

21 March 2017

**Keras Resources plc (“Keras” or “the Company”)
Listing of Australian Gold Assets on the Australian Securities Exchange (“ASX”)**

Keras Resources plc is pleased to announce its plans for the proposed listing of the Company's Australian gold assets on the ASX. Keras has today entered into a binding agreement whereby Pharmanet Group Limited (“Pharmanet”) (ASX: PNO), an ASX listed company, will acquire 100% of the Company's wholly owned subsidiary Keras (Gold) Australia Pty Ltd (“Keras Australia”) (the “Transaction”). Following the completion of the Transaction, Pharmanet intends to change its name to Calidus Resources Limited (“Calidus”). The agreement is subject to the satisfaction or waiver of certain conditions precedent as set out below.

The ASX is a recognised global mining securities exchange and the Company's directors have long held the view that it is the natural home for Keras' Australian gold assets. The Transaction will place Keras' Australian gold assets in a standalone entity, which management believe will have the potential to become one of the few independent near term gold development companies on the ASX.

Transaction Overview

- Keras and Pharmanet have today entered into a binding agreement whereby Pharmanet will acquire 100% of Keras Australia;
- Consideration for the Transaction will be satisfied via the issue of ordinary shares in Pharmanet, subject to the achievement of certain agreed milestones, details of which are summarised below;
- Pharmanet is an ASX listed company that has recently been reorganised, and it is anticipated to relist as Calidus Resources Limited in Q2 2017 subject to completion of the Transaction and re-compliance with Chapters 1 and 2 of the ASX Listing Rules;
- In conjunction with the Transaction, Pharmanet will complete a capital raising, by way of prospectus, targeting a raising of A\$8 million (£4.9million) (the “ASX Capital Raising”). Pharmanet will also raise A\$0.6 million from sophisticated investors prior to completion of the Transaction to fund an initial work programme and working capital;
- The funds raised via the ASX Capital Raising will be used to undertake a major drilling and exploration programme at the Warrawoona Gold Project, to undertake initial Scoping Studies and to repay the Company's Acquisition Finance Facility as summarised in the Company's announcement of 12 September 2016;
- On completion of the Transaction, Keras board members Dave Reeves and Peter Hepburn-Brown will be appointed to the Board of Pharmanet as Managing Director and non-executive director respectively;
- On listing, Mr Keith Coughlan has agreed to join the board of Pharmanet as a non-executive Chairman. Mr Coughlan is currently Managing Director of European Metals Holdings Limited (ASX and AIM);
- Mr Adam Miethke will remain a non-executive Director of Pharmanet. Mr Miethke is a qualified geologist with extensive industry and corporate experience. He has worked for mining

companies, investment funds and most recently as head of Metals and Mining for an Investment Bank;

- The Transaction is the realisation of the Board's intention to provide a standalone ASX listed gold company, with a dedicated board and management team to unlock value for shareholders from the Company's gold assets; and
- Keras will retain an 85% interest in the Company's Nayega Manganese Project in Togo (the "Nayega Project"), which the Board is confident can deliver significant value in the near-term.

The Transaction constitutes a fundamental change of business pursuant to AIM Rule 15 and, as such, is conditional on shareholder approval at a General Meeting of the Company. A circular containing, inter alia, details of the Transaction and a Notice of General Meeting will be sent to shareholders in due course, and a further announcement will be made at that time.

Keras Managing Director Dave Reeves said, "The Transaction outlined today represents the delivery of the Company's long term objective of providing a rationalised structure for Keras. The proposed outcome is a standalone ASX listed company housing the Company's gold assets, for which there has been significant interest both in Australia and internationally.

"The board decided on this Transaction structure as opposed to the IPO of Keras Australia on the ASX as it should provide our shareholders significant upside through the achievement of key milestones relating to the development of our Australian gold assets. Furthermore, I believe the Transaction represents fair value for Keras shareholders."

Further Information relating to the Transaction

The key terms of the Transaction are as follows:

- Pharmanet will acquire 100% of the issued share capital of Keras Australia in consideration for Pharmanet issuing to Keras 225,000,000 fully paid ordinary shares in Pharmanet. At this stage and assuming A\$8m is raised via the ASX Capital Raise, Keras will initially hold approximately 31% of Pharmanet;
- A further 525,000,000 Pharmanet shares will to be issued to Keras following the achievement of certain milestones (the "Performance Shares"), namely:
 - 250,000,000 Performance Shares will be issued to Keras upon the announcement of a JORC compliant Indicated or Measured Resource of at least 500,000oz of Gold at the Klondyke Gold Project ("Klondyke") within 18 months of the completion of the Transaction; and
 - A further 275,000,000 Performance Shares will be issued to Keras upon the announcement of a positive pre-feasibility study, which demonstrates Klondyke is commercially viable within 36 months of the completion of the Transaction. At this stage and assuming A\$8m is raised via the ASX Capital Raise, Keras will hold approximately 60% of Pharmanet prior to the exercise of any listing options.
- Were Pharmanet to enter into a transaction whereby it is acquired or it agrees to sell the Australian gold assets for at least A\$50 million on a fully diluted basis, at a time when the Performance Shares had not yet vested, all of the Performance shares would immediately vest.

- As a condition precedent to the Transaction, Pharmanet must complete the ASX Capital Raising by way of prospectus at AU\$0.02 per share. Further details of the capital raise will be announced by both Keras and Pharmanet as appropriate.
- Other conditions precedent to the Transaction include, but are not limited to:
 - Pharmanet and Keras obtaining all necessary shareholder, third party and regulatory approvals necessary to complete the Transaction;
 - Pharmanet obtaining conditional approval by ASX to reinstate Pharmanet's securities to trading on ASX; and
 - Pharmanet undertaking a consolidation of its share capital on a ratio of 300:1.
- Transaction completion and re-listing of Pharmanet on the ASX is targeted for Q2 2017.
- Full details of the Transaction will be made available to shareholders via a Circular and Notice of General Meeting that will be sent to shareholders shortly.

Extension of Acquisition Finance Facility

The Company also announces that it has entered into an agreement with the consortium of investors arranged by Riverfort Global Capital Ltd (the 'Investors') to extend the maturity date of its 6 month Acquisition Finance Facility Agreement, as detailed in the Company's announcements of 12 September 2016 and 5 October 2016, by two months until 3 June 2017, in order to allow time for the Transaction and the ASX Capital Raising to complete.

Under the terms of this agreement, Keras will repay the Investors a total of US\$2.2m (£1.77m) from the ASX Capital Raising and any additional interest up to a maximum of US\$240,000 (£194,000) via the issue of Keras shares.

Further Information relating to Keras

Following completion of the Transaction, the Australian gold assets will be owned by Pharmanet. Assuming full subscription of the ASX Capital Raising, Keras will hold an equity interest in Pharmanet initially amounting to approximately 31%, increasing to approximately 60% if the milestones relating to the Performance Shares are met and no further capital raisings undertaken or options exercised.

Keras is currently awaiting the award of a mining permit for the Nayega Project. Once this permit is received, the Company intends to develop the manganese asset into a low-cost, export mining operation. Further announcements regarding the Nayega Project will be made as appropriate.

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

****ENDS****

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