

## Quarterly Production Summary & Operations Update

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

4 July 2018

### **Vast Resources plc**

("Vast" or the "Company")

## **Quarterly Production Summary & Operations Update**

Vast Resources plc, the AIM listed mining company with operations in Romania and Zimbabwe, presents its operational update and production summary for the three months ended 30 June 2018 ('Q2 2018').

To view a presentation, which presents the Q2 2018 results together with previous quarters, please visit the Company's website: [www.vastresourcesplc.com](http://www.vastresourcesplc.com).

### **Q2 Production Overview:**

Record quarter for the Pickstone-Peerless Gold Mine ("Pickstone-Peerless") in Zimbabwe:

56% increase in tonnes of ore mined to 101,706 tonnes (Q1 2018: 65,342 tonnes)

23% increase in tonnes of ore milled to 98,899 tonnes (Q1 2018: 80,639 tonnes)

10% increase in gold production to 6,969 ounces (Q1 2018: 6,326 ounces)

3% increase in gold sold to 6,754 ounces (Q1 2018: 6,549 ounces)

11% decrease in milled gold grade to 2.48g/t (Q1 2018: 2.78g/t)

Successful turnaround at Manaila Polymetallic Mine ("Manaila") in Romania following planned plant shutdown and pre-stripping in Q1 2018:

70% increase in tonnes of ore mined to 26,022 dry tonnes (Q1 2018: 15,344 dry tonnes)

102% increase in tonnes of ore milled to 27,497 dry tonnes (Q1 2018: 13,616 dry tonnes)

39% decrease in the stripping ratio of waste versus ore to 11.9 x (Q1 2018: 19.4 x)

136% increase in copper concentrate produced to 911 dry tonnes (Q1 2018: 361 dry tonnes)

4% increase in copper concentrate grade to 17.9% (Q1 2018: 17.3%)

80% increase in zinc concentrate produced to 151 dry tonnes (Q1 2018: 84 dry tonnes)

14% increase in zinc concentrate grade to 34.8% (Q1 2018: 30.4%)

### **Andrew Prelea, Chief Executive Officer, of Vast, commented:**

*"I am delighted with Vast's performance in Q2 2018, which has seen us translate the initiatives undertaken in previous months into a sustainable foundation for production growth moving forward. This is particularly true at Manaila, where as a result of the new offtake agreement with Mercuria and improved performance in the open pit and processing plant, we have achieved record sales realisations in Q2 2018.*

*"The improved results at Manaila were extremely encouraging for the Company and have demonstrated that the right decision was made in Q1. Optimisation of the Iacobeni plant and the open pit at Manaila are continuing in preparation for the increase of production that will result from the new equipment being acquired utilising the recently raised funds.*

*"We are also very pleased with the continuing performance at Pickstone-Peerless as the mine*

*continues to improve quarter on quarter. As we approach the sulphide orebody, we anticipate a continuing increase in production and quality at the mine.*

*"Looking to our expanding portfolio, as announced on 22 June, significant progress has been made on finalising the Association on the Licence at Baita Plai and we are currently awaiting the final step to complete in order to commence mining activities. Work is also in progress on extending our footprint in Romania through our current claims at Magura Neagra and Piciorul Zimbrului where we are preparing the drilling programme to commence in Q4 2018 in order to maintain the prospecting licence as well as continuing work on further opportunities in Romania.*

*"Our expansion initiatives in Zimbabwe continue to progress encouragingly. Work at the Eureka Mine, in which we hold a 23.75% economic interest, has commenced with the dewatering of the open pit and the process flow has been established. The recent visit to the mine by President Mnangagwa was very encouraging and we are proud to play a part in the recovery of Zimbabwe's mining industry.*

*"These are very positive times for Vast as we improve efficiencies and profitability at our current assets while preparing to bring new revenue streams on line for the company and continue looking at new opportunities to expanding the business in order to create value for shareholders."*

### **Pickstone-Peerless Production Summary**

*(commissioned on 20 August 2015, Vast ownership 25.01%):*

Gold produced and sold at Pickstone-Peerless rose in the quarter to their highest recorded levels exceeding the record levels achieved in the previous quarter. The exceptionally high level of pre-stripping undertaken in Q1 2018 contributed to the high levels of ore mined and milled in Q2. Volumes of ore milled also benefitted from an absence of mechanical problems that hampered Q1's performance. The plant is currently processing at a steady state in excess of 30,000 tonnes per month, a level which is expected to continue into future quarters.

### **Manaila Production Summary**

*(commissioned on 14 August 2015, Vast Ownership 100%.):*

Production resumed in Q2 2018 at satisfactory levels following unprecedented levels of pre-stripping, together with plant maintenance and repairs undertaken during Q1 2018. This has placed Manaila on track to achieve the sustainable supply of product to meet the concentrate volume requirements of the offtake agreement and funding offer concluded on 21 March 2018 with Mercuria.

The focus on waste stripping during Q2 and particularly Q1 2018 has allowed for a continuous improvement in the ore grade delivered to the plant in Q2 when compared to the previous 3 quarters. Similarly, the copper content of concentrate produced in Q2 improved to the required quality on the back of the improved delivered grades while maintaining the ore tonnes mined and milled on an upward trajectory.

As a result of increased pre-stripping and the efficiencies now achieved in the current plant increased production is now possible provided sufficient dumpers and excavators are available in the pit. Part of the funds raised in the Company's recent placing will be used to pay for the deposit on new dumpers and excavators that should allow for higher equipment availability, ore and waste movement, and plant throughput. These plans will facilitate stripping at levels sustainably higher than hitherto achieved and will allow for improved utilisation of processing capacity at the Iacobenii metallurgical plant. The new equipment will also be required once we build the new plant at Manaila and the new open pits in the Carlibaba extension.

**Production Statistics**  
**June 2018 Quarterly Production Summary**

<b>Operational data:</b>					
<b>Pickstone-Peerless</b>	<b>Units</b>	<b>June'18 Quarter</b>	<b>Mar'18 Quarter</b>	<b>Dec'17 Quarter</b>	<b>Sep'17 Quarter</b>
Ore mined	<b>Tonnes</b>	101,706	65,342	90,874	71,533
Waste and low-grade ore mined	<b>Tonnes</b>	1,588,449	1,596,078	1,311,329	1,039,570
Stripping ratio	<b>Times</b>	15.6	24.4	14.4	14.5
Ore milled	<b>Tonnes</b>	98,899	80,639	86,097	68,431
Milled Grade	<b>Grams per tonne</b>	2.48	2.78	2.46	2.41
Gold produced	<b>Ounces</b>	6,969*	6,326	6,057	4,738
Gold sold	<b>Ounces</b>	6,754*	6,549	5,729	4,711
Gold in stock at period end	<b>Ounces</b>	1,102*	887	1,110	782
*June 2018 final gold production and sales estimated					
<b>Manaila</b>	<b>Units</b>	<b>June'18 Quarter</b>	<b>Mar'18 Quarter</b>	<b>Dec'17 Quarter</b>	<b>Sep'17 Quarter</b>
Ore mined	<b>Tonnes</b>	26,022	15,344	23,622	40,462
Waste mined	<b>Cubic Metre</b>	129,342	119,090	98,933	119,003
Stripping ratio	<b>Times</b>	11.9	19.4	10.5	7.4
Ore milled	<b>Tonnes</b>	27,497	13,616	25,654	39,135
Milled Grade - Cu	<b>Percentage</b>	0.76%	0.67%	0.56%	0.70%
Milled Grade - Zn	<b>Percentage</b>	0.73%	0.69%	0.58%	0.70%
Concentrate produced - Cu	<b>Dry tonnes</b>	911	386	562	1082
	<b>Percentage</b>	17.9%	17.3%	16.3%	17.9%
Concentrate produced - Zn	<b>Dry tonnes</b>	151	84	96	118
	<b>Percentage</b>	34.8%	30.4%	37.1%	42.3%
Concentrate produced - Au	<b>Dry tonnes</b>	0	0	6	7
	<b>Grammes per tonne</b>			86.0	31.4
Concentrate sold - Cu	<b>Dry tonnes</b>	1,041	0	590	1079
Concentrate sold - Zn	<b>Dry tonnes</b>	215	0	100	92

Concentrate in stock at period end Cu	<b>Dry tonnes</b>	268	398	12	41
Concentrate in stock at period end Zn	<b>Dry tonnes</b>	79	143	59	63
Concentrate in stock at period end Au	<b>Dry tonnes</b>	6	6	6	

### **Quarterly Conference Call**

Andrew Prelea, Chief Executive of Vast, will host a conference call for shareholders at 10.00a.m. (UK time) on 4 July 2018.

To participate in this conference call, please dial 0808 109 0701, or +44 (0) 20 3003 2701 if you are calling from outside of the UK and enter participant pin 3424497# when prompted to do so. Please note that all lines will be muted except for Vast's management, however the Company invites shareholders to submit questions to its public relations adviser, St Brides Partners Ltd, ahead of the call via email to [shareholderenquiries@stbridespartners.co.uk](mailto:shareholderenquiries@stbridespartners.co.uk) or through the online chat function that will run alongside the call.

To access the online chat function, please use the link below and log in as a participant using the event number 957443472 followed by the password, 'Vast':

<https://sbmf.webex.com/sbmf/onstage/g.php?MTID=e13d7f3a3541a9ea02e2a35d82c5cf288>

On the right-hand side of the screen you will find an option to submit questions during the call. The Q&A function will only be made live once the call has commenced.

The management team will strive to answer as many questions as possible during the call. A recording of the call will also be made available on the Company's website.

If you have any problems accessing the call, please contact St Brides Partners Ltd on [shareholderenquiries@stbridespartners.co.uk](mailto:shareholderenquiries@stbridespartners.co.uk) or call +44 (0) 20 7236 1177.

A copy of the presentation will also be uploaded to the Research, Media & Presentations page of the website at [www.vastresourcesplc.com](http://www.vastresourcesplc.com) shortly before the call commences.

### **Competent Person's Review:**

This announcement has been reviewed by Mr Craig Harvey, Chief Operating Officer at Vast, and a member of the Geological Society of South Africa and the Australian Institute of Geoscientists. Mr Harvey meets the definition of a "qualified person" as defined in the AIM Note for Mining, Oil and Gas Companies.

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

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

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