

1 February 2016

Keras Resources plc ('Keras' or 'the Company')
Secures £563,889 Loan Note to Commence Gold Production in Australia, Q2 2016

Keras Resources plc, the AIM quoted resource development company, is pleased to announce that it has raised £563,889 before expenses by way of the issue of an unsecured loan note ('the Note') which will provide the working capital required to commence production in Q2 2016 at the Grants Patch Gold Tribute Project ('the Project'), located 30km north of Kalgoorlie in the prospective Western Australian goldfields.

Under the terms of the loan note, which includes an 8% redemption premium, a 10% coupon is payable upfront. Additionally, the Company will issue 1GBP worth of warrants to subscribe for new ordinary shares of 0.1p each in the Company ('Ordinary Shares') for every £1 nominal of the Note. The warrants are exercisable at 0.5p and are valid for two years from the date of issue.

Dave Reeves, Managing Director of Keras, and Peter Hepburn-Brown, Non-Executive Director, are subscribing for £194,444.50 and £50,000 nominal value Notes respectively. As a result of their subscription they will receive 38,888,900 and 10,000,000 warrants to subscribe at 0.5p per share as referred to above and their aggregate interests in the Company will increase as a result to:

	Ordinary Shares	% of issued share capital	Warrants to subscribe for Ordinary Shares
Dave Reeves	126,355,653	10.6	38,888,900
Peter Hepburn-Brown	25,833,400	2.2	10,000,000

The issue of the Notes to Dave Reeves and Peter Hepburn-Brown is considered to be a related party transaction under the AIM Rules for Companies. The Directors of Keras, other than Dave Reeves and Peter Hepburn-Brown, having consulted with the Company's nominated adviser Northland Capital Partners, consider that the terms of the Notes and their issue to members of the Board of Directors is fair and reasonable insofar as shareholders are concerned.

Dave Reeves said, "I am delighted to announce the finalisation of this loan note as these funds should enable Keras to be in a cashflow positive position next quarter. We specifically wanted to keep away from issuing equity so close to production to minimise dilution to existing shareholders and the Board have once again demonstrated their commitment to the Company and belief in its prospects by participating.

"Since acquiring the Project in November 2015, we have already hit the ground running. Initial fieldwork is already underway, and importantly this funding will help us target the first two shallow laterite pits, where no pre strip is required therefore keeping pre-production costs low, and develop

them for processing to provide the first four to five months of production. We are initially targeting production of 20,000 to 30,000 ounces of gold per annum at AISC C3 costs (including royalty) of c.AUD 1,200/oz, which when looking at the current gold price in Australian dollars of c.AUD1,600/oz, leaves an attractive margin proposition per ounce. We look forward to reporting on our developments over the next few months as we advance Keras towards becoming a production company.”

****ENDS****

For further information visit www.kerasplc.com, follow us on Twitter @kerasplc or contact the following:

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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 cashflow towards the development the Nayega Manganese Project within nine months of securing the mining permit for the Project.

At Nayega, Keras has concluded a Bankable Feasibility Study and expects award of the mining permit in 2015. The Bankable Feasibility Study indicates that Nayega could produce 250,000 tonnes per year of manganese concentrate at 38%. The Company is focussed on bringing the mine into production on grant of the mining permit as soon as possible to generate cashflows 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 thus aligned with shareholders' interests.