25 May 2018

Keras Resources plc
("Keras" or the "Company")
Interim Results

Keras Resources plc, the AIM listed mineral resource company, is pleased to announce its interim results for the six months ended 31 March 2018.

Highlights

- Building a strategic portfolio of value accretive and cash generative resource assets
- Focused on developing manganese assets in Togo into a producing mine – opportunity to develop a low-capex, 250,000tpa open pit, 38% manganese product operation
- Clear value upside from significant interest in ASX Listed Calidus Resources Limited which has a highly prospective gold exploration portfolio in Australia
    - The Company's £15.85m carrying value for its interest in Calidus equates to a share price of approximately 0.7GBp, compared to the Company's market capitalisation of £7.01m as at 24 May 2018, which represents an upside potential of approximately 126%.
- Loss from Continuing Operations has reduced from £706,000 (GBp0.106 per share) to 177,000 (GBp0.008p per share) for the previous period highlighting the significant reduction in corporate overheads and management costs
- Streamlined corporate structure, underpinned by the significant asset value attributable to Keras' interest in Calidus, provides Keras with a platform to grow the Company by identifying and investing in near term cash generative projects while releasing the inherent value in Keras' current Togo assets

Chairman's Statement

Our energies during the period and subsequently have centred on rationalising our corporate structure and overheads in order to streamline and position the Company to focus on building a portfolio of complementary exploration and development interests through which to deliver meaningful and tangible value to shareholders.

The key development of 2017 was the successful flotation of the Company's Australian gold interests on the Australian Stock Exchange ('ASX') under the name of Calidus Resources Limited ('Calidus') in June 2017, and our interest in Calidus remains a significant value driver. However, following its IPO on the ASX, our attentions have increasingly turned to developing the other areas of the business – namely our interests in Togo, on which I will elaborate on in further detail below.

Our interest in Calidus remains a core pillar of our investment proposition and currently underpins our market capitalisation. Under the rules of the ASX the Company's shares in Calidus are held in escrow for a two year period which will end on 23 June 2019, and the intention of the Directors is to distribute those shares to Keras shareholders at that time, subject to any Calidus shares which may be realised to provide working capital. The milestone for the conversion of the first tranche of performance shares to ordinary shares, the announcement of a JORC compliant Indicated or Measured Resource of at least 500,000oz of gold, was achieved in December 2017 as announced by RNS on 18 December 2017. Statements by Calidus indicate that the milestone for conversion of the balance of the performance shares, the announcement of a positive pre-feasibility study, which seeks to demonstrate that the project is commercially viable, is likely to be achieved by the end of the escrow period.

It is important to recognise that the Calidus shares have consistently traded at between A$0.040 and A$0.048 per share in the past three months. At that level the value of Keras' holding in Calidus remains approximately double the Keras market cap, despite the fact that Keras is now debt free.

As described above, having capitalised our gold interests, we are concentrating on the Nayega Manganese Project ('Nayega") in Togo, West Africa, where we hold an 85% interest in Société Générale des Mines SARL (SGM) which holds the exploration permits for Nayega. We believe Nayega offers significant upside, particularly given the positive price performance of manganese over the past 18 months. Whilst we await the award of the Exploitation Licence from the Togolese Ministry of Mines, we have started to update the 2015 internal feasibility study with specific emphasis on reducing the capital intensity of the project by investigating alternative ore sorting technology suited to the Nayega ore. We continue to maintain an open dialogue with potential industry partners with the view to secure development and working capital funding through a combination of offtake and stockpile financing to assist in the development of Nayega.

Board and adviser changes

Since the end of the period, Russell Lamming has been appointed Chief Executive Officer and tasked with moving Nayega forward, as well as seeking other projects for the Company. Dave Reeves, who is the MD of Calidus, has become a non-executive director of Keras. He and I have reduced our director's fees to half the agreed level, £12,000 and £15,000 per annum respectively, to preserve cash pending increased levels of activity.

Since the end of the period we have appointed SP Angel as our Nominated Adviser and joint broker. I would like to thank our previous Nominated Adviser and joint brokers, Northland Capital Partners and Shard Capital Partners respectively, for their efforts on our behalf.

New Corporate Website and Presentation

The Company also announces that a new corporate website is now live and a new corporate presentation. Both of which will be available to view using the following link: www.katasplc.com

Outlook

With the end of the escrow period for the Calidus shares only some 12 months away, we have commenced planning for the most efficient way to distribute the Calidus shares as well as proposals as to how shareholders can efficiently hold and deal with ASX shares. Information on such proposals will be provided in due course, and the transaction is likely to be subject to shareholder approval.

Developing our manganese assets in Togo into a producing mine has now become an operational priority. In addition, the Company is focussing on identifying new projects to add to our portfolio with a focus on near term, cash generative opportunities and we look forward to presenting shareholders with updates on these developments in due course.

Brian Moritz
Chairman
25 May 2018

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE SIX MONTHS ENDED 31 MARCH 2018

		31-Mar-18 (unaudited) £'000	31-Mar-17 (unaudited) £'000	30-Sep-17 (audited) £'000
Continuing operations				
Revenue		-	-	-
Cost of sales		-	-	-
Gross profit		-	-	-
Administrative and exploration expenses		(177)	(456)	(938)
Loss from operating activities		(177)	(456)	(938)
Finance income		-	-	-
Finance costs		-	(250)	(309)
Net finance costs		-	(250)	(309)
Impairment of assets		-	-	-
Loss before taxation		(177)	(706)	(1,247)
Taxation		-	-	-
Loss from continuing operations		(177)	(706)	(1,247)
Discontinued operations				
(Loss)/profit from discontinued operations, net of tax	**7**	-	(440)	5,142
(Loss)/profit		(177)	(1,146)	3,895
Other comprehensive income – items that may be subsequently reclassified to profit or loss				
Exchange translation on foreign operations		(5)	(162)	(160)
Change in fair value of available for sale financial assets		(4,534)	-	13,915
Other comprehensive (loss)/income for the period, net of tax		(4,539)	(162)	13,755
Total comprehensive (loss)/income for the period		(4,716)	(1,308)	17,650
(Loss)/profit attributable to:				
Owners of the Company		(174)	(2,055)	3,300
Non-controlling interests		(3)	909	595

(Loss)/profit for the period	(177)	(1,146)	3,895
Total comprehensive income/(loss) attributable to:			
Owners of the Company	(4,712)	(2,196)	17,055
Non-controlling interests	(4)	888	595
Total comprehensive loss for the period	(4,716)	(1,308)	17,650
Earnings per share - continuing and discontinued operations			
Basic and diluted (loss)/earnings per share (pence)	(0.008)	(0.135)	0.183
From continuing operations			
Basic and diluted loss per share (pence)	(0.008)	(0.106)	(0.103)
From discontinued operations			
Basic and diluted earnings/(loss) per share (pence)	0.00	(0.029)	0.286

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2018

	Notes	31-Mar-18 (unaudited) £'000	31-Mar-17 (unaudited) £'000	30-Sep-17 (audited) £'000
Assets				
Non-current assets				
Intangible assets	**8**	1,168	3,491	1,164
Property, plant and equipment	**9**	5	41	6
Trade and other receivables	**10**	-	29	-
Other investments	**11**	15,846	-	20,379
		17,019	3,561	21,549
Current assets				
Trade and other receivables	**10**	15	26	31
Cash and cash equivalents		122	143	60
		137	169	91
Total assets		17,156	3,730	21,640
Equity				
Equity attributable to owners of the Company				
Share capital	**12**	7,037	6,494	6,970
Share premium	**12**	10,283	8,849	10,107
Other reserves		8,959	(31)	13,779
Retained deficit		(9,338)	(14,591)	(9,446)

		16,941	721	21,410
Non-controlling interests		(121)	(142)	(117)
Total equity		16,820	579	21,293
Liabilities				
Current liabilities				
Loans and borrowings	**13**	-	2,011	-
Trade and other payables	**14**	336	1,140	347
		336	3,151	347
Total liabilities		336	3,151	347
Total equity and liabilities		17,156	3,730	21,640

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE SIX MONTHS ENDED 31 MARCH 2017

	Total attributable to owners of the Company							
	Share capital £'000	Share premium £'000	Share option/ warrant reserve £'000	Foreign exchange reserve £'000	Retained deficit £'000	Total £'000	Non-controlling interests £'000	Total equity £'000
Balance at 1 October 2016 (audited)	6,123	7,666	66	(405)	(12,387)	1,063	(730)	333
Loss for the period	-	-	-	-	(2,055)	(2,055)	909	(1,146)
Other comprehensive income	-	-	-	(45)	(96)	(141)	(21)	(162)
Total comprehensive loss for the period	-	-	-	(45)	(2,151)	(2,196)	888	(1,308)
Issue of ordinary shares	371	1,219	-	-	-	1,590	-	1,590
Issue costs	-	(36)	-	-	-	(36)	-	(36)
Disposal of subsidiaries with NCI	-	-	-	353	(53)	300	(300)	-
	371	1,183	-	353	(53)	1,854	(300)	1,554
Balance at 31 March 2017 (unaudited)	6,494	8,849	66	(97)	(14,591)	721	(142)	579

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (CONTINUED)
FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2017

	Total attributable to owners of the Company								
	Share capital £'000	Share premium £'000	Share option/ warrant reserve £'000	Exchange reserve £'000	Available for sale reserve £'000	Retained deficit £'000	Total £'000	Non-controlling interests £'000	Total equity £'000

Balance at 1 April 2017 (unaudited)	6,494	8,849	66	(97)	-	(14,591)	721	(142)	579
Profit for the period	-	-	-	359	-	4,996	5,355	(314)	5,041
Other comprehensive income	-	-	-	(115)	13,915	96	13,896	21	13,917
Total comprehensive income for the period	-	-	-	244	13,915	5,092	19,251	(293)	18,958
Issue of ordinary shares	476	1,258	-	-	-	-	1,734	-	1,734
Reverse disposal of subsidiaries with NCI	-	-	-	(353)	-	53	(300)	300	-
Goodwill	-	-	-	4	-	-	4	18	22
	476	1,258	-	(349)	-	53	1,438	318	1,756
Balance at 30 September 2017 (audited)	6,970	10,107	66	(202)	13,915	(9,446)	21,410	(117)	21,293

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (CONTINUED)
FOR THE SIX MONTHS ENDED 31 MARCH 2018

	Total attributable to owners of the Company								
	Share capital £'000	**Share premium £'000**	**Share option/ warrant reserve £'000**	**Exchange reserve £'000**	**Available for sale reserve £'000**	**Retained deficit £'000**	**Total £'000**	**Non-controlling interests £'000**	**Total equity £'000**
Balance at 1 October 2017 (audited)	6,970	10,107	66	(202)	13,915	(9,446)	21,410	(117)	21,293

Loss for the period	-	-	-	(288)	-	114	(174)	(3)	(177)
Total other comprehensive income	-	-	-	(968)	(3,564)	(6)	(4,538)	(1)	(4,539)
Total comprehensive loss for the period	-	-	-	(1,256)	(3,564)	108	(4,712)	(4)	(4,716)
Issue of ordinary shares	67	183	-	-	-	-	250	-	250
Issue costs	-	(7)	-	-	-	-	(7)	-	(7)
	67	176	-	-	-	-	243	-	243
Balance at 31 March 2018 (unaudited)	7,037	10,283	66	(1,458)	10,351	(9,338)	16,941	(121)	16,820

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE SIX MONTHS ENDED 31 MARCH 2018

	31-Mar-18 (unaudited) £'000	31-Mar-17 (unaudited) £'000	30-Sep-17 (audited) £'000
Cash flows from operating activities			
Loss from operating activities	(177)	(456)	(938)
Loss from discontinued operating activities	-	(440)	(504)
Adjustments for:			
Depreciation and amortisation	4	72	4
Impairment	-	-	1,119
Loss on disposal of property, plant and equipment	-	15	-
Foreign exchange differences	(3)	(221)	(490)
Equity-settled share-based payment transactions	-	-	-
	(176)	(1,030)	(809)
Changes in:			
- inventories	-	604	558
- trade and other receivables	16	174	184
- trade and other payables	(11)	(685)	(307)
Cash used in operating activities	(171)	(937)	(374)
Finance income	-	-	-
Finance cost	-	(99)	(21)
Taxes paid	-	(69)	(118)
Net cash used in operating activities	(171)	(1,105)	(513)
Cash flows from investing activities			
Cash disposed of with subsidiary	-	-	(11)
Acquisition of property, plant and equipment	(3)	(2)	(2)
Proceeds from sale of property, plant and equipment	-	-	-
Exploration and licence expenditure	(7)	(847)	(1,511)
Net cash used in investing activities	(10)	(849)	(1,524)
Cash flows from financing activities			
Net proceeds from issue of share capital	243	600	1,130
Proceeds from short term borrowings	-	1,362	833
Net cash flows from financing activities	243	1,962	1,963
Net (decrease)/increase in cash and cash equivalents	62	8	(74)
Cash and cash equivalents at beginning of period	60	134	134
Cash acquired with subsidiary	-	1	-
Effect of foreign exchange rate changes	-	-	-
Cash and cash equivalents at end of period	122	143	60

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED 31 MARCH 2018

1. Reporting entity

Keras Resources plc (the "Company") is a company domiciled in England and Wales. The condensed consolidated interim financial statements of the Company as at and for the six months ended 31 March 2018 comprise the Company and its subsidiaries (together referred to as the "Group") and the

Group's interests in associates and jointly controlled entities. The Group currently operates as an explorer and developer.

2. Basis of preparation

(a) Statement of compliance

This condensed consolidated interim financial report has been prepared in accordance with IAS 34 *Interim Financial Reporting*. Selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in financial performance and position of the Group since the last annual consolidated financial statements as at and for the year ended 30 September 2017. This condensed consolidated interim financial report does not include all the information required for full annual financial statements prepared in accordance with International Financial Reporting Standards.

This condensed consolidated interim financial report was approved by the Board of Directors on 24 May 2018.

(b) Judgements and estimates

Preparing the interim financial report requires Management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

In preparing this condensed consolidated interim financial report, significant judgements made by Management in applying the Group's accounting policies and key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements as at and for the year ended 30 September 2017.

3. Significant accounting policies

The accounting policies applied by the Group in this condensed consolidated interim financial report are the same as those applied by the Group in its consolidated financial statements as at and for the year ended 30 September 2017.

4. Financial instruments

Financial risk management

The Group's financial risk management objectives and policies are consistent with those disclosed in the consolidated financial statements as at and for the year ended 30 September 2017.

5. Segment information

The Group considers that it now operates in one distinct business areas, being that of manganese and cobalt exploration in West Africa. This business areas form the basis of the Group's operating segments. For each segment, the Group's Managing Director (the chief operating decision maker) reviews internal management reports on at least a quarterly basis.

Other operations relate to the group's administrative functions conducted at its head office and by its intermediate holding company together with consolidation adjustments.

Information regarding the results of each reportable segment is included below. Performance is measured based on segment profit before tax, as included in the internal management reports that are reviewed by the Group's Managing Director. Segment results are used to measure performance as Management believes such information is the most relevant in evaluating the performance of certain segments relative to other entities that operate within the exploration industry.

For the six months ended 31 March 2018 (unaudited)

	Discontinued Gold £'000	**Discontinued Iron Ore £'000**	**Manganese £'000**	**Other Segments £'000**	**Total £'000**
External revenue	-	-	-	-	-
Loss before tax	-	-	(22)	(155)	(177)
Segment assets	-	-	851	16,305	17,156

For the six months ended 31 March 2017 (unaudited)

	Discontinued Gold £'000	**Discontinued Iron Ore £'000**	**Manganese £'000**	**Other Segments £'000**	**Total £'000**
External revenue	941	-	-	-	941
Loss before tax	(437)	(3)	(34)	(672)	(1,146)
Segment assets	2,667	-	559	504	3,730

	Discontinued Gold £'000	**Discontinued Iron Ore £'000**	**Manganese £'000**	**Other Segments £'000**	**Total £'000**
External revenue	1,008	-	-	-	1,008

Loss before tax	(472)	(32)	(66)	(1,181)	(1,751)
Segment assets	-	-	853	20,787	21,640

Information about geographical segments:

For the six months ended 31 March 2018 (unaudited)

	Discontinued Australia £'000	Discontinued South Africa £'000	West Africa £'000	Other Segments £'000	Total £'000
External revenue	-	-	-	-	-
Loss before tax	-	-	(22)	(155)	(177)
Segment assets	-	-	851	16,305	17,156

For the six months ended 31 March 2017 (unaudited)

	Discontinued Australia £'000	Discontinued South Africa £'000	West Africa* £'000	Other Segments £'000	Total £'000
External revenue	941	-	-	-	941
Loss before tax	(437)	-	(37)	(672)	(1,146)
Segment assets	2,667	-	559	504	3,730

*Information regarding West Africa includes £3,000 loss and £nil segment assets relating to discontinued activities.

Information about geographical segments (continued):

For the twelve months ended 30 September 2017 (audited)

	Discontinued Australia £'000	Discontinued South Africa £'000	West Africa* £'000	Other Segments £'000	Total £'000
External revenue	1,008	-	-	-	1,008
Loss before tax	(472)	(8)	(80)	(1,191)	(1,751)
Segment assets	-	-	853	20,787	21,640

*Information regarding West Africa includes £14,000 loss before tax and £nil segment assets relating to discontinued activities.

6. Seasonality of operations

The Group is not considered to be subject to seasonal fluctuations.

7. Discontinued operations

On 21 March 2018, an application was made to strike off the Group's dormant subsidiary, Ferrex Manganese Limited.

The comparative consolidated statement of profit or loss has been represented to show the discontinued operations separately from continuing operations. Analysis of the result of discontinued operations is as follows:

Results of discontinued operations

	6 months 31-Mar-18 (unaudited) £'000	6 months 31-Mar-17 (unaudited) £'000	12 months 30-Sep-17 (audited) £'000
Revenue (external)	-	941	1,008
Expenses	-	(1,381)	(1,512)
Results from operating activities	-	(440)	(504)
Income tax	-	-	-
Results from operating activities, net of tax	-	(440)	(504)
Gain on sale of discontinued operation	-	-	5,646

(Loss)/profit from discontinued operations, net of tax	-	(440)	5,142

The discontinued operations did not have a tax impact.

8. Intangible assets

	6 months 31 Mar 18 (unaudited) £'000	6 months 31 Mar 17 (unaudited) £'000	12 months 30 Sep 17 (audited) £'000
Cost			
Balance at beginning of period	1,551	6,686	6,686
Additions	7	1,631	2,122
Disposals	-	(4,705)	(7,293)
Effect of movement in exchange rates	(3)	60	36
Balance at end of period	1,555	3,672	1,551
Impairment losses			
Balance at beginning of period	387	4,645	4,645
Impairment	-	-	389
Amortisation	-	65	-
Disposals	-	(4,532)	(4,643)
Effect of movement in exchange rates	-	3	(4)
Balance at end of period	387	181	387
Carrying amounts			
Balance at end of period	1,168	3,491	1,164
Balance at beginning of period	1,164	2,041	2,041

Intangible assets comprise the fair value of prospecting and exploration rights.

9. Property, plant and equipment

Acquisitions and disposals

During the six months ended 31 March 2018 the Group acquired assets with a cost of £3,000 (six months ended 31 March 2017: £10,000, twelve months ended 30 September 2017: £10,000).

Assets with a carrying amount of £nil were disposed of during the six months ended 31 March 2018 (six months ended 31 March 2017: £15,000; twelve months ended 30 September 2017: £53,000), resulting in a loss on disposal of £nil (six months ended 31 March 2017: £15,000; twelve months ended 30 September 2017: £23,000), which is included in 'administrative expenses' in the condensed consolidated statement of comprehensive income.

10. Trade and other receivables

	31-Mar-18 (unaudited) £'000	31-Mar-17 (unaudited) £'000	30-Sep-17 (audited) £'000
Other receivables	15	41	3
Prepayments	-	14	28
	15	55	31

Trade receivables and other receivables are stated at their nominal values less allowances for non recoverability.

11. Other investments

	31-Mar-18 (unaudited) £'000	31-Mar-17 (unaudited) £'000	30-Sep-17 (audited) £'000
Equity securities – available for sale			
Brought forward	20,379	-	-
Shares acquired on disposal of subsidiary	-	-	6,661
Gain/(deficit) recognised in equity	(4,533)	-	13,718
	15,846	-	20,379

Equity securities represent ordinary and performance shares in Calidus Resources Limited ("Calidus"), a company listed on the Australian Securities Exchange ("ASX"). These shares have been re-measured to fair value through other comprehensive income. Fair value is the mid-market price of Calidus ordinary shares on the ASX, discounted in the case of performance shares to reflect the possibility that the milestones for conversion to ordinary shares will not be achieved. Under ASX rules, these shares are held in escrow until June 2019. Available for sale assets are denominated in Australian dollars.

The deficit of £4,533,000 is made up of a reduction from A$0.054 to A$0.043 in the market value of Calidus shares on the ASX, together with a reduction in the value of the Australian dollar against sterling, partly mitigated by the achievement of the first milestone converting certain performance shares to ordinary shares.

12. Share capital and reserves

Issue of ordinary shares

On 23 October 2017, 66,666,667 ordinary shares were issued for cash at £0.00375 per share.

Dividends

No dividends were declared or paid in the six months ended 31 March 2018 (six months ended 31 March 2017: £nil, twelve months ended 30 September 2017: £nil).

13. Loans and borrowings

	31-Mar-18 (unaudited)	31-Mar-17 (unaudited)	30-Sep-17 (audited)
	£'000	£'000	£'000
Unsecured loan notes - 10%	-	314	-
Non-convertible loan	-	133	-
Acquisition finance facility	-	1,564	-
	-	2,011	-

14. Trade and other payables

	31-Mar-18 (unaudited)	31-Mar-17 (unaudited)	30-Sep-17 (audited)
	£'000	£'000	£'000
Trade payables	-	471	1
Accruals	104	618	138
Other payables	232	51	208
	336	1,140	347

There is no material difference between the fair value of trade and other payables and their book value. Other payables include £148,000 in respect of the Share Appreciation Right Scheme.

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

****ENDS****

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

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Susie Geliher / Charlotte Page		

Notes

Keras Resources plc is focused on building a strategic portfolio of resource assets. The Company provides investors with exposure to a strategic portfolio of development assets, including manganese, cobalt and nickel in Togo, West Africa, and also has a significant interest in a highly prospective gold exploration and development portfolio in Australia.

Keras benefits from a highly skilled management team, which has extensive operational experience in Africa and Australia with proven success in advancing assets up the value curve.