

## Financing Update

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

12 February 2019

### **Vast Resources plc**

("Vast" or the "Company")

### **Financing Update**

Vast Resources plc, the AIM listed mining company with operating mines in Romania and Zimbabwe, wishes to update the market on its financing following the announcement of 18 January 2019 that the Tranche B offtake finance from Mercuria Energy Trading SA (Mercuria) did not proceed. Tranche A remains in place in accordance with its terms as subsequently confirmed by Mercuria.

The Company remains in discussions with potential investors in two areas:

- discussions continue for replacement offtake finance principally to bring Baita Plai into production and also to provide other working capital for the Group. The Company anticipates that these arrangements would be likely to have a similar structure to those previously contemplated for Tranche B finance with Mercuria. In addition to replacing Tranche B the discussions also include the possibility of replacing Tranche A.
- the Company is advancing discussions with a potential "cornerstone" investor to cover the expenditure required to bring the proposed Zimbabwe diamond project into production as well as providing a possible alternative to new off-take finance as mentioned above. The Marange – Zimunya Community Trust (owner of Red Mercury with which the Company has a joint venture agreement) is consistently informing Vast that it is expecting to receive at any time updated documentation from the Zimbabwean Ministry confirming the right to mine.

It should be stressed that all these finance discussions remain at the diligence stage and are dependent upon the signing and completion of legal agreements in the normal course of business. In addition, whilst Vast expects that the documentation concerning the right to mine will be forthcoming as stated above this and/or the terms on which mining can be carried out cannot be guaranteed with certainty.

As a result of the agreement of the Mercuria offtake finance term sheet announced on 25 January 2018 the Company agreed accelerated repayments of the loan from Sub Sahara Goldia Investments (SSGI) (originally not repayable until 2021) in order that security held by SSGI over Romanian assets could be released in favour of Mercuria. These repayments were expected to have "dovetailed" into the expected finance from Mercuria. Without Tranche B, the Company has not been able to make the payments due to SSGI in December 2018 and January 2019. The Company is in discussions with SSGI concerning an alternative repayment proposal and these discussions are ongoing.

The Company also announces that Bergen Global Opportunities Fund LP (Bergen) have elected under the terms of their agreement to pause the funding of Tranche 2 pursuant to the US\$3,000,000 bridge facility announced on 20 December 2018 for at least 60 days as a result of the Company's share price having been less than 0,2p for a two day period during the period prior to today.

**\*\*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 and Zimbabwe.

Vast Resources currently owns and operates the Manaila Polymetallic Mine in Romania, which was commissioned in 2015, and is focussed on its expansion through the development of a second open pit operation and new metallurgical complex at the Carlibaba Extension Area. The Company’s Romanian portfolio also includes interests in two brownfield development projects; the Baita Plai Polymetallic Mine (80% interest), which has a reported 1,800,000-tonne copper-silver-zinc-lead-gold-tungsten-molybdenum ore body at 6% copper equivalent (Russian Reserves and Resources Reporting System) within the mining licence area; and the Blueberry Project (29.41% interest), a 7.285km<sup>2</sup> brownfield area of prospectivity in the Golden Quadrilateral of Romania located in the immediate vicinity of the now closed Baia de Aries mine.

The Company also has interests in a number of projects in Zimbabwe including a controlling 25 per cent. interest in the producing Pickstone-Peerless Gold Mine, a 23.75% economic interest in the Eureka Gold Mine, and an 86.67% interest in a SPV which has a due diligence access agreement and pre-agreed joint venture terms on a diamond concession within the Marange Diamond Fields, widely considered to be one of the richest sources of alluvial diamonds globally.