

16 May 2016

## **Vast Resources PLC**

("Vast" or "the Company")

### **Bridge Loan Note**

Vast Resources PLC, the AIM-listed resource development and production company, is pleased to announce that it has entered into a bridge loan note with Darwin Capital Limited ("Darwin") for up to £1 million (the "Bridge Loan Note"). An initial note of £650,000 ("Initial Loan Note", "Principal Amount"), which will be used for ongoing working capital requirements, was issued on 16 May 2016 ("Issue Date").

### **Salient Terms**

An Initial Loan Note of £650,000 issued by the Company on the Issue Date

The note will mature on two dates; 50 per cent. of the Principal Amount (including all accrued and unpaid Interest on 50 per cent. of the Principal Amount) will fall due on 10 July 2016 and the outstanding Principal Amount (including associated accrued and unpaid interest) will fall due on 10 October 2016, or earlier upon acceleration or early redemption

Interest shall accrue at a rate of 20 per cent. per annum, calculated over a 365-day basis payable in arrears on the maturity dates

The Company has the option of an early redemption of the notes and will pay Darwin a redemption price equal to 105 per cent. of the then outstanding Principal Amount plus all accrued and unpaid interest at any time following the Issue Date

If the Company fails to repay Darwin on either of the maturity dates, the Principal Amount will be increased to 120 per cent. of all outstanding payment obligations and the maturity dates will be changed to 10 January 2017 in the event of a default on 10 July 2016 or to 10 April 2017 in the event of a default on 10 October 2016 ("the Extension Periods")

If the Company defaults and the maturity date or dates are extended, then at any time during the Extension Periods Darwin will have the right to convert all of the then outstanding and unpaid total Principal Amount and accrued Interest into ordinary shares of 0.1p each in Vast ("Ordinary Shares"). The conversion price will be the lesser of the average share price on the Issue Date or 0.90 of the arithmetic average of the average share price for 5 trading days selected by Darwin during the 20 trading days prior to and including the conversion date

In order to cover the eventuality that part or all of the Bridge Loan Note is converted into Ordinary Shares, the Company must keep available for issue 600,000,000 authorised and unissued Ordinary Shares free of pre-emption rights from 30 June 2016. If the Company has such authorities over less than 600,000,000 shares on 30 June 2016, all amounts outstanding to Darwin must be deposited into an escrow account on the earlier of 10 July 2016 or the receipt of £1,250,000 third tranche equity subscription due from Crede CG III Ltd ("Crede") on 4 July 2016 ("Crede Tranche 3"). The funds will remain in escrow until the necessary authorities are granted to enable the issue of up to 600,000,000 Ordinary Shares

An additional drawdown of £350,000, repayable on 10 October 2016 and otherwise on the same terms as for the Initial Loan Note as set out above, can be made by the Company subject to Darwin's consent on any day between 4 weeks and 12 weeks after the Issue Date

The Bridge Loan Note is unsecured

The purpose of the Bridge Loan Note is to cover the Company's short-term working capital requirements until the Crede Tranche 3 financing has taken place. It is the Company's intention to use the funds received from Crede Tranche 3 to redeem the Initial Loan Note and limit the cost of

the bridging facility.

**Roy Pitchford, Vast CEO, commented:**

*"The Company has initiated several capital projects to increase both the capacity and efficiencies at the Manaila operation. The rejection of the Crede Tranche 2 financing has put pressure on the Company's working capital requirements and the Darwin funding has been arranged as a short term bridging facility to help the Company maintain the operational momentum that it has built over the past months."*

**\*\* ENDS \*\***

For further information visit [www.vastresourcesplc.com](http://www.vastresourcesplc.com) or please contact:

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