

Acquisition of a 29.41% interest in the Blueberry Project in the 'Golden Quadrilateral' of <location value="LC/ro" idsrc="xmltag.org" >Romania</location>

15 August 2018

Vast Resources plc

("Vast" or the "Company")

Acquisition of a 29.41% interest in the Blueberry Project in the 'Golden Quadrilateral' of Romania

Vast Resources plc, the AIM listed mining company with operations in Romania and Zimbabwe, is pleased to announce the acquisition of an indirect 29.41% interest in the Blueberry Project, which hosts highly prospective polymetallic mineralisation and is located in the 'Golden Quadrilateral' of Western Romania ("the Blueberry Project"). The "Golden Quadrilateral" hosts the prolific Baia de Aries gold mine, the 17.1Moz Rosia Montana Mine and 7.2Moz Rovina Valley Project.

Overview

- Acquisition of an interest of 29.41% in a brown field perimeter covering a total of 7.285km² in the 'Golden Quadrilateral' of Western Romania:
 - The Blueberry Project is adjacent to the previously producing Baia de Aries Mine, which operated until 2004 and is reported to have produced 20% of the historical gold production from the Golden Quadrilateral
 - Historic work across the perimeter area has demonstrated prospectivity for gold and polymetallic mineralisation – sample values of up to 22.4g/t of gold were obtained from historic soil sampling
 - Drilling programme and assaying underway, which is anticipated to deliver sufficient information to support an Inferred JORC Mineral Resource for gold and other polymetallic minerals including silver, copper, lead and zinc in one or more of several distinct breccia pipes
 - Following expiry of the Exploration Licence over Blueberry Project the holder has the right under the Romanian mining law subject to satisfaction of certain conditions detailed below, to migrate this to an Exploitation Licence by 31 December 2018
- Transaction structured to be non-dilutive to Vast shareholders – initial acquisition to be satisfied in new shares in Vast's newly formed subsidiary EMA Resources Ltd ('EMA') which will be financed at a project level
- EMA to be issued with an initial interest of 29.41% (as further set out below) and the retention of this interest is conditional on EMA procuring funding of \$1 million by 31 August 2018 or such later date as the Vendors may agree – the acquisition does not require any regulatory approval in Romania
- Intention for EMA to develop into a standalone enterprise significant enough to justify an Initial Public Offering ('IPO') targeted by the end of 2019
- Pre-IPO costs expected to be funded by third party finance and no material cost commitment for Vast
- Vast to have management and control of the future mining operations, and also over the exploration programme and the IPO process in consideration of a fee equal to 10% of pre-IPO costs

Andrew Prelea, Chief Executive of Vast, commented:

“As shareholders will be aware, my enthusiasm for and confidence in the reinvigoration of the Romanian mining industry remains a central pillar of Vast’s future growth strategy and I am delighted to present this acquisition to shareholders. Due to the structure of this transaction, Vast would benefit from the significant upside potential of developing the Blueberry Project whilst safeguarding investors from significant dilution.

“Work has already started at Blueberry and we look forward to reporting the results of drilling in the coming weeks in order to begin to give the market a tangible sense of the size and quality of this significant mineralised system in addition to our path to developing the project and ultimately crystallising value for Vast shareholders through a proposed IPO.”

Acquisition of Interest in the ‘Golden Quadrilateral’ of Romania

Vast announces that its newly formed subsidiary EMA Resources Ltd (‘EMA’) has contracted to acquire the entire share capital of the Romanian company Blueberry Ridge SRL (‘BRL’) in consideration of an undertaking by EMA to issue to the vendors (the ‘Vendors’) new shares which will constitute 70.59% of the enlarged ordinary share capital of EMA. The result, subject to a condition explained below, is that Vast will retain 29.41% of such enlarged capital subject to a possible reduction to 26.41% on account of the entitlement by Andrew Prelea, Chief Executive Officer of the Company, to 10% of Vast’s share and as explained more fully below.

BRL is the holder of the Blueberry Project, an exploration licence over a brown field perimeter of prospectivity with high gold in an area known as the ‘Golden Quadrilateral’ in the Metaliferi Mountains of Romania. This licence, based on the exploration programme already completed, gives BRL the right to convert the exploration licence into an exploitation licence provided it complies with the requirements concerning this process as set out in the Romanian mining law. A summary of these requirements is set out in the penultimate paragraph under ‘further information’ below.

Vast is of the opinion, based on the known geology of the Blueberry Perimeter, the extensive historical mining activities and together with the expected results of the exploration drilling now undertaken, that the potential of EMA together with its subsidiary BRL will be such that EMA may justify an IPO as a standalone enterprise.

Vast has agreed with the Vendors to use reasonable endeavours both to manage the process by which EMA achieves an IPO by 31 December 2019 and to procure finance for EMA of up to \$2 million which is the amount estimated to be needed for pre-IPO costs, including repayment of a proportion of the exploration drilling costs already incurred. Of this, \$1 million is to be raised by 31 August 2018 or such later date as the Vendors may agree, satisfaction of which is a condition of Vast’s retention of 29.41% of the enlarged share capital of EMA. Any shares that fall to be issued to pre-IPO financiers will dilute the interests of the Vendors and of Vast rateably.

Under the agreement between Vast and the Vendors, a shareholders agreement is to be drawn up under which one of the Vendors will have a seat on the Board; there will be usual provisions concerning circumstances where a unanimous decision of shareholders is required; but Vast will have management control of the IPO process and of the direction of the ongoing resource evaluation process and Vast will be entitled to a fee equal to 10% of EMA’s pre-IPO costs.

It is the intention that Vast will have management and control of future mining operations which will be carried out through a gravity process for the free gold and otherwise by a floatation process which will separate out all the polymetallic minerals. It is not intended that cyanide will be employed for the gold extraction. Metallurgical test work to determine the optimal extraction method will be undertaken.

Further information on Blueberry

- The Blueberry perimeter of 7.285km² is a brownfield area of prospectivity in the Golden Quadrilateral located in the immediate vicinity of the now closed Baia de Aries mine. The Golden Quadrilateral has significant areas of polymetallic prospectivity (copper, zinc and lead coupled with particularly high gold and silver) and has been estimated to have produced approximately 55 million ounces of gold in the past. Also in the Golden Quadrilateral are Rosia Montana with a reported NI 43-101 Resource of 17.1 million ounces of gold and 81 million ounces of silver (SRK Consulting - October 2012) and Euro Sun Mining's, Rovina Valley project with a reported 7.2 million ounces of gold and 1.4 billion pounds of copper (AGP Mining Consultants – NI 43-101 – July 2012).
- Mineralisation styles within the Blueberry perimeter
 - Mineralisation is developed in the form of breccia 'pipes', polymetallic quartz – carbonate veins and metasomatic replacement deposits on the lithological boundaries between andesite, limestones and schists.
 - Within the perimeter, a number of breccia pipe localities are indicated on surface geological plans. These localities have been the subject of the recent drilling programme. The breccia pipes occur as Phreatomagmatic collapse and / or eruptive breccias and range in size from 20m – 150m in diameter, with known depths of up to 1 000m. The breccia occurrences take a quasi-circular form with a central dip direction suggesting the presence of a deeper intrusive structure.
 - Polymetallic sulphide bearing veins are developed adjacent to the breccia pipes in areas of intense fracturing. The veins are typically 100m – 400m in length, 50m -150m vertical extent and approximately 1m wide. Zinc and lead are the main minerals with copper being subordinate. References to 44 veins are made to and documented in historical literature and maps.
 - Metasomatic replacement deposits form either in the limestone lithologies or on the boundaries between the limestones, andesites and schists.
 - Gold mineralisation is more prevalent in the breccia pipes and occurs as free gold or inclusions within sulphides. The area is a type locality for sylvanite, a gold – silver telluride, which has been observed in core from the recent drilling program. Further mineralisation takes the form of auriferous pyrite whereby fine-grained gold is included in the crystal lattice of the pyrite structure.
 - The gold (dominant) and polymetallic (subordinate) mineralisation is spatially associated to the andesite intrusive structures with hornblende ± pyroxene (Afini structure), while the polymetallic (dominant) and gold (subordinate) mineralisation is spatially associated to the quartz andesite intrusive structure with hornblende ± biotite (Ambru i Mlai structure).
 - Polymetallic mineralisation is more prevalent in the vein systems and the metasomatic replacement bodies with a lower tenor of gold. Zinc and lead are the main economic with copper being subordinate but locally elevated in places.

- A detailed assessment of the geology and of historical sample results on the Blueberry perimeter was given in a doctoral thesis by Professor Calin Tma from Babe – Bolyai University (Cluj): Structures of Endogenic Brief (Brief Pipe – Breccia Dyke) and Petrolmetalogenia Rosia Montana (M.Metaliferi) 2007. It records extensive rock samples taken at an average grade of 1.47 g/t Au with a range of 1.2 to 2.9 g/t.
- The Blueberry Perimeter encircles the old Baia de Aries Mine which is reported to have produced from six breccia pipes contained therein 20% of the historical gold production from the Golden Quadrilateral which is reported to total 55 million ounces of gold. This mine was closed and rehabilitated with finance from an EU project following Romania's accession to the EU, as a result of which the area is currently excluded from exploration or mining operations. Under the proposed new Romanian mining law expected to come into force in 2018 this exclusion will end with the consequence that BRL will be well placed to apply for an exploration licence over this area. Obtaining of this licence will carry the additional benefit of access to all the historical records of the old Baia de Aries Mine.
- Previous work on the Blueberry Perimeter from records directly available to Vast includes 159 soil samples, 98 rock samples and 25 drill holes. The partially recorded information history derived therefrom is positive and encouraging and shows that the area as a whole is open to mineralisation.
- An anomaly has been verified by Vast from nine additional soil samples, and a simple contour of gold sample values obtained has indicated elevated gold in the samples centred around a breccia pipe indicated on the local geological maps of the area. Sample values of up to 22.4g/t of gold were obtained in the historical soil sampling programmes.
- Vast has been involved in the planning of a further exploration programme (the 'Planned Exploration Programme') involving 6,800 metres of targeted drilling, assaying and associated works. In the opinion of Vast the Planned Exploration Programme is likely to provide sufficient information to estimate at least an Inferred JORC Mineral Resource for gold and other minerals in one or more distinct breccia pipes.
- The greater part of the Planned Exploration Programme has now been completed although the assays from the drill cores are awaited. This has been financed to date by the Vendors. The Vendors have agreed to bear the cost of the first 1,200 metres of drilling. The balance of the costs of drilling, assaying and other works incurred by the Vendors will be refunded out of the \$2 million pre-IPO finance to be raised.
- Under the Romanian mining law, BRL has the right to be granted an exploitation licence giving it the right to mine on the giving of a satisfactory final exploration report by 3 October 2018. The subsequent application for the exploitation licence must be submitted by 31 December 2018 and accompanied by a feasibility study, development plan, environmental impact and rehabilitation study and a social impact assessment. Arrangements for this process are in hand but are subject to the assay results from the Planned Exploration Programme being as expected.
- Andrew Prelea has been engaged with investigation and negotiations on Blueberry since

before he joined the Company. Blueberry is a 'Joint Asset' of which Andrew Prelea is entitled to a 10% interest as referred to in the Company's announcement of 1 March 2018 following his appointment to the Company as a Director. As therein stated, in order to eliminate conflicts of interest, it was and remains the intention of both the Company and of Andrew Prelea to negotiate terms under which Andrew Prelea's interests in the Joint Assets are exchanged for special option rights to acquire shares in the Company subject to approval by shareholders of the Company at a General Meeting. On account of this intention no shares in EMA are being issued to Andrew Prelea at present pending further discussion on the special option rights.

Qualified Person

The information in this report that relates to Exploration Targets, Exploration Results, Mineral Resources or Ore Reserves is based on information compiled by Mr Craig Harvey, the Chief Operating Officer for Vast and a full-time employee and Director of the Company. Mr Harvey is a Competent Person who is a Member of the Australian Institute of Geoscientists and of the Geological Society of South Africa, a Recognised Professional Organisation included in a list that is posted on the ASX website from time to time.

Mr Harvey has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity being undertaken to qualify as a Competent Person as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Harvey consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

****ENDS****

For further information, visit www.vastresourcesplc.com or please contact:

Vast Resources plc

Andrew Prelea (Chief Executive Officer)

www.vastresourcesplc.com
+44 (0) 20 7236 1177

Beaumont Cornish - Financial & Nominated Adviser

Roland Cornish
James Biddle

www.beaumontcornish.com
+44 (0) 020 7628 3396

Brandon Hill Capital Ltd – Joint Broker

Jonathan Evans

www.brandonhillcapital.com
+44 (0) 20 3463 5016

SVS Securities Plc – Joint Broker

Tom Curran
Ben Tadd

www.svssecurities.com
+44 (0) 20 3700 0100

St Brides Partners Ltd

Susie Geliher
Charlotte Page

www.stbridespartners.co.uk
+44 (0) 20 7236 1177

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").