THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. IT CONTAINS THE RESOLUTIONS TO BE VOTED ON AT THE GENERAL MEETING OF THE COMPANY TO BE HELD ON 24 MAY 2017. IF YOU ARE IN ANY DOUBT AS TO WHAT ACTION TO TAKE YOU ARE RECOMMENDED TO CONSULT YOUR STOCKBROKER, SOLICITOR, ACCOUNTANT OR OTHER INDEPENDENT ADVISER AUTHORISED UNDER THE FINANCIAL SERVICES AND MARKETS ACT 2000.

If you have sold or transferred all of your Ordinary Shares in Keras Resources Plc, you should pass this Document, together with the accompanying form of proxy and other documents enclosed herein, to the person through whom the sale or transfer was made for transmission to the purchaser or transferee. If you have sold or transferred only part of your registered holding of Ordinary Shares in the Company, you should retain this Document and the accompanying documents. Such documents should, however, not be forwarded to or transmitted into any jurisdiction outside of the UK. Any failure to comply with such restriction may constitute a violation of the securities laws of any such jurisdiction. If you have sold only part of your holding of Ordinary Shares, please contact your stockbroker, bank or other agent through whom the sale or transfer was effected immediately.

KERAS RESOURCES PLC

(Incorporated and registered in England and Wales under company number 07353748)

DISPOSAL OF 100 per cent. OF THE ISSUED SHARE CAPITAL OF KERAS (GOLD) AUSTRALIA PTY LIMITED

AND

NOTICE OF GENERAL MEETING

Your attention is drawn to the letter from the Chairman of the Company, which is set out on pages 3 to 11 of this Document, which recommends that you vote in favour of the Resolutions to be proposed at the General Meeting, referred to below.

Notice of General Meeting

Notice of the General Meeting which has been convened for 24 May 2017 at Craven House, West Street, Farnham, Surrey, GU9 7EN is set out at pages 16 to 18 of this Document.

The accompanying form of proxy for use in connection with the General Meeting should be completed and returned as soon as possible. To be valid, forms of proxy must be completed and returned in accordance with the instructions printed thereon, so as to be received by the Company as soon as possible and in any event not later than 48 hours (excluding non-business days) before the time of the General Meeting, or any adjournment thereof. Completion and return of a form of proxy will not preclude Shareholders from attending and voting at the General Meeting should they so wish.

This Document does not constitute or form part of any offer or instruction to purchase, subscribe for or sell any shares or other securities in the Company in any jurisdiction in which such offer or instruction would be unlawful nor shall it or any part of it or the fact of its distribution form the basis of, or be relied on in connection with any contract therefor. The distribution of this Document in jurisdictions other than the United Kingdom may be restricted by law and therefore persons into whose possession this document and/or the accompanying form of proxy comes should inform themselves about and observe such restrictions. Any failure to comply with such restrictions may constitute a violation of the securities laws of any such jurisdiction.

IMPORTANT INFORMATION

Forward looking statements

Certain statements in this Document constitute "forward looking statements". Forward looking statements include statements concerning the plans, objectives, goals, strategies and future operations and performance of the Company and the assumptions underlying these forward looking statements. The Company uses the words "anticipates", "estimates", "expects", "believes", "intends", "plans", "may", "will", "should", "could" and any similar expressions to identify forward looking statements. Such forward looking statements involve known and unknown risks, uncertainties and other important factors that could cause the Company's actual results, performances or achievements to be materially different from any future results, performances or achievements expressed or implied by such forward looking statements. Such forward looking statements are based on numerous assumptions regarding present and future business strategies and the environment in which the Company will operate in the future. These forward looking statements speak only as at the date of this Document. The Company expressly disclaims any obligation or undertaking to update or to revise any forward looking statements, whether as a result of new information, future events or otherwise except to the extent required by any applicable law or regulation. All subsequent written or oral forward looking statements attributable to the Company, or persons acting on behalf of the Company, are expressly qualified in their entirety by the cautionary statements contained throughout this Document. As a result of these risks, uncertainties and assumptions, a prospective investor should not place undue reliance on these forward looking statements.

CONTENTS

LETTER FROM THE CHAIRMAN

KERAS RESOURCES PLC ("Keras" or the "Company")

(Incorporated and registered in England and Wales under company number 07353748)

Directors	*Registered Office*
Brian Moritz *(Non-executive Chairman)*	27/28 Eastcastle Street
David (Dave) Reeves *(Managing Director)*	London
Russell Lamming *(Non-executive Director)*	W1W 8DH
Peter Hepburn-Brown *(Non-executive Director)*	United Kingdom

28 April 2017

To Shareholders and, for information only, holders of instruments capable of conversion into Ordinary Shares

Dear Shareholder,

1. Notice of General Meeting

I am pleased to be writing to you with details of our General Meeting which we are holding at Craven House, West Street, Farnham, Surrey, GU9 7EN on 24 May 2017 at 11.00a.m. The formal notice of the GM is set out at pages 16 to 18 of this Document.

As announced on 21 March 2017 the purpose of the GM is to grant the Board the authority to proceed with its plans for the proposed sale of Keras Australia and the subsequent listing of the Australian Gold Assets on ASX as detailed below and, following the fundraising announced on 24 April 2017, to renew the authorisations for the Directors to allot new Ordinary Shares, as explained below.

Shareholders will find enclosed with this document a reply-paid form of proxy for use at the General Meeting. Whether or not you intend to be present at the General Meeting, you are requested to complete and sign the form of proxy and return it to the Company's Registrars, Share Registrars Limited, The Courtyard, 17 West Street, Farnham, Surrey GU9 7DR as soon as possible and, in any event, so as to arrive not later than 48 hours (excluding non-business days) before the time of the General Meeting, or any adjournment thereof. Unless the form of proxy is received by this date and time, it will be invalid. The completion and return of a form of proxy will not preclude you from attending the General Meeting and voting in person if you so wish.

Explanatory notes on the business to be considered at the GM can be found below.

2. Introduction

On 21 March 2017, the Company announced that it had entered into a conditional binding agreement pursuant to which Pharmanet Group Limited, an ASX listed company, had agreed to acquire 100 per cent. of the issued share capital of the Company's wholly owned subsidiary Keras (Gold) Australia Pty Ltd. At Completion, Pharmanet will change its name to Calidus Resources Limited ("Calidus").

The ASX is a recognised global mining securities exchange and the Board holds the view that it is the natural home for the Australian Assets in view of both the geographical location of such assets and the track record of the ASX in funding Australian gold projects. The Transaction will place the Australian Assets in a standalone, ASX listed entity, making it one of the few independent gold exploration companies with near term, gold development potential.

The Transaction is classified as a fundamental change of business pursuant to AIM Rule 15 and, as such, is conditional on Shareholder approval at the General Meeting. The purpose of this Circular is to provide you with, among other things: (i) details of the Transaction; and (ii) notice of a GM to be convened to consider and, if thought fit, approve the Transaction.

Further information regarding Keras Australia, the Australian Gold Assets and recent events that are relevant to Keras Australia can be found in the section titled 'Assets subject to the Transaction' and the Appendix below.

In addition, Pharmanet has posted a notice of general meeting to its shareholders. This is now available to view on the Company's website at: http://www.kerasplc.com/documents.aspx . It will also be available to view on the ASX website from 1 May 2017: http://www.asx.com.au/asx/statistics/announcements.do?by=issuerId&issuerId=4032&timeframe=D&period=W. The Pharmanet General Meeting will take place on 30 May 2017 in Australia.

For the avoidance of any doubt, assuming Shareholders approve the Transaction at the General Meeting, Keras will continue to be classified as an operating mining company and not a cash shell pursuant to AIM Rule 15.

The Company will need to repay circa US$2.4 million in relation to the Acquisition Finance Agreement on 3 July 2017 (see more information on page 6 below). Of this amount, US$2.2 million is intended to be repaid from the proceeds of the ASX Capital Raising which is to be executed by Pharmanet. Should this liability under the Acquisition Finance Agreement remain outstanding the liability will be assumed by the Company as it will constitute an event of default under the terms of the Acquisition Finance Agreement. As such the lender will be able to enforce security over the Company's Australian Gold Assets or convert their debt into Ordinary Shares. The Board believes that either of these possible outcomes is not in the best interests of Shareholders, and that, if the Transaction is not approved by Shareholders, there is a risk that the Company's financial position could be substantially weakened.

Further details of the Acquisition Finance Facility are set out in paragraph 5 of this Document. In addition, Company specific risk factors relating to the Transaction are summarised in paragraph 10 of this Document.

3. The Sale and Purchase Agreement

The Company has entered into the Sale and Purchase Agreement, pursuant to which the Company will sell, and Pharmanet will purchase, the Company's 100 per cent. interest in Keras Australia conditional on the fulfilment of the conditions set out in the Sale and Purchase Agreement and summarised below.

Parties

(i) Keras;

(ii) Keras Australia; and

(iii) Pharmanet.

Consideration

The Consideration for the Transaction was determined after arm's length negotiations between the Company and Pharmanet. The Consideration for the Transaction shall be comprised of:

(i) 225,000,000 Vendor Shares (representing approximately 31 per cent. of Pharmanet's then issued share capital) to be issued to Keras upon Completion; and

(ii) 525,000,000 Performance Shares on Completion, to be converted to fully paid ordinary shares in Pharmanet following the achievement of certain milestones, namely:

   a. 250,000,000 Performance Shares will be converted into the same number of ordinary shares in Pharmanet upon the announcement of a JORC compliant Indicated or Measured Resource of at least 500,000oz of gold at the Klondyke Project within 18 months of Completion; and

   b. 275,000,000 Performance Shares will be converted into the same number of ordinary shares in Pharmanet upon the announcement of a positive pre-feasibility study, which demonstrates the Klondyke Project is commercially viable within 36 months of Completion.

In accordance with the ASX Listing Rules, the Consideration will be subject to escrow arrangements for 12 months following Completion. Keras will not be permitted to sell or otherwise deal with such shares until the expiration of this escrow period.

Keras's Australian advisers in respect of the Transaction, Discovery Capital Partners Limited, will be entitled to receive 3.5 per cent. of all Pharmanet shares issued to Keras as Consideration.

Were Calidus to enter into a transaction whereby it is acquired or it agrees to sell Keras Australia's 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 be converted.

Capital Raising

In conjunction with the Transaction, Pharmanet will complete a capital raising, by way of prospectus, targeting a raising of up to A$8 million (approximately £4.62 million translated at the Exchange Rate). The ASX Capital Raising will include an offer of:

(i) Pharmanet shares at an issue price of A$0.02 per share (the "Capital Raising Shares") to raise up to A$7,000,000; and

(ii) Options over Pharmanet shares at an issue price of A$0.01 exercisable at A$0.025, with an expiry date that is 2 years after the issue date, to raise up to A$875,000 (the "Capital Raising Options").

The net proceeds of the ASX Capital Raising will be used to support the advancement of the Australian Assets, including a major drilling and exploration programme, and scoping studies at the Warrawoona Gold Project. In addition, these funds will also repay the Acquisition Finance Facility, significantly strengthening the Company's balance sheet. It is anticipated that of the US$2.4m that is currently outstanding under the Acquisition Finance Facility, US$2.2m will be repaid by Calidus on Completion, with the balance being repaid by the Company.

In addition, on 18 April 2017, Keras announced that Pharmanet had raised A$0.62 million (before expenses) from sophisticated investors in Australia (the "Interim Capital raising"), the proceeds of which will support the Transaction. The Interim Capital Raising was oversubscribed thus demonstrating the positive sentiment that Australian investors have so far shown towards the Transaction.

Outstanding Conditions

In addition to the Shareholders approving the Transaction at the GM and the completion of the ASX Capital Raising, completion of the Transaction is currently subject to the satisfaction or waiver of certain other conditions (the "Conditions Precedent"), specifically:

(i) **ASX Reinstatement:** conditional approval from ASX to reinstate Pharmanet's shares to trading on ASX following the Transaction;

(ii) **Approval of Pharmanet's Shareholders:** Pharmanet obtaining all necessary shareholder approvals required by the Corporations Act and the ASX Listing Rules in relation to the Transaction. As such, Pharmanet has posted notice of the Pharmanet GM to its shareholders. The Pharmanet General Meeting will take place on 30 May 2017 in Australia, at which Pharmanet will be seeking:

   a. ASX Listing Rules approval and, if required, approval for the purposes of the Corporations Act, for the issue of:

      i. the Consideration to the Company;

      ii. the Capital Raising Shares and the Capital Raising Options pursuant to the ASX Capital Raising.

   b. approval under the Corporations Act for the Company's voting power in Pharmanet increasing over 20 per cent. as a result of the Transaction, including the commissioning of an independent expert's report;

   c. approval for the change of the Pharmanet's name to Calidus Resources Limited.

(iii) **ASX Waiver and Approval:** Pharmanet obtaining a waiver from ASX in respect of specific ASX Listing Rules to undertake the ASX Capital Raising at an issue price of A$0.02 per share (including a waiver in respect of any options) and approval from ASX that the terms of the Performance Shares satisfy the ASX Listing Rules. At the date of this Circular, this Condition Precedent had been satisfied;

(iv) **Board Changes:** the current board of Pharmanet (other than Adam Miethke) resigning and the appointment of Keras nominated directors to the board of Pharmanet as summarised below; and

(v) **Other Approvals:** Keras and Pharmanet obtaining any other necessary shareholder and regulatory approvals pursuant to the ASX Listing Rules, the AIM Rules, Corporations Act or any other applicable law or regulations or third party consents to lawfully complete the Transaction.

4. Assets Subject to the Transaction

The Company has conditionally agreed to sell to Pharmanet the entire issued share capital of Keras Australia, on the terms and subject to the conditions summarised above.

Following the Board's strategic review in 2015, which resulted in the Company focusing its efforts on near term production gold mining opportunities in Australia, Keras Australia was acquired as a wholly owned subsidiary of the Company, to own and control the Company's Australian gold assets. Keras Australia was previously named Chaffers Mining Limited, and had been incorporated in 2011.

Keras Australia currently controls the Australian Gold Assets, details of which are contained in the Appendix.

5. Financial Information

The Company's annual results for the year ended 30 September 2016 showed that the Australian gold mining operations had generated revenue of £1.94 million and a loss before tax of £0.8 million.

Following 30 September 2016 the Company announced the acquisition of Klondyke and in December 2016 the Company announced that it was terminating its tribute mining agreement with KalNorth Gold Mines Limited in order to focus on the development of Klondyke.

The carrying value of Keras Australia in the consolidated accounts of the Company is £1.582 million. This includes inter-company loans which will be cancelled on Completion, but excludes the Acquisition Finance Facility so far as it will be settled by Pharmanet.

At 31 December 2016, the Australian Gold Assets had a carrying value of A$2.8 million (approximately £1.62 million translated at the Exchange Rate) in the books of Keras Australia.

Acquisition Finance Facility

On 12 September 2016 Keras announced that it entered into a US$2 million Acquisition Finance Facility agreement at an interest rate of 10 per cent. per semi-annum with a consortium of investors arranged by Riverfort Global Capital Ltd (the "Investors"). The Acquisition Finance Agreement was entered into to secure the acquisition of Klondyke Prospect and under the terms of the agreement certain security interests were granted to the Investors over the assets of Keras Australia and its wholly owned subsidiary, Keras Pilbara. The Acquisition Finance Facility provides that at Completion, Keras must procure the discharge of the security interests granted to the Investors over Keras Australia's assets (if not discharged prior to Completion).

On 21 March 2017 Keras announced that it had entered into an agreement with the Investors to extend the maturity date of the Acquisition Finance Facility by two months until 3 June 2017 (the "Deferral Agreement"). On 28 April 2017 Keras announced that the Deferral Agreement had been subsequently amended to extend the maturity date by a further month until 1 July 2017 to allow time for the Transaction to complete.

The Deferral Agreement provides that on 17 June 2017, Keras must repay the principal amount of the Acquisition Finance Facility, pay a deferral fee of 7.5 per cent. of the principal amount and approximately US$25,000 of accrued interest to the Investors, as well as pay a US$25,000 fee to the Investors. Keras' payment obligations under the Deferral Agreement total approximately US$2.4 million.

If the final payment is not made by 17 June 2017, the repayment date will be extended to 1 July 2017 without the need for further documentation, provided Keras pays, on 1 July 2017, an additional cash fee of 5 per cent. of the total outstanding amount as at 1 July 2017.

Upon satisfaction of Keras' payment obligations under the Deferral Agreement, all the security interests granted in connection with the Acquisition Finance Facility will be released. Proceeds from the ASX Capital Raising will satisfy US$2.2 million of the payment obligations under the Deferral Agreement, the balance will be settled by the Company.

The Board believes that it is therefore in the best interests of Shareholders to approve the Transaction in order to give the Company the best possible opportunity of satisfying the terms of the Deferral Agreement.

6. The Merits of the Transaction

When evaluating the merits of the Transaction and an appropriate level of consideration, the Board sought to provide a rationalised structure for Keras; with the proposed outcome of a standalone ASX listed company to house the Company's gold mining assets. The Board consider that the Consideration is fair and reasonable and that pursuing the Transaction is in the best interests of the Company and Shareholders as a whole. The Directors believe that this is especially the case when compared with alternative courses of action, such as the dual listing of the Company on the ASX, as the Board believes the Transaction will generate value accretion for Shareholders through the achievement of key milestones relating to the development of the Australian Assets. Indeed, assuming that the milestones which trigger the issuance of the Performance Shares are met, Keras will own 723,750,000 shares in Calidus at an initial price of A$0.02, with a value of A$14.5 million (approximately £8.38 million when translated at the Exchange Rate).

The conversion of the Performance Shares issued to Keras will align the Company's interests with that of the new investors who subscribe for shares pursuant to the ASX Capital Raising. Assuming that AU$8 million is raised, Keras will initially hold 31 per cent. of Calidus following the issue of the Vendor Shares. This holding will increase to circa 60 per cent. following the issue of the Performance Shares.

Furthermore, the Directors believe that the positive sentiment of Australian based investors, as evidenced by the fact that the Interim Capital Raising was oversubscribed, validates the Company's decision to pursue the Transaction.

7. Proposed Board of Directors of Calidus

Following Completion, Keras will be a major shareholder in Calidus with commensurate board representation. This ensures Keras will maintain significant strategic exposure to the Australian Gold Assets.

Keras board members Dave Reeves and Peter Hepburn-Brown will be appointed to the board of Calidus as Managing Director and Non-executive Director respectively. At the same time two of the three existing directors of Pharmanet, being Mr Nicholas Young and Mr Brendan de Kauwe will resign. Mr Adam Miethke, an existing Non-executive Director of Pharmanet, will remain on the board of Calidus.

In addition, Mr Keith Coughlan has agreed to join the board of Calidus as Non-executive Chairman.

Therefore, assuming Pharmanet's shareholders approve the Transaction, the board of Calidus following the completion of the Transaction will consist of:

- Mr David Reeves as Managing Director;
- Mr Peter Hepburn-Brown as Non-executive Director;
- Mr Keith Coughlan as Non-executive Chairman; and
- Mr Adam Miethke as Non-executive Director.

Brief biographical information relating to each proposed director of Calidus is set out below:

a) ***Dave Reeves***

Dave Reeves is a Perth based qualified mining engineer with 30 years of experience in the industry and who is currently the managing director of Keras and non-executive Chairman of European Metals Holdings (ASX and AIM). He has extensive experience in international capital markets through his involvement with various listed London and Australian companies.

Dave will resign his executive position with Keras on completion of the Transaction but will remain with Keras in a non-executive position. Dave intends to play an active role in the development of the Company's other projects in Togo and West Africa.

b) ***Mr Peter Hepburn-Brown***

Peter Hepburn-Brown is a qualified mining engineer with over 35 years' international mining experience. Peter is currently a non-executive director of Keras and Focus Minerals Ltd (ASX). He was most recently managing director of Philippines based Medusa Mining Ltd (ASX).

c) ***Mr Keith Coughlan***

Keith Coughlan has almost 30 years' experience in stockbroking and funds management. He has been largely involved in the funding and promoting of resource companies listed on the ASX, AIM and the Toronto Stock Exchange. He has advised various companies on the identification and acquisition of resource projects and was previously employed by one of Australia's then largest funds. He is currently the managing director of European Metals Holdings (AIM and ASX) and recently retired as chairman of ASX listed Talga Resources Limited.

d) ***Mr Adam Miethke***

Adam 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 Argonaut Securities (an Australian Investment Bank).

8. Information on Pharmanet

Pharmanet is an Australia-based pharmaceuticals and biotechnology company which was incorporated on 29 September 1986 and admitted to the Official List of the ASX on 13 March 1987. Pharmanet was engaged in the research, development, manufacture and distribution of pharmaceutical products and its subsidiaries included Thermalife International Pharmaceuticals Pty Ltd, Peptophen Research and Development Pty Ltd, Pharmasolv Laboratories Pty Ltd, Pharmaceutical Products Group Pty Ltd, Cambridge Scientific Pty Ltd, Veterinary Technologies Pty Ltd and Molecular Pharmacology (USA) Ltd.

Pharmanet's shares were suspended from trading on the ASX on 6 October 2014 at its own request pending a decision on an application by Pharmanet in the Federal Court under section 459G of the Corporations Act, and have remained suspended since that date.

On 5 April 2015, the Pharmanet announced that its board had resolved to appoint Mr Jack James of Palisade Business Consulting Pty Ltd as its voluntary administrator. On 7 March 2017, the voluntary administration came to an end and a deed of company arrangement ("DOCA") was wholly effectuated, with control being handed to the current Directors of Pharmanet. Following effectuation of DOCA Pharmanet had no assets or liabilities.

9. The Effect of the Transaction on Keras

The Board believes that once all the Conditions Precedent have been satisfied, the Transaction will result in the creation of a well-funded, ASX listed company that can be fast-tracked towards development and production. Furthermore, following Completion, the Company will remain classified as an operating mining company and not a cash shell pursuant to Rule 15. In addition to its holding in Calidus, the Company's other mining projects are summarised below.

Togo – Nayega Manganese

Keras holds an 85 per cent. interest in the Nayega manganese project in northern Togo ("Nayega"), which consists of five exploration permits covering 92,390 hectares. Nayega is 30km from a main road which has direct access to the regionally important deep-water port of Lome 600km away and has approximately 500,000t per annum back loading capabilities.

Based on work conducted to date, the Board is confident that Nayega can provide cash-flow for Keras through the rapid development of a low-capex, open pit, 250,000tpa manganese 38 per cent. Manganese product operation.

The Company is currently awaiting the award of a mining permit for Nayega and, following meetings between Keras representatives and the Togolese mining authorities in March 2017, the Board is confident that the mining permit will be granted in the coming months. Once this permit is received, the Company intends to develop the manganese asset into a low-cost, export mining operation.

A significant amount of work relating to a Definitive Feasibility Study for Nayega has already been completed and the Company is currently updating this study in order to expedite the relevant work streams upon receipt of the mining permit.

West Africa – Cobalt

On 30 March 2017 Keras announced its intention to target exposure to the high growth battery market, with emphasis on the metals used in the production of cathodes. As such, Keras has submitted five exploration licence applications over 1,000 square kilometres of ground in West Africa that cover previously discovered cobalt and nickel mineralisation.

The area of interest is comprised of sericite schist, chlorite sericite schite and quartzite injected by ultramafic rocks. Numerous gossans and gossaniferrous schist outcrop surrounding the mafic and the ultramafic bodies. As a result, the target mineralisations are sulphide Ni/Co orebodies. Once the exploration permits are granted, work will focus on re-processing of existing data, trenching and a limited drill campaign.

Other Projects

The Board is also actively assessing new mining projects, which can be operated in conjunction with Nayega, to generate additional value for the Company's shareholders and will providing updates on these developments as appropriate.

Accounting treatment of the Transaction

Following the issue of the Vendor Shares, the Company's 31 per cent. holding in Calidus will be recognised in the consolidated financial statements of Keras as an associate and accounted for using the equity method of accounting. The ordinary shares will be valued at mid-market closing price on the first day of trading on ASX.

There is limited guidance relating to the valuation of Performance Shares in International Financial Reporting Standards, but they will be considered by the Company in line with IAS 37 ("Provisions, Contingent Liabilities and Contingent Assets") and by reference to principles adopted in Australia, where such shares are not uncommon.

Investments in associates are those over which the Company has significant influence. Significant influence is considered to be participation in the financial and operating policy decisions of the investee and this is usually evidenced when a company owns between 20 per cent. and 50 per cent. of an investee's voting rights.

In the event that the milestones are met by Calidus and the performance shares held by the Company are converted into fully paid ordinary shares in Calidus, the Company is likely to exert control over Calidus. The Company will apply the acquisition method of accounting in undertaking a business combination.

Should the Board decide to distribute the Calidus shares to Keras shareholders, or to sell such shares, or a combination of the two, they will be included with current assets as assets held for realisation.

The precise details of such treatment will be determined on the basis of the percentage of the equity of Calidus held by the Company, and the degree of control exercised by the Company over Calidus at that time, and the Board's intentions in the longer term.

The Company will provide shareholders with further updates regarding the proposed accounting treatment as appropriate following the completion of the Transaction.

10. Risks Associated with the Transaction

The Board has identified the risks relating to the Transaction which are summarised below as material risks, but additional risks and uncertainties not presently known to the Board, or that the Board currently consider immaterial, may also adversely affect the Company. If any or a combination of the following risks materialise, the Company's business, financial condition and/or performance could be materially adversely affected. In any such case the market price of the Ordinary Shares could decline.

The following risk factors should not be considered in any order of priority. The Company's future performance might also be affected by changes in market conditions and legal, regulatory and tax requirements.

Execution risk

The Conditions Precedent requiring to be satisfied by Pharmanet are set out above, and are outside the control of Company and its Shareholders. Should the Conditions Precedent not be satisfied, and, in particular, should Shareholders not vote in favour of the Transaction, it will not be possible to complete the Transaction. In this event responsibility for providing finance for the activities of Keras Australia will fall on the Company, and such finance may not be readily available or maybe available on terms that are unfavourable to the Company.

Financing Risk

There is a risk that the ASX Capital Raising will be unsuccessful and that, as a result, the Company will be unable to satisfy the Deferral Agreement as summarised above. Should the liability of circa US$2.4m remain outstanding at 3 June 2017, the lender, will be able to exercise control over the Company's assets or convert its debt into Ordinary Shares. The Board believes that either of these possible outcomes is against the best interests of Shareholders as, in either event, the Company could be forced to raise additional funds on unfavourable terms.

Milestones and Performance Shares

Assuming that the ASX Capital Raising is successfully executed, there remains a risk that the specific milestones that will trigger the conversion of the Performance Shares, as summarised above, will not be met on a timely basis or not met at all. Should this prove to be the case, Keras will not be able to increase its holding in Calidus as planned and the development programmes that are planned for Calidus following the completion of the Transaction will be delayed, or worse cancelled, resulting in a lack of value accretion for Shareholders.

Additional Risks

Shareholders should also note that the Pharmanet notice of general meeting also contains additional risk factors that could specifically impact Calidus, including industry specific risks associated with mining activities.

11. Fundraising

On 24 April 2017 the Company announced that it had raised £530,000 (before expenses) from new and existing Shareholders through the placing of 151,428,560 Ordinary Shares at a placing price of 0.35p per Ordinary Share and the grant of 75,714,280 warrants to subscribe for the same number of Ordinary Shares (the 'Placing Warrants'). The Placing Warrants are exercisable at price of 0.5p per Placing Warrant, within a 2-year exercise period following the passing of the relevant resolutions at the GM.

12. General Meeting

The GM is being convened for Shareholders to consider and, if thought fit, approve the Transaction. Authority is also being sought at the GM for the issue of Ordinary Shares on the exercise of the Placing Warrants, to enable the Directors to settle certain debts, including directors loans and unpaid fees, in Ordinary Shares rather than in cash and for the renewal of the authority of the Directors to issue new Ordinary Shares generally.

Whether or not you intend to attend the GM, you are requested to complete the form of proxy in accordance with the instructions printed thereon and return the same as per the instruction in the form of proxy as soon as possible and in any event not less than 48 hours before the time appointed for the GM or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person at the GM if you so wish.

The voting on the ordinary resolution to approve the Transaction will be taken by poll and an announcement on the results of the GM will be made by the Company after the GM.

13. Recommendation

The Directors consider that the Transaction and its terms are fair and reasonable and in the best interests of the Company and its Shareholders as a whole. Accordingly, the Directors recommend the Shareholders to vote in favour of the Resolutions at the GM, as they intend to do in respect of their entire beneficial holdings of Ordinary Shares totalling in aggregate Ordinary Shares, which following the admission of the 155,714,274 new Ordinary Shares to trading on AIM on 2 May 2017, will represent approximately 15.3 per cent. of the issued share capital of the Company.

Brian Moritz
Non-Executive Chairman

EXPECTED TIMETABLE OF PRINCIPAL EVENTS – UK

Notice of GM posted to Shareholders	2 May 2017
Latest time and date for receipt of forms of proxy	11 a.m. on 22 May 2017
GM	11 a.m. on 24 May 2017

EXPECTED TIMETABLE OF PRINCIPAL EVENTS – AUSTRALIA

Event	*Indicative Timing*
Despatch of this Notice of Meeting to Shareholders	28 April 2017
Lodgement of Prospectus and Prospectus offers anticipated to open	5 May 2017
Pharmanet Shareholder Meeting	
ASX notified whether Shareholders' approval has been granted for the Resolutions	30 May 2017
Prospectus offers close	1 June 2017
Completion of the Acquisition Agreement	2 June 2017
Issue date	2 June 2017
Reinstatement of Shares on ASX (subject to the Company re-complying with Chapters 1 and 2 of the Listing Rules and subject to ASX agreeing to reinstate the Shares to quotation)	3 June 2017

GLOSSARY

Acquisition Finance Facility	the Company's US$2 million acquisition finance facility with an interest rate of 10 per cent. per semi-annum
AIM	the market of that name operated by the London Stock Exchange
AIM Rules	the AIM Rules for Companies
ASX	Australian Securities Exchange Limited
ASX Capital Raising	the proposed capital raise by Pharmanet of A$8 million (£4.62 million) by way of prospectus
ASX Listing Rules	the rules that govern the admission of companies that are admitted to trading on the ASX
Australian Gold Assets	The gold assets owned by Keras Australia as at the date of this Document, further details of which contained in the Appendix to this Document
Board	the board of directors of the Company
Completion	the completion of the Transaction
Consideration	the Vendor Shares and the Performance Shares
Calidus	Calidus Resources Limited, the new name for Pharmanet following Completion
Corporations Act	Australian Corporations Act 2001
CREST	the computerised settlement system (as defined in the CREST Regulations) operated by Euroclear UK & Ireland Limited which facilitates the transfer of title to shares in uncertificated form
Deferral Agreement	the agreement to extend the maturity date of the Acquisition Finance Facility until 1 July 2017
Document or **Circular**	this document, being a circular to Shareholders and accompanying notice of General Meeting
Exchange Rate	AS$1.73: £1 as at 27 April 2017
General Meeting or **GM**	the general meeting of the Company, convened by the notice set out on pages 16 to 18 of this Document, to be held at 11 a.m. at Craven House, West Street, Farnham, Surrey, GU9 7EN, on 24 May 2017, or any adjournment of that meeting, which is being held to consider the Resolutions
Group	the Company together with its Subsidiaries (as defined in the Companies Act 2006) as at the date of this Document
Keras Australia	Keras (Gold) Australia Pty Ltd
Keras Pilbara	Keras Pilbara Pty Limited the wholly owns subsidiary of Keras Australia
Keras or **the Company**	Keras Resources Plc, a company incorporated and registered in England and Wales under company number 07353748

Klondyke Prospect or **Klondyke**	a current 2012 JORC Code compliant Inferred Resource of 5.6Mt at 2.08g/t Au for 374,000 ounces held through Keras Pilbara's 100 per cent. interest in four mining leases covering 489.7 within the Warrawoona Gold Project
Ordinary Shares	mean ordinary shares in the capital of the Company of 0.1p each
Performance Shares	the 525,000,000 performance shares that Keras will convert into fully paid ordinary shares in Calidus following the achievement of certain milestones
Pharmanet	Pharmanet Group Limited, an ASX listed company with Australian company number 006 640 553
Pharmanet General Meeting or **GM**	the general meeting of Pharmanet, convened by the Pharmanet Notice of GM, to be held at 108 Outram Street, West Perth, Western Australia on 30 May 2017 at 10.00 a.m. (WST), or any adjournment of that meeting, which is being held to consider the resolutions that Pharmanet's shareholders are being asked to vote on in relation to the Transaction
Resolution(s)	the resolutions set out in the notice of General Meeting
Shareholders	holders of the entire issued ordinary share capital in the Company from time to time
Transaction	the proposed acquisition of 100 per cent. of the issued share capital of Keras Australia by Pharmanet
Vendor Shares	the 225,000,000 fully paid ordinary shares in Pharmanet that will be issued to Keras upon completion of the Transaction
Warrawoona Gold Project	The Warrawoona Gold Project situated in the East Pilbara district of the Pilbara Goldfield of Western Australia, approximately 150km south east of Port Hedland and approximately 25km south east of the town of Marble Barwhich includes the Klondyke Prospect

KERAS RESOURCES PLC
27/28 Eastcastle Street, London W1W 8DH

NOTICE OF GENERAL MEETING

Notice is hereby given that a General Meeting of Keras Resources Plc (the "Company") will be held at Craven House, West Street, Farnham, Surrey, GU9 7EN on 24 May 2017 at 11.00 a.m. for the purpose of considering and, if thought fit, passing the following resolutions which will be proposed as ordinary resolution in the case of resolutions 1 and 2 and as a special resolutions in the case of resolution 3.

Unless otherwise noted, defined terms shall have the same meaning as in the circular to Shareholders dated 28 April 2017.

Ordinary Resolutions

1 To approve the Transaction, as defined in the Document, pursuant to AIM Rule 15.

2 That in substitution for all existing and unexercised authorities, the directors of the Company be and they are hereby generally and unconditionally authorised for the purpose of section 551 of the Companies Act 2006 ('the Act') to exercise all or any of the powers of the company to allot equity securities (within the meaning of Section 560 of the Act) up to a maximum nominal value of £1,000,000 provided that this authority shall, unless previously revoked or varied by the company in general meeting, expire on the earlier of the conclusion of the next Annual General Meeting of the Company or 15 months after the passing of this Resolution, unless renewed or extended prior to such time except that the directors of the company may before the expiry of such period make an offer or agreement which would or might require relevant securities to be allotted after the expiry of such period and the directors of the Company may allot relevant securities in pursuance of such offer or agreement as if the authority conferred hereby had not expired.

Special Resolution

3 That in substitution for all existing and unexercised authorities and subject to the passing of the immediately preceding Resolution, the directors of the Company be and they are hereby empowered pursuant to section 570 of the Act to allot equity securities (as defined in section 560 of the Act) pursuant to the authority conferred upon them by the preceding Resolution as if section 561(1) of the Act did not apply to any such allotment provided that the power conferred by the Resolution, unless previously revoked or varied by special resolution of the Company in general meeting, shall be limited:

a. to the allotment of equity securities in connection with a rights issue in favour of ordinary shareholders where the equity securities respectively attributable to the interest of all such shareholders are proportionate (as nearly as may be) to the respective numbers of the ordinary shares held by them subject only to such exclusions or other arrangements as the directors of the Company may consider appropriate to deal with fractional entitlements or legal and practical difficulties under the laws of, or the requirements of any recognised regulatory body in, any territory;

b. to the allotment of equity shares up to an aggregate nominal value of £75,715 to satisfy the subscription rights contained in placing warrants conditionally issued on 24 April 2017; and

c. to the allotment (otherwise than pursuant to sub-paragraph (a) above) of equity securities up to an aggregate nominal value of £700,000 in respect of any other issues for cash consideration;

and shall expire on the earlier of the date of the next Annual General Meeting of the Company or 15 months from the date of the passing of this Resolution save that the Company may before such expiry make an offer or agreement which would or might require equity securities to be allotted after such expiry and the directors may allot equity securities in pursuance of such offer or agreement as if the power conferred hereby had not expired.

If you are a registered holder of Shares in the Company, whether or not you are able to attend the meeting, you may use the enclosed form of proxy to appoint one or more persons to attend, speak and vote at the meeting on your behalf. A proxy need not be a member of the Company.

A form of proxy is provided. This may be sent by scan and email to proxies@shareregistrars.uk.com or by mail using the reply paid card to:

Share Registrars Limited
The Courtyard
17 West Street
Farnham
Surrey GU9 7DR

In either case, the signed proxy must be received no later than 48 hours (excluding non-business days) before the time of the meeting, or any adjournment thereof.

Registered Office:	*By order of the Board*
27/28 Eastcastle Street	Cargil Management Services Ltd
London W1W 8DH	Company Secretary

28 April 2017

Registered in England and Wales Number: 07353748

Notes to the Notice of General Meeting

Entitlement to attend and vote

1. Pursuant to Regulation 41 of The Uncertificated Securities Regulations 2001 and paragraph 18(c) of The Companies Act 2006 (Consequential Amendments) (Uncertificated Securities) Order 2009, the Company specifies that only those members registered on the Company's register of members 48 hours before the time of the General Meeting shall be entitled to attend and vote at the General Meeting. In calculating the period of 48 hours mentioned above no account shall be taken of any part of a day that is not a working day.

Appointment of proxies

2. If you are a member of the Company at the time set out in note 1 above, you are entitled to appoint a proxy to exercise all or any of your rights to attend, speak and vote at the General Meeting and you should have received a proxy form with this notice of meeting. You can only appoint a proxy using the procedures set out in these notes and the notes to the proxy form.
3. A proxy does not need to be a member of the Company but must attend the General Meeting to represent you. Details of how to appoint the Chairman of the General Meeting or another person as your proxy using the proxy form are set out in the notes to the proxy form. If you wish your proxy to speak on your behalf at the General Meeting you will need to appoint your own choice of proxy (not the Chairman) and give your instructions directly to them.
4. You may appoint more than one proxy provided each proxy is appointed to exercise rights attached to different shares. You may not appoint more than one proxy to exercise rights attached to any one share. To appoint more than one proxy, please contact the registrars of the Company, Share Registrars Limited, on 01252 821390.
5. A vote withheld is not a vote in law, which means that the vote will not be counted in the calculation of votes for or against the resolution. If no voting indication is given, your proxy will vote or abstain from voting at his or her discretion. Your proxy will vote (or abstain from voting) as he or she thinks fit in relation to any other matter which is put before the General Meeting.

Appointment of proxy using hard copy proxy form

6. The notes to the proxy form explain how to direct your proxy how to vote on each resolution or withhold their vote.

   To appoint a proxy using the proxy form, the form must be:

   - completed and signed;
   - sent or delivered to Share Registrars Limited, The Courtyard, 17 West Street, Farnham, Surrey GU9 7DR, or by scan and email to proxies@shareregistrars.uk.com; and
   - received by Share Registrars Limited no later than 48 hours (excluding non-business days) prior to the General Meeting.

   In the case of a member which is a company, the proxy form must be executed under its common seal or signed on its behalf by an officer of the Company or an attorney for the Company.

   Any power of attorney or any other authority under which the proxy form is signed (or a duly certified copy of such power or authority) must be included with the proxy form.

Appointment of proxy by joint members

7. In the case of joint holders, where more than one of the joint holders purports to appoint a proxy, only the appointment submitted by the most senior holder will be accepted. Seniority is determined by the order in which the names of the joint holders appear in the Company's register of members in respect of the joint holding (the first-named being the most senior).

Changing proxy instructions

8. To change your proxy instructions simply submit a new proxy appointment using the methods set out above. Note that the cut-off time for receipt of proxy appointments (see above) also apply in relation to amended instructions; any amended proxy appointment received after the relevant cut-off time will be disregarded.

   Where you have appointed a proxy using the hard-copy proxy form and would like to change the instructions using another hard-copy proxy form, please contact Share Registrars Limited on 01252 821390.

   If you submit more than one valid proxy appointment, the appointment received last before the latest time for the receipt of proxies will take precedence.

Termination of proxy appointments

9. In order to revoke a proxy instruction you will need to inform the Company using one of the following methods:

   By sending a signed hard copy notice clearly stating your intention to revoke your proxy appointment to Share Registrars Limited at The Courtyard, 17 West Street, Farnham, Surrey GU9 7DR or by scan and email to proxies@shareregistrars.uk.com. In the case of a member which is a company, the revocation notice must be executed under its common seal or signed on its behalf by an officer of the Company or an attorney for the Company. Any power of attorney or any other authority under which the revocation notice is signed (or a duly certified copy of such power or authority) must be included with the revocation notice.

   In either case, the revocation notice must be received by Share Registrars Limited no later than 48 hours (excluding non-business days) prior to the General Meeting.

   If you attempt to revoke your proxy appointment but the revocation is received after the time specified then, subject to the paragraph directly below, your proxy appointment will remain valid.

   Appointment of a proxy does not preclude you from attending the General Meeting and voting in person. If you have appointed a proxy and attend the General Meeting in person, your proxy appointment will automatically be terminated.

Issued shares and total voting rights

10. Following the announcement made by the Company on 24 April 2017, as at 2 May 2017 the Company's issued share capital will comprise of 1,874,923,295 Ordinary Shares. Each Ordinary Share carries the right to one vote at a general meeting of the Company and, therefore, the total number of voting rights in the Company as at 2 May 2017 will be 1,874,923,295.

Communications with the Company

11. Except as provided above, members who have general queries about the General Meeting should telephone the Company Secretary, Cargil Management Services Limited, on 020 7637 5216 (no other methods of communication will be accepted). You may not use any electronic address provided either in this notice of general meeting; or any related documents (including the chairman's letter and proxy form), to communicate with the Company for any purposes other than those expressly stated.

CREST

12. CREST members who wish to appoint a proxy or proxies through the CREST electronic proxy appointment service may do so for the General Meeting and any adjournment(s) thereof by using the procedures described in the CREST Manual.

    CREST Personal Members or other CREST sponsored members, and those CREST members who have appointed a voting service provider(s) should refer to their CREST sponsor or voting service provider(s), who will be able to take the appropriate action on their behalf.

    In order for a proxy appointment or instruction made using the CREST service to be valid, the appropriate CREST message (a "CREST Proxy Instruction") must be properly authenticated in accordance with Euroclear UK & Ireland Limiteds specifications and must contain the information required for such instructions, as described in the CREST Manual (available via euroclear.com/CREST).

    The message, regardless of whether it relates to the appointment of a proxy or to an amendment to the instruction given to a previously appointed proxy must, in order to be valid, be transmitted so as to be received by the issuers agent (ID: 7RA36) by the latest time(s) for receipt of proxy appointments specified above. For this purpose, the time of receipt will be taken to be the time (as determined by the timestamp applied to the message by the CREST Applications Host) from which the issuers agent is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST. After this time, any change of instructions to proxies appointed through CREST should be communicated to the appointee through other means.

    CREST members and, where applicable, their CREST sponsors or voting service providers should note that Euroclear UK & Ireland Limited does not make available special procedures in CREST for any particular messages. Normal system timings and limitations will therefore apply in relation to the input of CREST Proxy Instructions. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST personal member or sponsored member or has appointed a voting service provider(s), to procure that his or her CREST sponsor or voting service provider(s) take(s)) such action as shall be necessary to ensure that a message is transmitted by means of CREST by any particular time. In this connection, CREST members and, where applicable, their CREST sponsors or voting service providers are referred, in particular, to those sections of the CREST Manual concerning practical limitations of the CREST system and timings.

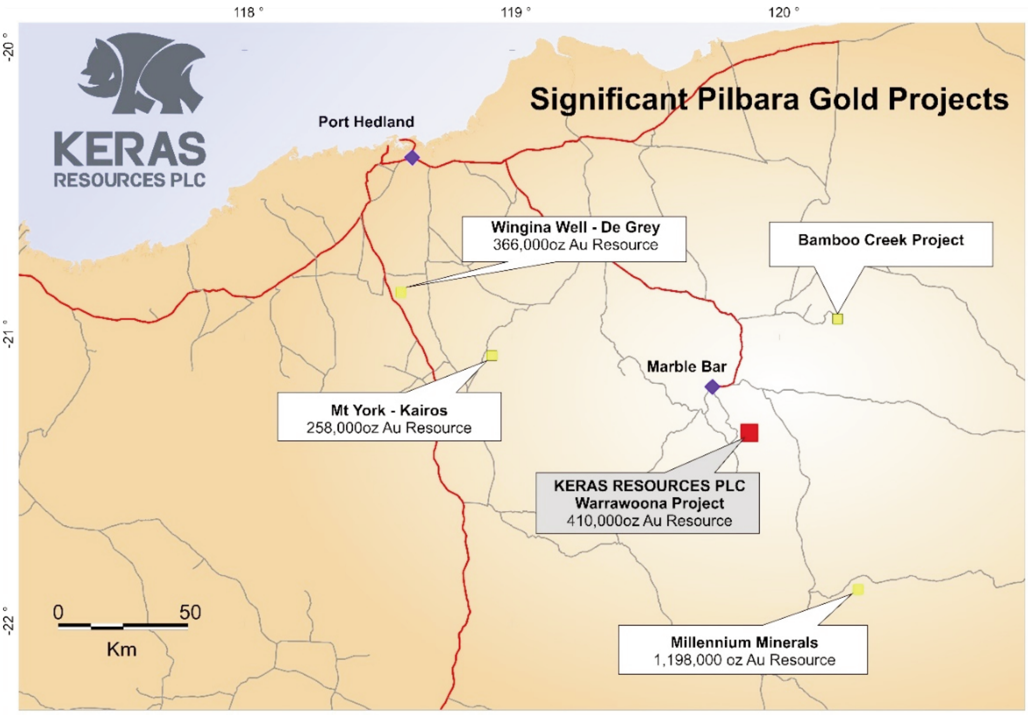
    The Company may treat as invalid a CREST Proxy Instruction in the circumstances set out in Regulation 35(5)(a) of the Uncertificated Securities Regulations 2001.

APPENDIX

INFORMATION ON THE ASSETS OF KERAS AUSTRALIA

Keras Australia is a gold exploration company which controls the Warrawoona Gold Project in the East Pilbara district of the Pilbara Goldfield in Western Australia (see Figure 1 below).

Figure 1: Location of the Warrawoona Gold Project



(a) Warrawoona Gold Project

Summary

Keras Australia has consolidated the Warrawoona Gold Project by acquiring a 100 per cent. interest in the Klondyke Prospect and securing arrangements with respect to adjacent tenements to form a contiguous package of highly prospective gold tenements.

Composed largely of high-Mg basaltic lavas with lesser tholeiite, andesite, sodic dacite, potassic rhyolite, chert and banded iron formation (BIF), all metamorphosed to greenschist facies, the Warrawoona Gold Project is sandwiched between the Mount Edgar granitoid complex to the north and the Corunna Downs granitoid complex to the south.

The Warrawoona Gold Project:

(i) is positioned to target a large and rapid increase in its resource position along untested strike length and regional deposits and the current resource is defined from just 2km of the main 7.5km strike length identified;

(ii) includes two 2012 JORC Code compliant Inferred Resources:

  (A) the Klondyke Prospect with a current 2012 JORC Code compliant Inferred Resource of 5.6Mt at 2.08g/t Au for 374,000 ounces; and

  (B) the Copenhagen Prospect with a current 2012 JORC Code compliant Inferred Resource of 180,000t @ 6.1g/t Au for 36,000 ounces, based on a lower cut-off grade of 0.5g/t;

(iii) contains mineralisation comprised of a thick sub-vertical shear zone amenable to low cost open pit mining with mineralisation to surface;

(iv) includes over 150 shallow historical gold workings within the 7.5km strike length; and

(v) includes the Coronation Prospect which has recorded numerous high grade, shallow intercepts.

Location and Tenements

The Warrawoona Gold Project is situated in the East Pilbara district of the Pilbara Goldfield of Western Australia, approximately 150km south east of Port Hedland and approximately 25km south east of the town of Marble Bar (see Figure 1, above).

Keras Australia, through its wholly owned subsidiary Keras Pilbara, holds a 100 per cent. interest in four mining leases covering 489.7 hectares making up the Klondyke Prospect. Keras Australia acquired Keras Pilbara (then named Arcadia Minerals Pty Ltd) in September 2016.

Expansion of the Warrawoona Gold Project by Keras Australia

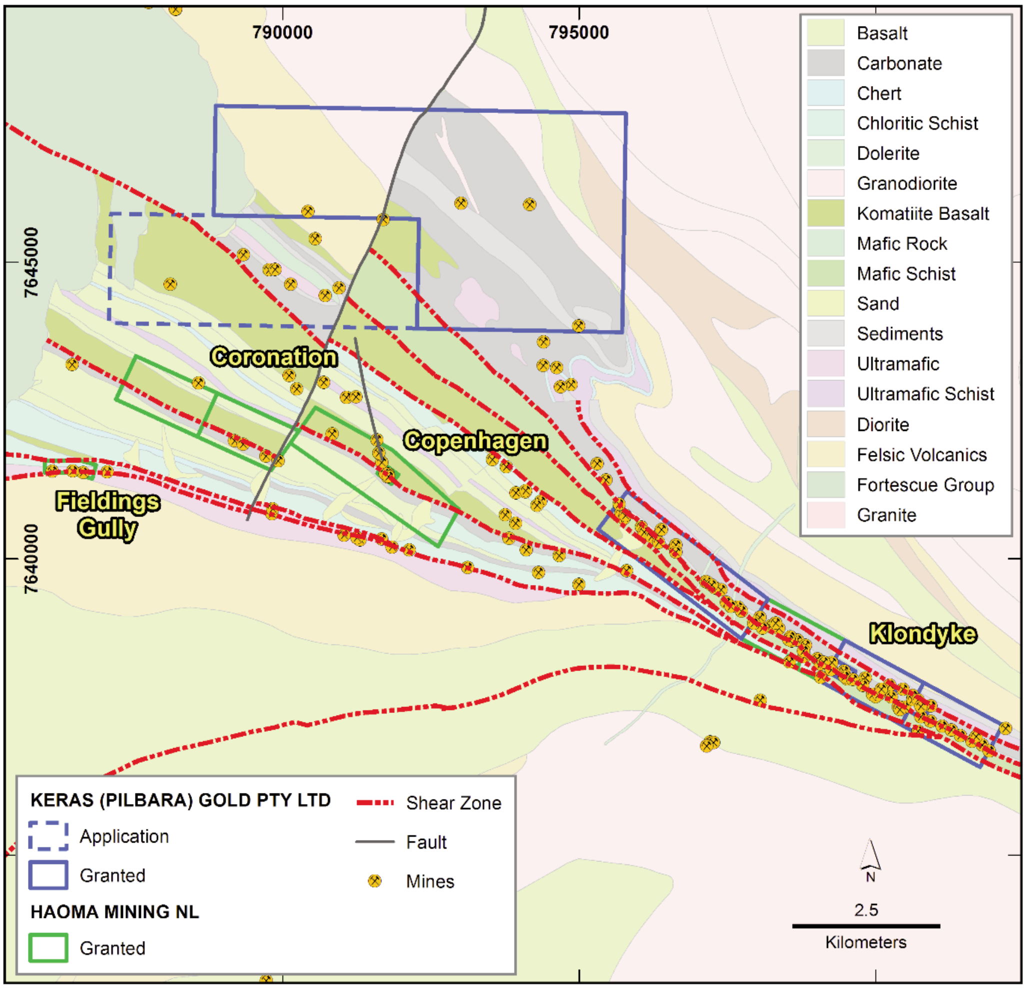
Subsequent to the acquisition of the Klondyke Prospect in September 2016, Keras Australia has undertaken significant activities relating to expanding the Warrawoona Gold Project by:

(i) procuring that Keras Pilbara enter 'right to mine' and option to purchase arrangements with Haoma Mining NL (ASX:HAO) (Haoma) in respect of a further seven tenements covering an area of 650 hectares (Haoma Tenements). The Haoma Tenements include the historic Fieldings Gully, Coronation and Copenhagen deposits; and

(ii) making application for two additional tenements covering an area of 170km2 on prospective greenstone horizons located to the south east of the Klondyke Prospect.

The Board considers that the consolidation achieved to date and possible future expansion is key to increasing the value of the Warrawoona Gold Project and unlocking the project's potential which the Board believes has been stifled to date as a result of multiple ownerships.

Figure 2: Warrawoona Gold Project Location



Previous Work

Gold mineralisation was discovered in the Marble Bar area in the 1880s with small scale mining taking place at Warrawoona from a number of auriferous reefs. Historical records from small scale artisanal mines reported to have produced 744.5kg of gold from 25,191t of ore at an average grade of approximately 30g/t.

Modern exploration has been undertaken by the Geological Survey of Western Australia (GSWA) followed by a number of explorers in the mid-1980s and then from 1993. During this period, Aztec Mining Company Limited, Conzinc Riotinto of Australia Limited, Lynas Corporation Limited and Jupiter Mines Limited all conducted exploration in the Klondyke area which primarily consisted of surface mapping, sampling and shallow drilling with limited information below 100m vertical depth.

(b) Klondyke Prospect

The mining leases comprising the Klondyke Prospect lie within the Warrawoona Gold Project, one of the oldest greenstone belts within the Pilbara Craton.

The Klondyke Prospect is located approximately 70km from Bamboo Creek and 90km from Millennium Minerals (see Figure 1 above) where excess processing capacity may be available if a tolling option is pursued and agreed.

Independent consultant GeoServ Consulting Pty Ltd completed a resource update in June 2016 to derive a 2012 JORC compliant Inferred Resource at the Klondyke Prospect of 5.6Mt at 2.08g/t Au for 374,000 ounces based on a 0.5g/t lower cut-off (announced by the Company on 22 March 2017).

The resource is currently confined to two separate 1km portions of the total 7.5km of mineralised strike length highlighting the significant potential for a large increase in resource along the untested strike length. Mineralisation extends from surface outcrops and has been tested by drilling to depths between 50 and 200m. It is generally not closed off at depth by the drilling (Figure 5, below).

Limited infill drilling adjacent to the resource area include:

- W97-1 14m @ 3.83g/t from 62m
- W97-2 19m @ 3.44g/t from 53m
- W97-10 4m @ 6.08g/t from 88m
- KBP010 6m @ 9.39g/t from 90m

There are numerous historic gold mines that exist on the property (shown on Figure 3, below). Figure 4 below is an image showing historical drill pads and workings. In addition to a potential open-pit resource there is the potential for underground mining on high grade lodes.

Figure 3: Klondyke Prospect – Location of deposits and tenements

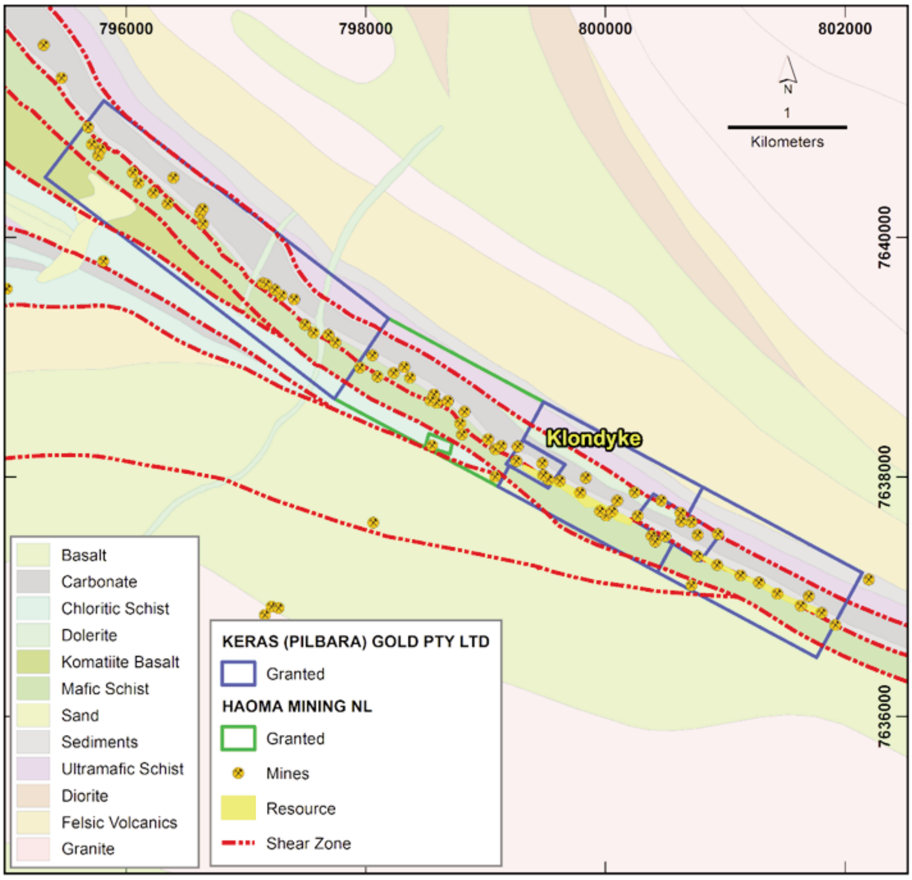
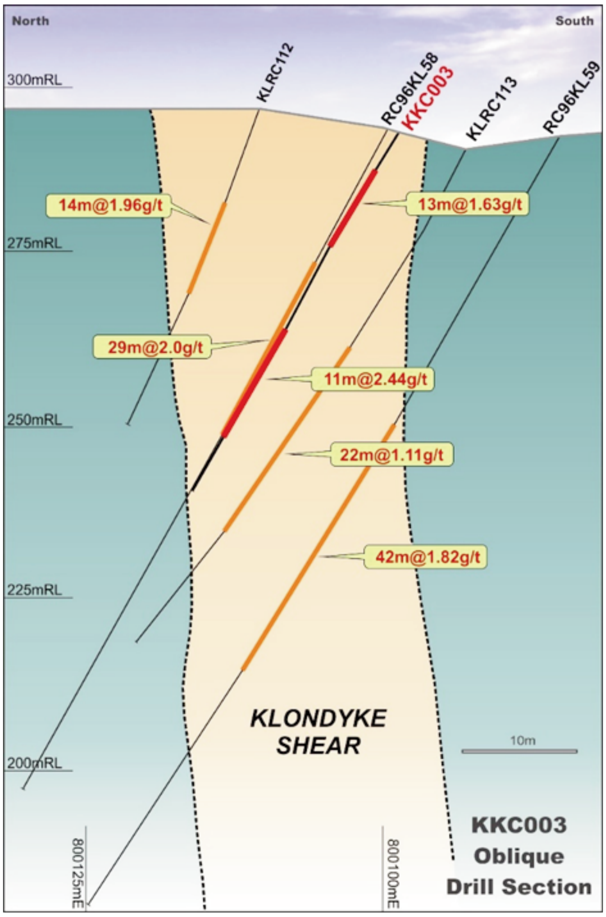


Figure 4: Historical drill pads and workings at the Klondyke Prospect

Figure 5: Typical cross section



(c) Haoma Tenements

The Haoma Tenements comprise of mining leases M45/679, M45/521, M45/672, M45/240, M45/547, M45/671 and M45/682.

The location of the Haoma Tenements is shown in Figure 2 and Figure 3 above. Haoma holds 100 per cent. beneficial ownership of the Haoma Tenements.

As announced by the Company on 12 September 2016, Keras Australia has been granted an exclusive 5 year right to 'explore, mine and process' gold on the Haoma tenements, together with a call option to purchase the tenements at any time during the right to mine period.

(d) Exploration Upside – Haoma Tenements

The Haoma Tenements provide Keras Australia with up to 7.5km of contiguous and largely untested strike length of prospective geology. Key targets are centred on both the main Klondyke Prospect shear and also the historic Fieldings Gully, Coronation and Copenhagen mines.

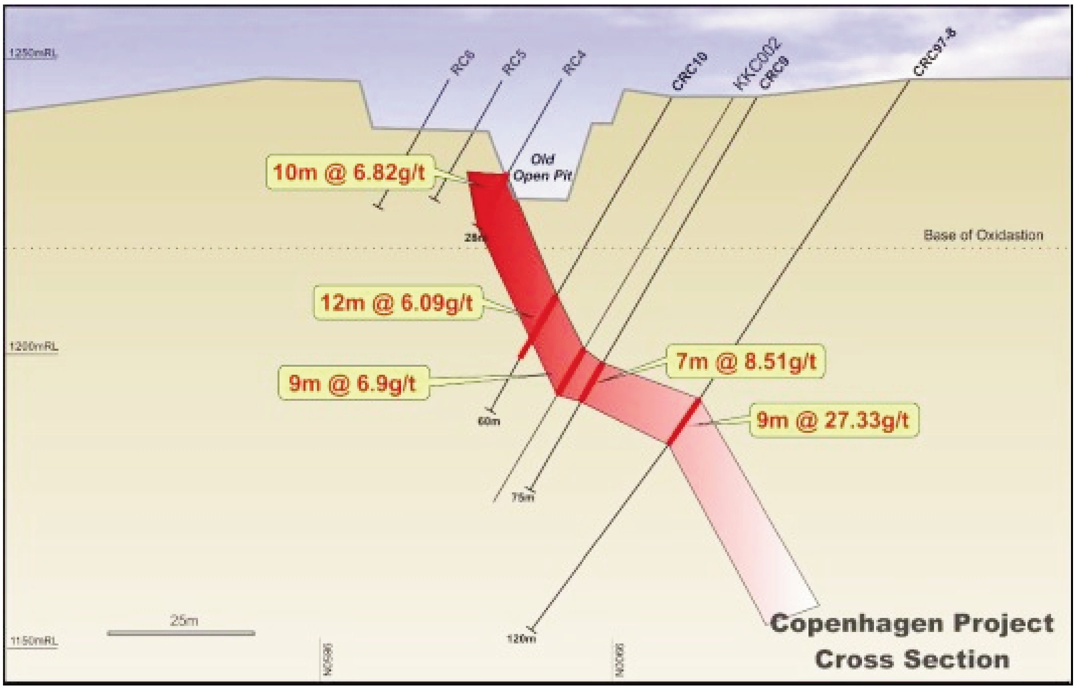
Historical deposits that require follow up include:

(i) Fieldings Gully: The Fieldings Gully historical mine is located 15km from the centre of the Klondyke area hosting a pre-2012 JORC Code Resource which remains open at depth and along-strike and requires follow-up evaluation. Significant intersections include:

- FG97-7 14m @ 3.09g/t from 53m
- FG97-12 4m @ 5.29 g/t from 12m
- FG97-12 3m @ 17.58g/t from 20m.

(ii) Copenhagen: Historical mine located 10km from the Klondyke Prospect hosting a 2012 JORC Code compliant Inferred Resource of 180,000t @ 6.1 g/t Au for 36,000 ounces. The prospect remains open along strike and at depth based on field mapping and historical drilling. Drilling Intercepts in the resource area include those shown in Figure 6 (below).

Figure 6: Copenhagen cross section



(iii) Coronation: Historical mine located 12.5km from the Klondyke Prospect 3km along strike from Copenhagen. No resource has been calculated, significant intercepts that require follow-up include:

- 9m @ 5.21 g/t from 9m
- 8m @ 7.64 g/t from 64m
- 3m @ 16.67 g/t from 16m
- 12m @ 7.98 g/t from surface
- 4m @ 5.71 g/t from 12m
- 2m @ 31.5 g/t from 30m

Grants Patch Gold Tribute

The Grants Patch gold tribute is located in the Eastern Goldfields region of Western Australia, approximately 550km east-northeast of Perth, 45km northwest of Kalgoorlie.

Between March 2016 and December 2016 Keras undertook tribute mining at Grants Patch and certain other projects in the Western Australian Goldfields. Keras also entered into Tribute Mining Agreements with KalNorth Gold Mines Limited over the Lindsay's Project deposit.

On 20 December 2016 Keras announced that the Company's Tribute Mining Agreement over Lindsay's in the Western Australian Goldfields with KalNorth has been mutually terminated. Under the terms of the termination Keras has been refunded all third party costs totalling A$120,000.

Keras ceased tribute mining in Western Australia as the Board formed the view that it was a potential risk to the Company's balance sheet. Keras is currently evaluating opportunities for joint venture or other mutually beneficial agreements with potential partners for Grants Patch.