

Keras Resources plc / Index: AIM / Epic: KRS / Sector: Mining

26 June 2025

Keras Resources plc ('Keras' or the 'Company')

Issue of Convertible Loan Notes

Proposed Open Offer

Keras Resources plc (AIM: KRS) is pleased to announce that it has, on 25 June 2025, issued convertible loan notes ("CLNs") totalling £750,000, each for £375,000, to Christopher Grosso and Joseph Carbone. The proceeds of the CLNs will be used primarily to pay the final tranche of 800,000 payable to the Helda Living Trust in respect of the acquisition of minority interests in Falcon Isle Resources Corp., which is now a wholly owned subsidiary of the Company, and for working capital.

The CLNs will be convertible in whole or in part into Ordinary Shares of 1p each in the Company at 1.4p per share, subject to regulatory considerations and the consent of the Takeover Code to put a Rule 9 waiver resolution to Independent Shareholders, and will be repayable in part from the proceeds of a proposed Open Offer. The Company has agreed with the Panel that Mr. Grosso and Mr. Carbone are acting in concert in relation to the Company and Messrs. Grosso and Carbone currently hold 21.36% and 7.42% of the existing share capital of the Company respectively. Mr Grosso has subscribed for the CLN through the Diane H. Grosso Credit Shelter Trust, an associate of Mr. Grosso.

As the conversion of the CLNs could lead to Messrs. Grosso and Carbone holding, in aggregate, over 30%, but less than 50% of the issued share capital of the Company, any conversion of the CLNs would be subject to obtaining Takeover Panel consent to a waiver of the requirement for Messrs. Grosso and Carbone to make a general offer under Rule 9 of the Takeover Code and the passing of a Rule 9 waiver resolution by a poll of independent shareholders.

The CLNs will initially be interest free, but, should the resolution in respect of the Rule 9 waiver referred to below prevent conversion of the CLNs, interest on the debt will be payable at 20% per annum and security may be required by the holders of the CLNs. Under those circumstances, the CLNs will be repayable after 30 days' notice to be given by either party at any time after 30 June 2026.

Subject to receipt of Takeover Panel approval for the Rule 9 waiver, the Company intends to call a General Meeting to put to the independent shareholders a Rule 9 waiver resolution, which, if passed, would enable Messrs. Grosso and Carbone to convert the CLNs.

Open Offer

Subsequent to the issue of the CLNs, the Company is proposing to launch an open offer to qualifying shareholders at a price of 1.4 pence per open offer share, pro rata to their holdings of existing shares on the record date (to be advised) on the basis of 542 offer shares for every 1,000 existing shares (the "Open Offer"). The funds raised under the Open Offer will be used to repay the part of the CLNs which is not converted.

The Directors have given consideration as to the best way to structure a proposed equity fundraising, taking into account current market conditions, the composition of the shareholder register and the Board's desire to give shareholders the opportunity to avoid dilution where practicable and have concluded that the issue of the CLNs and the Open Offer is the most suitable option available to the Company and its shareholders as a whole. The Open Offer will provide an opportunity for all qualifying shareholders to participate in the fundraising by acquiring Offer Shares pro rata to their current holdings of existing shares.

Further details will be provided to shareholders in regard to both the Rule 9 waiver and the Open Offer in due course.

Related Party Transaction

The Diane H. Grosso Credit Shelter Trust (an associate of Christopher Grosso, a substantial shareholder in the Company as defined under the AIM Rules for Companies (the "AIM Rules")) is considered to be a Related Party of the Company and the

deemed under the AIM Rules for Companies (the "AIM Rules"), is considered to be a related party of the Company, and the provision of the CLN set out above is therefore deemed to be a Related Party Transaction pursuant to AIM Rule 13 of the AIM Rules for Companies.

The Directors of the Company independent of the issue of the CLN, being Brian Moritz, Russell Lamming and Claire Parry, consider, having consulted with the Company's Nominated Adviser, SP Angel Corporate Finance LLP, that the proposed terms of the Convertible Loan are fair and reasonable insofar as the Company's shareholders are concerned.

Russell Lamming, Executive Chairman of Keras, commented *"The funding solution today is the final payment for the acquisition of the Diamond Creek Mine - this is the cornerstone asset of the Company which is considered to be the highest grade rock phosphate project in North America. Diamond Creek produces a range of sized rock phosphate products into the North American organic fertiliser market and more recently has introduced PhoSul®, a direct application granulated product used in various organic fertilizer blends to the range of products. The wholly owned integrated processing plant facility in Delta, Utah has underpinned the growth of the Company and, post this final payment we look forward to being the only 100% independent organic rock phosphate producer in North America.*

I believe that we have a significant business going forward and look forward to the journey with you all."

The information contained within this announcement is deemed by the Company to constitute inside information as stipulated under Article 7 of the Market Abuse Regulation (EU) No. 596/2014 (as amended) as it forms part of the domestic law of the United Kingdom by virtue of the European Union (Withdrawal) Act 2018 (as amended). Upon the publication of this announcement via the Regulatory Information Service, this inside information is now considered to be in the public domain.

****ENDS****

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

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Notes:

Keras Resources (AIM: KRS) wholly owns the Diamond Creek organic phosphate mine in Utah, US. Diamond Creek is one of the highest-grade organic phosphate deposits in the US and is a fully integrated mine to market operation with in-house mining and processing facilities. The operation produces a variety of organic phosphate products that can be tailored to customer organic fertiliser requirements.

The Company is focused on continuing to increase market share in the fast-growing US organic fertiliser market and build Diamond Creek into the premier organic phosphate producer in the US.

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