

Financing Update & Proposed \$9.5 million Pre-Payment Off-take with Mercuria Energy Group

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Vast Resources plc

("Vast" or the "Company")

Financing Update & Proposed \$9.5 million Pre-Payment Off-take

with Mercuria Energy Group

Highlights

- Off-take offer from Mercuria Energy Trading ("Mercuria") for up to 100% of the copper and zinc concentrate produced at the Company's Manaila Polymetallic Mine ("Manaila") and Baita Plai Polymetallic Mine ("Baita Plai")
- Conditional Pre-payment Finance Term Sheet with Mercuria of up to \$9.5m over two tranches commencing from 5 March 2018
- MOU with Sub-Sahara Goldia Investments ("SSGI") for early repayment of funding following repayment of the bridging loan of US\$1.68 million to be repaid 9 March 2018
- Charge over all Romanian assets to be released on 31 December 2018, or earlier, following repayment of a further US\$1.5 million to SSGI and Romanian assets re-charged to Mercuria.

Vast Resources plc, the AIM-listed mining company with operating mines in Romania and Zimbabwe, is pleased to announce an update on the Company's off-take and financing arrangements. This includes a binding Memorandum of Understanding ("MOU") to vary the existing loan and guarantee agreement with SSGI, and an offer of an off-take agreement capable of acceptance by Vast ("Off-take Offer") coupled with a related conditional pre-payment finance term sheet ("Pre-payment Finance Term Sheet") with Mercuria. Mercuria is part of Mercuria Energy Group, one of the largest integrated energy and commodity trading companies globally. The terms of the Off-take Offer are on substantially more favourable terms than those of Vast's previous off-take partner and the arrangements overall, subject to finalisation and signing, would result in material benefits for the Company. Brandon Hill Capital acted as financial adviser to the Company in relation to the Pre-payment Finance Term Sheet with Mercuria.

Andrew Prelea, Chief Executive (Non Board) of Vast Resources, commented:

"I am delighted to present shareholders with our proposed financing strategy and off-take partner, which I believe could provide Vast with significantly improved borrowing and off-take terms. In addition to the near-term benefits, which this pre-payment off-take financing facility should deliver to the Company, it also establishes the basis for a future working relationship with one of the most recognised and respected energy and trading companies globally, Mercuria Energy Trading. The opportunity to partner with a company with such prestige as Mercuria is a tremendous endorsement of our assets in Romania, and also our ability to unlock the inherent value of our portfolio of mines and projects for all stakeholders

"On finalisation of this facility, we anticipate that the funds will enable us to deliver all of our near-term goals in Romania, specifically the expansion and optimisation of our Manaila mine, and, subject to the grant of the licence, the landmark commencement of production at our Baita Plai mine with no equity dilution to shareholders on the basis that the Company complies with the terms of the facility.

"The proposed funds from Mercuria will also support the accelerated repayment schedule that has been agreed with our partners at SSGI providing significant cost savings to the Company. I would like to extend my thanks to the team at SSGI for their support over the past 12 months, and I look forward to continuing our relationship as it develops over the coming months."

Transaction with Mercuria Energy Group

Summary of the Transaction

- An Off-take Offer ("Off-take Offer") from Mercuria for the period from January 2018 to December 2021 inclusive for up to 100% of the copper and zinc concentrate produced at the Company's Manaila Polymetallic Mine ("Manaila") and Baita Plai Polymetallic Mine ("Baita Plai") in Romania on pricing terms significantly more attractive than those on Vast's previous off-take contract. The Off-take Offer is capable of acceptance by Vast.

Conditional up to US\$9.5 million Pre-payment Finance Term Sheet with Mercuria relating to the Off-take Offer:

Funds to be drawn down US\$4 million on or before 5 March 2018 ("Tranche A") and up to US\$5.5 million on 1 July 2018 (or subsequently as required) ("Tranche B") subject to Vast Resources PLC meeting pre-agreed conditions.

Drawdown conditional on the Company accepting the Off-take Offer.

Drawdown of Tranche A is conditional, inter alia, on legal due diligence, agreement of an inter-creditor management agreement with SSGI, agreement of definitive documents, execution of security documentation and the internal approvals of Mercuria. It is also conditional on 49.9% of the Company's 100% interest in Sinarom Mining Group SRL being pledged as security for Tranche A.

Drawdown of Tranche A is further conditional upon a shareholders' resolution of the Company granting authority for the Company to issue warrants sufficient at the share price at the date of signature of the final pre-payment finance agreement (the "Signing Date") to convert, if exercised, into a share value of US\$ 4.4 million ("Warrants"). The Warrants would be charged as additional security for Tranche A and would be exercisable in the event of default by the Company, but not otherwise, to the extent necessary to repay Tranche A. The exercise price of the Warrants for this purpose would be the value weighted average price of the Company's shares in the ten business days preceding the conversion date. The maximum number of shares which can be issued under the Warrants will be set at the Signing Date, but based on last night's closing share price is 526 million representing 10.27% of the Company's existing issued share capital. The Warrants would be released from charge after repayment of Tranche A.

- Drawdown of Tranche B is subject, in addition to customary due diligence and agreement of documentation, to a technical and financial due diligence on Manaila and Baita Plai and the completion of a Baita Plai plant investment plan validating the business of that mine. Tranche B would be secured on the Romanian assets of the Company.

The Company will convene a General Meeting as soon as it can be arranged for the purpose of proposing a resolution to grant authority for the issue of the Warrants.

Variation of the existing loan and guarantee agreement with Sub-Sahara Goldia Investments ("SSGI")

The Company has entered into a Memorandum of Understanding ("MOU") with SSGI which, conditional upon the Company entering into a binding off-take agreement from Manaila and a

binding pre-payment agreement satisfactory to SSGI by 5 March 2018, amends the existing loan and guarantee agreement as follows:

- US\$1.68 million interim bridging loan (announced 13 September 2017) to be repaid 9 March 2018 in accordance to the current agreement.
- Accelerated repayment schedule agreed whereby the full US\$4.08 million (including loan arrangement fee) (as announced on 30 January 2017) to be repaid by 31 December 2019, 13 months early and in accordance with cash flow projections.
- Charge over 49.9% of the Company's 100% interest in Sinarom Mining Group SRL to be released following repayment of US\$ 1.6 million on 9 March 2018.
- Charge over all Romanian assets to be released on 31 December 2018, or earlier, following repayment of a further US\$1.5 million in aggregate in accordance with the accelerated repayment schedule.

Background on Mercuria

Founded in 2004, Mercuria Energy is one of the largest independent commodities groups in the world. Through its various subsidiaries, the group focuses primarily on energy and has activities all along the commodity value chain that form a balanced combination of commodity flows and strategic assets.

With a strong balance sheet and net asset value of close to USD 3 billion, more than 1,000 people are operating from offices worldwide to sustain Mercuria's extensive business reach, while leveraging their market knowledge, diversity, and experience.

In 2014, Mercuria Group completed the acquisition of the physical commodities trading businesses of JPMorgan Chase & Co. In 2016, Mercuria welcomed the strategic investment by China National Chemical Corporation ("ChemChina"), in addition to the investment by China Materials Storage and Transportation Development ("CMST") into the Henry Bath warehousing business. In 2017, Mercuria Group completed the acquisition of the gas and power trading unit of Noble Americas Corp.

****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").

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.

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 portfolio also includes an 80% interest in the Baita Plai Polymetallic Mine in Romania, where work is currently underway towards obtaining the relevant permissions to start developing and ultimately commissioning the mine.

The Company also has interests in a number of projects in Southern Africa including a controlling 25% interest in the producing Pickstone-Peerless Gold Mine in Zimbabwe.

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Source: Vast Resources plc via Globenewswire