

## Letter to Shareholders and Notice of General Meeting

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

22 February 2019

### **Vast Resources plc**

("Vast" or the "Company")

### **Letter to shareholders**

### **Notice of General Meeting**

Vast Resources plc, the AIM listed mining company with operating mines in Romania and Zimbabwe, announces that a Chairman's letter including a Notice of General Meeting of the Company will be posted to shareholders today, 22 February 2019. The General Meeting will be held at 2:30pm on 11 March 2019 at The Business Centre, Institute of Directors, 116 Pall Mall, London SW1Y 5ED. A copy of the Chairman's letter and Notice of the General Meeting will be available on the Company's website at [www.vastresourcesplc.com](http://www.vastresourcesplc.com).

### **Purpose of the Chairman's Letter**

The purpose of the Chairman's Letter is to seek, through the passing of resolutions at the General Meeting, approval to grant the Directors authority to issue new equity share capital up to specified limits and to disapply statutory pre-emption rights. These resolutions are in substitution for the authorities granted to the Directors under Resolutions 3 and 4 passed at the General Meeting of the Company on 31 January 2019.

The Chairman's Letter to shareholders explains the reasons for the proposals and explains that there have been significant developments for the Company, some of which had not been anticipated, which took place before the Company's General Meeting of 31 January 2019 had taken place but which may have affected the authorities requested at the 31 January meeting had they been known at the time that the Notice of that meeting was sent out.

The developments include:

- The totally unexpected non-receipt of US\$5.5 million Tranche B from Mercuria communicated on 18 January 2019 resulting in a substantial fall in the Company's share price.
- As a consequence of the substantial fall in the Company's share price there was accordingly a reduction in the cash value of the authorities granted.
- A further consequence was that the Company was obliged to negotiate new terms with Sub-Sahara Goldia Investments (SSGI) in relation to the US\$3.4 million owing to SSGI. Discussions are still ongoing.
- Bergen Global Opportunity Fund, LP ("Bergen") had advanced the first of two tranches of funding under the Convertible Security Deed between the Company and Bergen, announced on 20 December 2019 (the "Investment Agreement"). The advance of the second tranche was paused as announced on 12 February 2019. The Company's obligations in relation to the first tranche were satisfied through a combination of conversion and a cash repayment of US\$675,000 on 18 February 2019.
- Subsequently, by mutual consent of the parties, the Investment Agreement was terminated, and the Company was released from any obligation to maintain authorities for there to be unissued shares available for conversion of Bergen's convertible instrument, as the second tranche of the Bergen facility will no longer take place, and the first tranche has been converted or repaid in full.

- Ongoing positive discussions on replacement off take finance and/or concerning a cornerstone investor who has interest in financing the entire company including the Zimbabwe diamond opportunity.

and

- Importantly confirmation by Government of Zimbabwe of the right to mine at the Heritage Concession as confirmed on 14 February 2019 upon completion of detailed contracts.

As demonstrated by the Corporate Presentation announced to the market on 29 January 2019 the Board is of the opinion that the Company holds two growth opportunity pivotal assets in the Baita Plai Polymetallic Mine in Romania and in – the now confirmed rights to – the Heritage Diamond Concession in Zimbabwe, both of which have the prospect of achieving significant value for the Company. These projects will be the main focus of any new share issues.

It is essential that the Company has – ahead of the receipt of replacement prepayment offtake finance or an agreement with a cornerstone investor - sufficient capital to exploit these opportunities and reduce its liability to SSGI. The non-payment by Mercuria, the cancellation and repayment of respectively, Bergen's, second and first tranche, have reduced what the Company has available – at least in the short term – and the reduction in the share price has reduced what the Company is able to raise under its existing authorities from shareholders.

Accordingly, the Board seeks through the passing of Resolutions at the General Meeting to broaden the existing authorities to issue shares to a nominal value of £1,000,000 which are at present limited to enabling the conversion rights of Bergen under its Convertible Security Deed so that the authorities can be used instead for Baita Plai and general working capital. Accordingly included with this letter is the notice convening the General Meeting for this purpose.

#### **Action to be taken**

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 7 March 2019. 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 believe that the ability to obtain the necessary finance and therefore the passing of the Resolutions is important to the Company and Shareholders taken as a whole. The Directors unanimously recommend the shareholders to vote in favour of the Resolutions as they intend to do in respect of their own shareholdings amounting to 77,362,431 ordinary shares (approximately 1.11% of the total issued shares).

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

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

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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.