

Vast Resources plc / Ticker: VAST / Index: AIM / Sector: Mining

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Vast Resources plc

("Vast" or the "Company")

Positive Production Update at Manaila Polymetallic Mine in Romania

Vast Resources plc, the AIM-listed mining company with operations in Romania and Zimbabwe, is pleased to announce positive progress at its Manaila Polymetallic Mine ("MPM") in Romania based on the test work carried out by SGS (UK) ("SGS") in H1 2016 and managed on Vast's behalf by independent processing specialists Minxcon (Pty) Ltd ("Minxcon")

Overview:

Minxcon on site optimising float lines replicating SGS test work targeting the production of saleable copper and zinc concentrates.

Preliminary test work from SGS as follows:

A theoretical grade recovery curve for copper indicates a 92% recovery at a resultant 20% copper grade is possible.

A theoretical grade recovery curve for zinc indicates an 85% recovery at a resultant 50% zinc grade is possible.

Plant optimisation for the copper concentrate has resulted in copper grades increasing to around 19% and suppressing zinc grades to around 4%, thereby producing a quality copper concentrate.

Commissioning has now commenced on a second float line to separate the zinc in order to produce a saleable zinc concentrate with first sales in September.

The Iacobeni plant mass pull has increased from approximately 1.5% in July to around 2.5% in August.

Outsourced mining and transport contract awarded to independent contractor.

Roy Pitchford, Chief Executive of Vast, commented:

"The significant improvements in grades and recoveries seen at the Iacobeni processing facility and the replication of the SGS test work are very encouraging and bode well for future production at MPM. The systematic approach to implementing the optimisation and test work studies has resulted in achieving the initial target of producing a high copper grade concentrate with a low zinc content on a sustainable basis. The Company, together with independent specialists Minxcon, are now implementing Phase 2; the commissioning of the zinc float line, which will provide MPM with two saleable concentrates thereby maximising the potential revenues at the operation. I look forward to updating shareholders on these improvements on a regular basis."

SGS Testwork Results

The aim of the test work carried out by SGS in H1 2016 was to optimise flotation parameters in order to separate the contained copper and zinc into separate products with minimal cross contamination in the concentrates.

The head grade of the composite sample as tested graded 1.38% copper ("Cu"), 0.44% lead ("Pb"), 1.17% zinc ("Zn"), 1.08g/t gold ("Au") and 41.5g/t silver ("Ag") with the main ore minerals including chalcopyrite, covellite, enargite (copper), sphalerite (zinc) and galena (lead).

The testwork confirmed that the current grind size at plant is optimum at 85% passing 75um.

Results of Flotation Test 15 (FT15) are as follows: -

80.97% recovery of copper in the copper rougher concentrate with a corresponding 23.53% recovery of zinc.

66.87% recovery of zinc in a zinc rougher concentrate with a resultant grade of 14.63% zinc.

A theoretical grade recovery curve for copper indicates a 92% recovery at a resultant 20% copper concentrate grade is possible.

A theoretical grade recovery curve for zinc indicates an 85% recovery at a resultant 50% zinc concentrate grade is possible.

Minxcon Optimisation Results

Independent processing specialists Minxcon began optimisation work on the MPM plant in May 2016 to reconfigure the float lines with the goal of replicating the SGS recovery and grade results achieved at the laboratory scale. Production in the past six weeks has resulted in a copper concentrate with increased copper grades and continued reduction in the zinc grades.

The average concentrate grade in the quarter to 30 June 2016 was 17.3% Cu and 14% Zn; concentrate grades over the past six weeks have seen an increase in copper to 19% but importantly a reduction in the zinc grade to around 4%. Minxcon are now targeting a steady state production in order to maximize sale values within industry standards to reduce tolling charges and penalties. Commissioning has now commenced on a second float line to produce a saleable zinc concentrate with first sales in September.

In parallel to the grade optimisation work, mass pull problems experienced in July 2016 have now been rectified through a combination of plant recovery enhancements and new pit designs that include berms and trenches at MPM to reduce the water ingress during periods of higher rainfall resulting in head grade dilution. The Iacobenii plant mass pull has increased from approximately 1.5% in July to around 2.5% in August.

Outsourced Mining and Transport Contract

Further, Vast has awarded an outsourced mining and transport contract to an independent contractor to mine and transport the ore from the open pit to the flotation plant in Iacobenii. The contract will eliminate the upfront cash requirements thereby reducing working capital constraints, outsource mining fleet maintenance and reduce on-site management and overhead costs to improve profitability of MPM.

****ENDS****

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