mapping programme returned anomalous levels of gold along parts of the trend not tested by historic drilling, defining targets for further work. In addition to the wide, high-grade gold intercepts returned in two holes drilled under the small Copenhagen pit, the results of drilling and sampling along the Klondyke trend emphasise the considerable potential of our flagship project.

"Drill samples are currently being analysed by screen fire assay to provide more accurate gold grades. Once we have these results, planning for the 2017 drill programme, which aims to expand the current resource estimate of 5.6Mt at 2.08g/t Au for 374,000oz, will be finalised. I look forward to reporting the results of screen fire analysis in due course and providing updates on the next phase of exploration at Klondyke."

Further Details

Assay results from the final six holes (of an eight hole programme) have been received. The holes were drilled within or adjacent to the defined compliant resource along the Klondyke trend to confirm historic gold intercepts. Width and grade of gold intercepts indicate mineralisation could be amenable to open pit exploitation with grades at depth suggesting potential for underground mining. Cross sections for selected drillholes have been compiled and are presented as Figures 2 and 3.

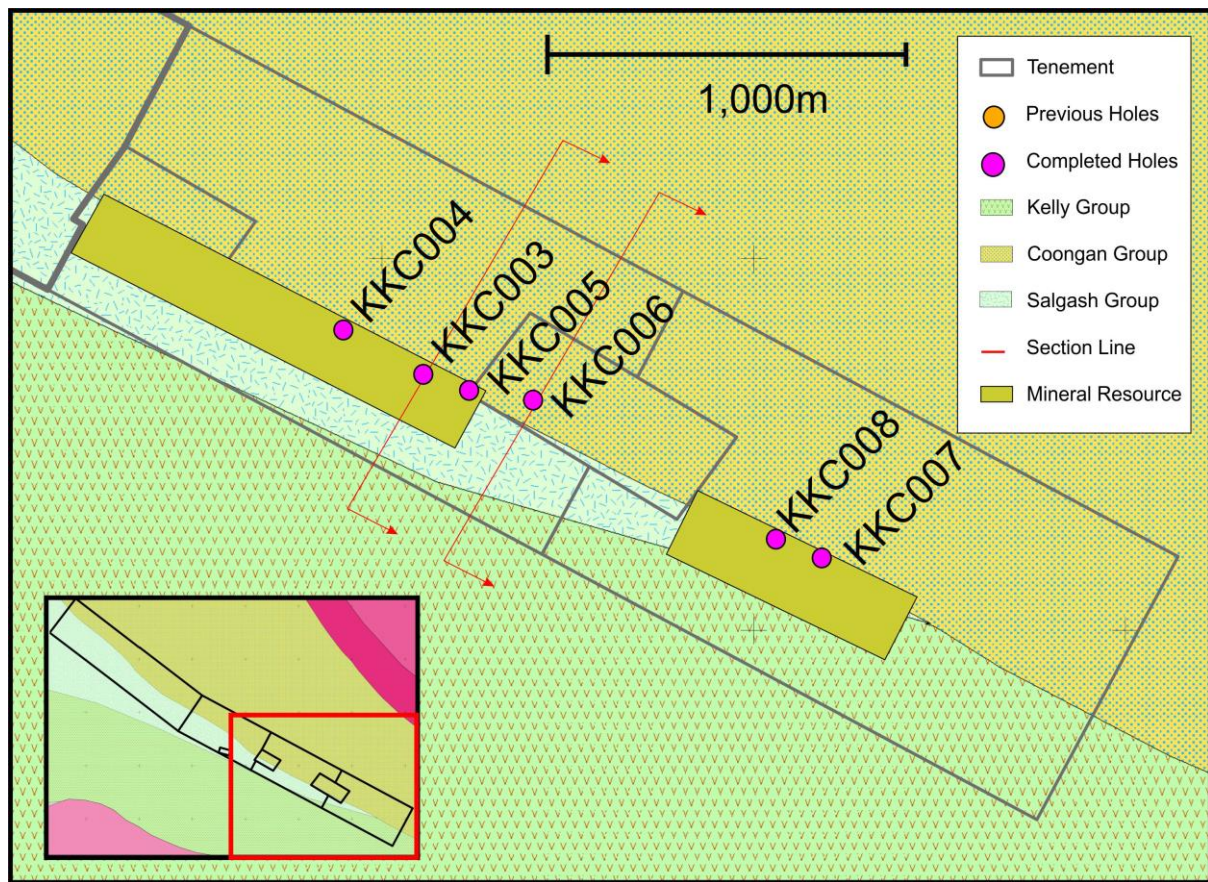
Extensional and infill drilling is planned for next year to target the upgrade and expansion of the defined resource.

A Reverse Circulation drilling programme was implemented at Klondyke in November 2016. Two holes (for 140m) were drilled at Copenhagen, with an additional six holes (for 402m) drilled at points along the Klondyke trend. Hole details are listed in Table 1.

Table 1: Drill hole details

HoleID	Prospect	Tenement	East	North	RL	Depth (m)	Dip	Azimuth
KKC001	Copenhagen	M45/240	791817	7641411	241	60	-61	216.5
KKC002	Copenhagen	M45/240	791801	7641439	244	80	-60	206.5
KKC003	King	M45/669	800102	7637648	287	60	-60	31.5
KKC004	King	M45/669	799920	7637755	295	52	-75	31.5
KKC005	King	M45/669	800200	7637628	290	50	-60	31.5
KKC006	King East	M45/547	800421	7637575	298	90	-60	211.5
KKC007	Kopcke	M45/670	801175	7637141	306	60	-60	36.5
KKC008	Kopcke	M45/670	801052	7637184	304	90	-75	31.5

Figure 1: Plan of Drilling



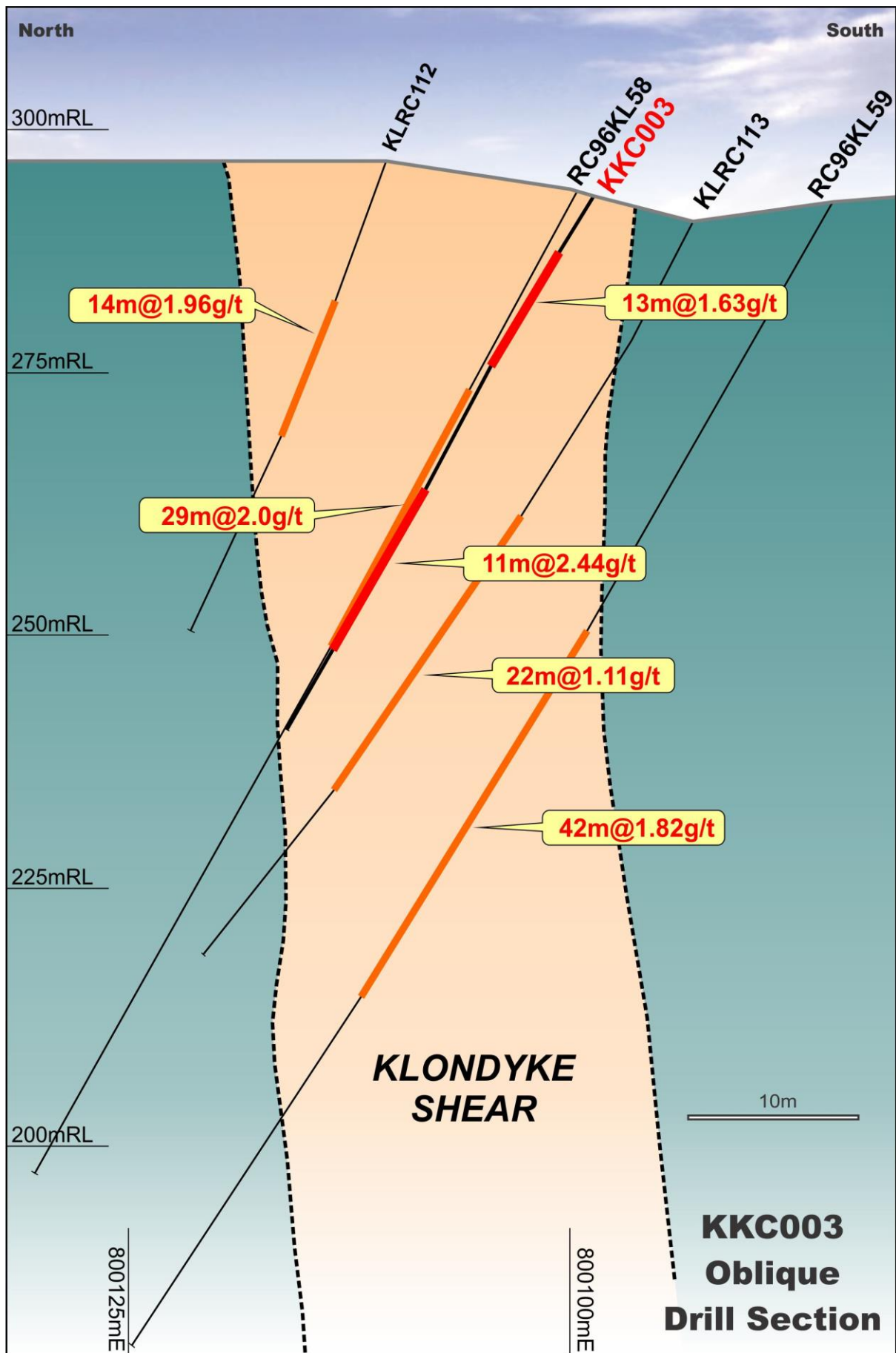


Figure 2: KKC003 Cross Section

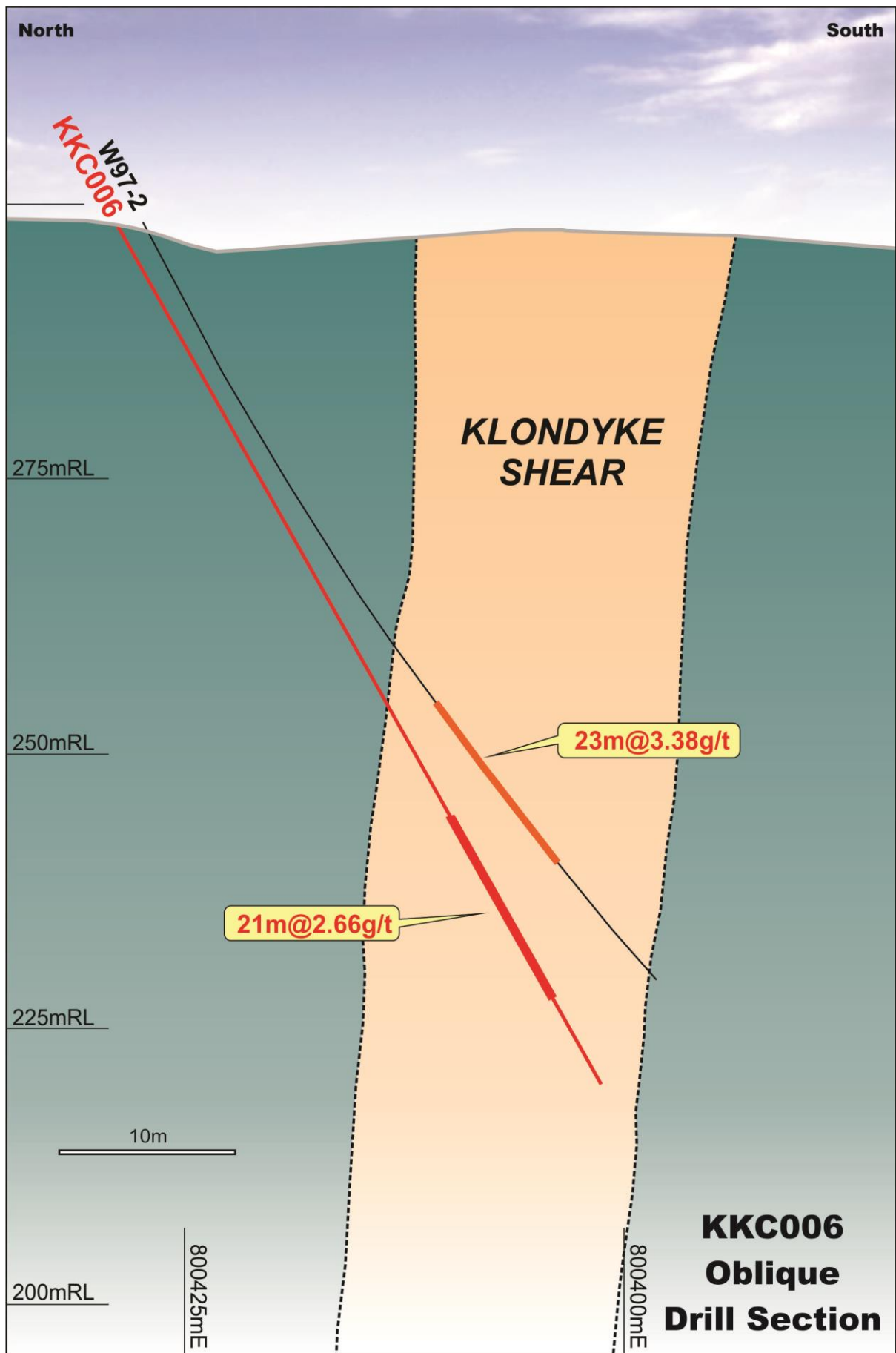


Figure 3: KKC006 Cross Section

Sampling, sample preparation and analysis followed industry best practice, incorporating a comprehensive suite of QA/QC samples – blanks, analytical standards and field duplicates. Analytical samples were collected from a cone splitter connected to the drill rig's cyclone, with the remaining sample collected in green plastic bags and preserved for future reference.

Samples were transported from Port Hedland to Perth using a commercial contractor, and delivered to Nagrom for analysis. After sorting and logging, samples were dried, crushed, split (if in excess of 2kg) and pulverised. A 50g sub-sample was collected and analysed for gold by fire assay with an ICPOES finish. Drill intercepts are listed below in Table 2; intercepts have a minimum grade of 1g/t, minimum width of 2m, maximum internal dilution (<0.1g/t) of 2m.

Table 2: Drill hole intercepts

HoleID	From	To	Width (m)	Au (g/t)
KKC001	33	51	18	6.3
incl.	34	40	6	9.3
and	45	48	3	16.0
KKC002	49	58	9	6.9
incl.	49	55	6	9.5
KKC002	69	72	3	1.1
KKC003	0	60	60	1.0
incl.	6	8	2	5.8
	15	19	4	1.9
	35	51	16	2.0
KKC004	0	44	36	1.1
incl.	14	27	13	2.3
KKC005	0	38	38	1.5
incl.	0	28	28	2.0
KKC006	50	87	37	1.6
incl.	62	83	21	2.7
KKC007	0	38	38	1.9
incl.	2	25	23	2.7
KKC007	29	39	10	1.1
KKC008	0	90	90	1.3
incl.	11	17	6	3.3
incl.	24	30	6	4.5
incl.	57	64	7	1.9
incl.	69	74	5	3.4
incl.	86	EOH	4	5.50

As coarse gold is present at Klondyke, selected samples are currently being analysed by screen fire assay, a technique designed to provide more accurate results than standard fire assay. The screen fire assay procedure involves sieving part or all of the milled sample through a screen cloth, firing the oversize fraction (including the cloth) and conducting duplicate fire assays on the undersize fraction. A weighted average of the oversize and undersize fraction assays is calculated and reported alongside the individual fraction results.

This announcement contains inside information for the purposes of Article 7 of Regulation (EU) 596/2014.

****ENDS****

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Notes

Keras Resources plc is an Australian gold development company. Keras has a portfolio of owner-operated gold interests and 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 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.

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.