

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

14 March 2017

Vast Resources plc

("Vast" or the "Company")

Update on Strategic Investment by SSCG Africa Holdings Ltd

Vast Resources plc, the AIM-listed mining company with operations in Romania and Zimbabwe, is pleased to provide an update on the financing arrangements with SSCG Africa Holdings Ltd ('SSA') as announced on 30 January 2017 (the 'SSA Transaction'), under which the Company was to receive gross proceeds of US\$8 million principally to advance the Company's core activities in Romania. This comprised a US\$4 million payment for the sale of a 49.99 per cent interest in the Company's principal Zimbabwean assets (the 'Disposal') and a US\$4 million long term loan, repayable in four years (the 'Loan').

The Disposal and the full drawdown of the Loan were subject to certain conditions precedent ('Conditions Precedent'), which included principally the obtaining of an Indigenisation Compliance Certificate and also of a Zimbabwe Investment Authority Licence for SSA's Zimbabwe subsidiary, Myristica, and exchange control approval of the assignment of 49.99% of Vast's loan account with Canape to SSA.

Myristica has now obtained both a Zimbabwe Indigenisation Compliance Certificate and a Zimbabwe Investment Authority Licence from the relevant regulatory bodies in Zimbabwe. The only regulatory Condition Precedent now outstanding for the completion of the SSA Transaction is the approval by the Reserve Bank of Zimbabwe of the assignment of 49.99% of Vast's loan account with Canape.

The agreement for the Loan provided that US\$2 million would be drawn down in advance of fulfilment of the Conditions Precedent, but it was envisaged that a further US\$1 million might be drawn down prior to the fulfilment of the Conditions Precedent if approved by SSA. The Company has now, in addition to the initial US\$2 million, drawn down a further US\$1 million (the 'Further Draw Down').

The Further Draw Down has been used to fund a payment of US\$1,165,000 ('the Payment') to settle debts associated with the Company's acquisition of a 50.1% interest in Sinarom Mining Group SRL ('Sinarom'), which owns the Manaila Polymetallic Mine in Romania. As announced on 7 July 2015, Sinarom guaranteed an obligation of US\$2,500,000 by Mr Ni Jin Ming, the vendor of Sinarom, due to Zheng Juanqing, the historical offtake partner of Sinarom. Prior to the Payment, the balance outstanding due to Zheng Juanqing was US\$2,080,000 and the Payment was in full satisfaction of all of Mr Ni Jin Ming's obligations to Zheng Juanqing.

Discussions are in progress concerning further transactions in relation to Sinarom. The Further Draw Down and the Payment were made in the context of such discussions and the Company will update investors when these discussions have been concluded.

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