

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

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## **Vast Resources plc**

("VAST" or the "Company")

### **Update on Pickstone-Peerless Gold Mine**

VAST, the AIM listed resource and development company, is pleased to announce an update on progress on development at the Pickstone-Peerless Gold Mine in Zimbabwe ("Pickstone-Peerless").

#### **BACKGROUND**

As announced on 17 October 2014, Pickstone-Peerless, situated in the midlands of Zimbabwe, is being jointly developed by VAST's Zimbabwean subsidiary and Grayfox Investments (Private) Limited ("Grayfox") via a co-owned operating company. The co-owned operating company has a CAPEX budget of US\$4m equity, funded by Grayfox, with VAST retaining management control via a chairman's casting vote.

As stated in the Company's results for the six months to 30 September 2014, mine commissioning at an initial mining rate of 10,000 tonnes per month from the open cast oxide gold cap was planned for the beginning of H2 2015 with first positive cash flows later in H2 2015.

#### **DEVELOPMENT TO DATE**

##### ***Regulatory***

All regulatory requirements are in place, including:

- Mining permit

- Environmental approval

- Siting and works plan approval

Dialogue with the Ministry of Mines and the local community will continue throughout the life of the mine.

##### ***Financial***

The equity capital of US\$4m is in place at the co-owned operating company level. A decision was made to acquire slightly enhanced processing equipment to facilitate and reduce the cost of the next phase of expansion. The increased working capital requirement is planned to be provided by facilities from local financial institutions which have indicated interest in the project. These facilities are now in the process of negotiation.

##### ***Management and Operational Staff***

The majority of the required senior and middle management personnel are in place. A significant part of the operational staff is available. There are ample experienced mining specialists in Zimbabwe and no personnel shortages are expected.

##### ***Mining***

The mining contractor is on site establishing its required facilities. Elements of the mining fleet are also on site and preparation of the opencast mine is underway. Pit preparation will be undertaken during May 2015 and an ore stock-pile (one month) will be created in June 2015, ready for hot commissioning and first production in August 2015. Annualised gold production of 10,000-12,000oz Au is expected from the initial mining rate of 10,000 tonnes per month. Grade control drilling has commenced.

##### ***Processing***

Refurbishment of the existing carbon-in-pulp (CIP) / carbon-in-leach (CIL) facilities and the civil engineering for the new facilities is 70% complete. The new mill and crusher ex-China has arrived in Durban, South Africa, and is en-route by road to the mine. Equipment being sourced in South Africa is in construction and will be available when required for installation.

Equipment being refurbished or fabricated in Zimbabwe is well in hand. Ancillary facilities such as the laboratory have been commissioned and are operational.

### **Housing**

All levels of housing have been either refurbished or constructed and will be enhanced as the mine expands.

### **CONCLUSION**

Progress in developing Pickstone-Peerless towards commercial production continues and the Board looks forward to producing maiden revenues from the mine in the latter half of 2015. The minor CAPEX overrun and the slight delay in completion of development and the commencement of mining is not expected to significantly impact the project's financial parameters.

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

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