

Notice of General Meeting

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

9 May 2019

**Vast Resources plc**  
("Vast" or the "Company")

**Increase in authorities to issue warrants as security for outstanding Mercuria Tranche A finance (or any replacement thereof) - cancellable on repayment of such finance**  
**Notice of General Meeting**

Vast Resources plc, the AIM-listed mining company, announces that a letter from the Chairman of the Company (the 'Letter') including a Notice of General Meeting has been posted to Shareholders late on 8 May 2019. A copy of the Letter and the Notice of General Meeting will be available on the Company's website at [www.vastplc.com](http://www.vastplc.com) and the full text of the Letter follows in the appendix to this announcement below (the 'Appendix').

The Letter refers to the Warrant Instrument issued as part of the security granted to Mercuria Energy Trading SA ("Mercuria") in respect of the Tranche A finance granted to the Company by Mercuria under its prepayment agreement with the Company concluded on 21 March 2018 (the "Prepayment Agreement"). As a result of the fall in the Company's share price there is a requirement under the terms of the Warrant Instrument that the number of warrants issued to Mercuria as security for the outstanding amount to Mercuria under the Prepayment Agreement be increased, and the Letter requests Shareholders to grant authority to the Directors to augment the existing 565 million warrants issued to Mercuria as security by the issue of up to a further 1,750 million warrants. The exercise price of the warrants remains equal to the three month volume weighted average price of the Ordinary Shares of the Company for the period ended ten business days prior to the exercise of the warrants.

Notwithstanding the requirement to issue further warrants to Mercuria, the Company is working closely with both Mercuria and the Swiss bank who, as announced on 29 April 2019, have issued to the Company a draft term sheet containing the material indicative terms for new finance. Should the term sheet be consummated on its current terms the Company's obligation to Mercuria would be repaid in full out of the new finance obtained, and Mercuria have indicated its interest to continue its existing offtake contracts with the Company subject to certain conditions.

In view of the possibility of the repayment of Mercuria through the Swiss Bank or through similar alternative finance the Letter also requests Shareholders to grant authority to the Directors to issue up to 2,315 million warrants as security to any financier who repays the amount outstanding to Mercuria provided that the principal terms of such warrants are substantially similar to those issued to Mercuria and the warrants issued to Mercuria are cancelled.

None of the Ordinary Shares pursuant to the authorities requested will be issued other than in the event of a default under the Prepayment Agreement or related agreements or in the event of a default under any replacement finance agreement.

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

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

**Vast Resources plc**

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## Notes

Vast Resources plc, is an AIM listed mining company with mines in Romania and Zimbabwe focused on the rapid advancement of high quality brownfield projects by recommencing production at previously producing mines in Romania and finalising its Chiadzwa Community Development Trust joint venture on the Heritage Concession (Block T1A of the Marange Diamond Fields) in Zimbabwe.

The Company's portfolio includes an 80% interest in the Baita Plai Polymetallic Mine in Romania, where work is currently underway towards developing and recommissioning the mine on completion of funding.

Vast Resources owns the Manaila Polymetallic Mine in Romania, which was commissioned in 2015, currently on care and maintenance, and is focused on its expansion through the development of a second open pit operation and new metallurgical complex at the Carlibaba Extension Area.

## Appendix

### LETTER FROM THE CHAIRMAN OF THE COMPANY

**Increase in authorities to issue warrants as security for outstanding Mercuria Tranche A finance (or any replacement thereof) - cancellable on repayment of such finance and**

**Notice of General Meeting 2.30pm on 24 May 2019**

## Background

It was announced on 29 April 2019 that in accordance with the Warrant Instrument that had been

issued as part of the security to Mercuria Energy Trading S.A. (“Mercuria”) under the prepayment agreement entered into on the 21 of March 2018 with, amongst others, the Company (the “**Prepayment Agreement**”), the Company would shortly be calling a General Meeting in order to obtain authority for the Directors to increase the number of warrants to be issued to Mercuria as security for the outstanding instalment amounts now falling due to it by the Company.

Under the Warrant Instrument, and as announced on 30 January 2018, and as confirmed by the Resolutions passed at the General Meeting of 14 February 2018, 565 million warrants were issued to Mercuria as security for any amount (including principal and interest) due by the Company and or any other party to the Prepayment Agreement in relation to Tranche A granted by Mercuria under the Prepayment Agreement (the “**Outstanding Amount**”). The exercise price of the warrants is equal to the three month volume weighted average price of the Ordinary Shares of the Company for the period ended ten business days prior to the exercise of the warrants. In view of the fall in the Company’s share price the 565 million warrants no longer cover the Outstanding Amount, and the Company, in order to make up the shortfall, and in accordance with the requirements of the Warrant Instrument, is now seeking authority to issue a further 1,750 million warrants under the terms of the Warrant Instrument. At the same time the Company is seeking authority that, subject to Mercuria being repaid and the warrants issued to Mercuria being released, the Directors may issue warrants as security to obtain financing from other sources where such finance replaces that of Mercuria, provided that the principal terms of any warrants so issued are substantially similar to those issued to Mercuria.

It must be emphasised that the number of warrants that could be exercised under the Warrant Instrument pursuant to the occurrence of an Event of Default as such term is defined in the Prepayment Agreement or related agreements with Mercuria (together referred to as a “Warrant Instrument Event of Default”) is limited to the cash value of the Outstanding Amount calculated by reference to the three month volume weighted average price of the Ordinary Shares 10 business days prior to the date of exercise.

**These warrants can only be exercised in the event of a Warrant Instrument Event of Default. They cannot be exercised in any other circumstances.**

Notwithstanding the requirement to issue further warrants to Mercuria, the Company is working closely with both Mercuria and the Swiss bank who, as announced on 29 April 2019, have issued to the Company a draft term sheet containing the material indicative terms for new finance. Should the term sheet be consummated on its current terms the Company’s obligation to Mercuria would be repaid in full out of the new finance obtained, and Mercuria have indicated its interest to continue the existing Offtake contract for Manaila and pre agreed Offtake contract for Baita Plai subject to certain conditions.

## **The Resolutions**

Resolution 1, if passed, will give authority to the Directors to issue up to 1,750 million Ordinary Shares in connection with the Warrant Instrument issued to Mercuria dated 13 March 2018, and Resolution 2, if passed, will give authority to the Directors to disapply pre-emption rights in respect of the 1,750 million Ordinary Shares.

Resolution 3, if passed, will give authority to the Directors to issue up to 2,315 million Ordinary Shares in connection with a warrant instrument to be issued to a financier who provides sufficient finance to the Company to repay Mercuria in full, provided that the principal terms of any such warrant instrument are substantially similar to the Warrant Instrument issued to Mercuria and that the warrants issued to Mercuria have been cancelled, and Resolution 4, if passed, will give authority to the Directors to disapply pre-emption rights in respect of the 2,315 million Ordinary Shares.

**None of these Ordinary Shares will be issued other than in the event of a Warrant Instrument Event of Default or of a default under any replacement finance agreement.**

### **General Meeting and Action to be taken by Shareholders**

Attached to this letter is a Notice convening the General Meeting to be held at the Company's registered office, 60 Gracechurch Street, London EC3V 0HR at 2.30pm on Friday 24 May 2019 to consider the Resolutions.

Shareholders have been sent a Form of Proxy for use at the General Meeting. Whether or not Shareholders intend to be present at the General Meeting, they are requested to complete and return the Form of Proxy in accordance with the instructions printed thereon. To be valid, completed Forms of Proxy must be received by the Registrar as soon as possible and in any event not later than 2.30pm on 22 May 2019, being 48 hours before the time appointed for holding the General Meeting. Completion of a Form of Proxy will not preclude Shareholders from attending the meeting and voting in person if they so choose.

### **Recommendation**

The Directors unanimously recommend Shareholders vote in favour of the Resolutions to be proposed at the General Meeting as they intend to do so in respect of their own beneficial holdings amounting in aggregate to 118,749,468 Ordinary Shares representing approximately 1.49% of the Company's existing Ordinary Shares.

**Brian Moritz**

*Chairman*

8 May 2019