

Miscellaneous

4 October 2018

Vast Resources plc

("Vast" or the "Company")

**Agreement with Botswana Diamonds plc re Heritage Concession
in the Marange Diamond Fields**

Vast Resources plc, the AIM listed mining company with operations in Romania and Zimbabwe, is pleased to announce that it has concluded an agreement with Botswana Diamonds plc ("Botswana") as a partner in the development of the Heritage Concession in the Marange Diamond Fields of Zimbabwe ("the Agreement"). Botswana is a specialist diamond explorer and miner and has developed considerable knowhow on all matters concerned with the exploration and mining of diamonds the benefit of which will accrue to Vast at the Heritage Concession as a consequence of the Agreement. A separate agreement will be concluded with Botswana in due course (as announced on 1 May 2018) for the joint development of diamond properties outside the Marange Diamond Fields, which is envisaged to be a 50/50 joint venture, though the initial focus of work will be on the Marange Diamond Fields.

It was announced on 22 August 2018 that the Company had concluded an exclusive access agreement for initial due diligence and pre-agreed joint venture terms on the Heritage Concession in the Marange Diamond Fields with Red Mercury (Pvt) Ltd, ("Red Mercury") a company owned by a Community Share Ownership Trust under the laws of Zimbabwe.

A summary of the principal terms of the Agreement are:

- A Special-Purpose Vehicle ("SPV") will be created between Botswana and Vast for the purposes of developing diamond resources within the Marange Diamond Fields
- Pending finalisation by the Company of the detailed joint venture agreement with Red Mercury with no conditions precedent ("Finalisation") Botswana will give assistance in interpretation of geological and other information concerning the Heritage site.
- At the time of Finalisation, or earlier if so determined by the Company, the initial shareholdings in the SPV will be Botswana 13.33% and Vast 86.67% and the further terms of the Agreement set out below will come into effect.
- Botswana will provide to Vast free of charge the benefit of its knowhow as shall be appropriate on all aspects of exploration, mining, processing and marketing in relation to the Heritage Concession.
- Vast will contribute up to \$1 million on loan account as the first funding to the SPV.
- Any funds required in addition to \$1 million would be regarded as an Equity Contribution.
- If an Equity Contribution is required Botswana and Vast have the right to contribute pro rata to their shareholdings. If either party does not want to take up its full allocation the other party has the right to take up the allocation.

The method of funding overall for the Heritage Concession, which will be directed through the SPV, is a matter for consideration for the Board, but was addressed in the Circular from the chairman of the Company announced on 28 September 2018 in which he indicated that the Board might judge that it would be in shareholders' interest that finance for the early stages of the Heritage Concession come directly from the Company, and that the Directors were seeking authority from the shareholders to raise additional equity for that purpose.

The first step in the due diligence on the Heritage Concession is a desktop review and this is far

advanced and the results of this will be announced in due course.

Andrew Prelea, CEO, commented:

“Since signing the exclusive access agreement for initial due diligence and pre-agreed joint venture terms on the Heritage Concession in the Marange Diamond Fields with Red Mercury (Pvt) Ltd, Vast has commenced extensive internal work and engaged third party geologists to provide a field report and desktop study. The Company is now comfortable enough to enter into an agreement with Botswana and looks forward to the next phase of the Due Diligence process together with Botswana.”

****ENDS****

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The information contained within this announcement is deemed by the Company to constitute inside information as stipulated under the Market Abuse Regulations (EU) No. 596/2014 (“MAR”).

Notes

Vast Resources plc is an AIM listed mining and resource development company focussed on the rapid advancement of high quality brownfield projects and recommencing production at previously producing mines in Romania.

Vast Resources currently owns and operates the Manaila Polymetallic Mine in Romania, which was commissioned in 2015. The Company’s portfolio also includes the Baita Plai Polymetallic Mine in Romania, where work is currently underway towards obtaining the relevant permissions to start developing and ultimately commissioning the mine.

The Company also has interests in a number of projects in Southern Africa including a 25 per cent. interest in the producing Pickstone-Peerless Gold Mine in Zimbabwe.