

Quarterly Production Summary & Operations Update

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

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Vast Resources plc

("Vast" or the "Company")

Quarterly Production Summary & Operations Update

Vast Resources plc, the AIM listed mining company with operations in Romania and Zimbabwe, presents its operational update and production summary for the three months ended 31 December 2017 ('Q4 2017').

To view a presentation, which presents the Q4 2017 results together with previous quarters, please visit the Company's website: www.vastresourcesplc.com.

Production Overview:

Q4 2017 was a record quarter for the Pickstone-Peerless Gold Mine ("Pickstone-Pickstone") in Zimbabwe. Outperformance over any previous quarter in terms of tonnes mined, tonnes milled, and gold produced was achieved. Operations at the Manaila Polymetallic Mine ("Manaila") in Romania were affected by a planned plant shut down in December in anticipation of finalising off-take finance, as further explained below. This had a dramatic impact on production figures for Q4 2017 but lays the foundation for improved performance for the remainder of 2018.

Pickstone-Peerless Production Summary

(commissioned on 20 August 2015, Vast ownership 25%):

Ore mined and milled at Pickstone-Peerless rose in the quarter to their highest recorded levels. A high level of pre-stripping was undertaken in the quarter, which assisted in paving the way for access to the deeper lying sulphide bearing ores. The new milling and crushing circuits for the sulphide plant were commissioned in Q4 2017. Although the Company is not yet mining the sulphide ore, the plant has increased crushing, milling and leaching capacity to in excess of 30,000 tonnes per month, and despite initial teething problems in October and November, a significant increase in ore tonnage mined was achieved.

- **27% increase in tonnes of ore mined** from Q4 2017 to 90,874 tonnes (Q3 2017: 71,533 tonnes)
- **26% increase in tonnes of ore milled** from Q4 2017 to 86,097 tonnes (Q3 2017: 68,431 tonnes)
- **28% increase in gold production** from Q4 2017 to 6,057 ounces (Q3 2017: 4,738 ounces)
- **2% increase in milled gold grade** from Q4 2017 to 2.46g/t (Q3 2017: 2.41g/t)

Manaila Production Summary

(commissioned on 14 August 2015, Vast Ownership 100%.):

The focus of activity at Manaila towards the end of the quarter was to increase pre-stripping in order to ensure the sustainable supply of ore for the recently announced conditional offtake agreement and funding offer from global energy and commodity trading company Mercuria Energy Group. This necessitated a temporary cessation of mining and processing activities given the

reduced recovery encountered, which impacted on total production during the period. Historically Romanian mines close for the December and January months for general repairs and maintenance and the Company has readopted this philosophy and will continue to do so until the new metallurgical plant, that is properly insulated and heated, is constructed. Normal mining operations have now recommenced.

- **42% decrease in tonnes of ore mined** from Q4 2017 to 23,622 dry tonnes (Q3 2017: 40,462 dry tonnes)
- **34% decrease in tonnes of ore milled** from Q4 2017 to 25,654 dry tonnes (Q3 2017: 39,135 dry tonnes)
- **42% increase in the stripping** ratio of waste versus ore from Q4 2017 to 4.2 (Q3 2017: 2.9 x)
- **48% decrease in copper concentrate** produced from Q4 2017 to 562 dry tonnes (Q3 2017: 1,082 dry tonnes)
- **9% decrease in copper concentrate grade** from Q4 2017 to 16.3% (Q3 2017: 17.9%)
- **19% decrease in zinc concentrate** produced from Q4 2017 to 96 dry tonnes (Q3 2017: 157 dry tonnes)
- **12% decrease in zinc concentrate grade** from Q4 2017 to 37.1% (Q3 2017: 42.3%)
- **20% decrease in pyrite concentrate (containing gold and silver credits)** from Q4 2017 to 6 dry tonnes (Q3 2017: 7 dry tonnes)
- **174% increase in pyrite concentrate (containing gold and silver credits) grade** from Q4 2017 to 86g/t (Q3 2017: 31.4g/t)

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

"The two principal developments which marked Q4 2017 as a notable period were the commissioning of the crushing, milling and leaching circuits of the sulphide plant in Zimbabwe and the increase in production capacity achieved thereby, and the temporary cessation of primary mining and processing at Manaila in order to establish a more rigorous mine plan and processing route for 2018. The first development directly resulted in a record quarter for Pickstone-Peerless, a tremendous result for the team and I am confident that this step change in output will continue over the coming months. Looking now to Manaila, the developments there, whilst negatively impacting the result for the quarter, should provide a stable footing through which reliable and sustainable production henceforth is ensured to satisfy our conditional offtake agreement offer with Mercuria Energy Group.

"As Vast moves away from equity raising to debt financing, ensuring long-term sustainability and reliability of production, and hence cash flow, is paramount. This knowledge was foremost in our minds when we made the decision to limit activities at Manaila in favour of reconsolidation work in December and January - deemed as the most suitable time as a result of historical winter conditions causing losses to the Company and effectively losing good ore with low recoveries at a high cost. I am pleased to report that pre-stripping work to access the high-grade massive sulphide orebody is progressing well and normal mining activities have recommenced. Together, this work will ensure a steady feed grade to the plant allowing the Company to maximise value from our resource.

"The outlook for 2018 remains very positive for Vast, most visibly illustrated by the recently announced pre-payment finance term sheet and off-take agreement offer with Mercuria, which I believe underpins the operational robustness of both our Manaila and Baita Plai Polymetallic Mines, in addition to our ability to unlock each mine's strategic value. Combined with an ever-improving production profile at our Pickstone-Peerless Gold Mine and ameliorating economic and political environment in Zimbabwe, we are well positioned to deliver more value throughout the coming months."

Review of Operations & Development Initiatives

Pickstone-Peerless Gold Mine

The upgraded crushing, milling and leaching sections of the metallurgical plant are performing as expected and the coming months will see the achievement of the nameplate capacity of 33,000 tonnes per month processed. The sulphide flotation cells are installed but, as yet, not commissioned. The ultra-fine grind mills for the flotation concentrate are not yet on site. A shortage of steel in Zimbabwe has hampered the final construction phases of the flotation and ultra-fine grind milling sections.

Testwork is being undertaken on samples from the ore exposed on the lowermost benches in addition to grade control drilling to determine the extent of the sulphide content in the ore and the impact on the metallurgical process. To date there has been no significant indication of a reduction in metallurgical recovery.

Further updates regarding commissioning of the flotation cells will be made in due course.

Manaila Polymetallic Mine

Due to inadequate historic capital expenditure on mine development, Manaila was suffering from a decrease in overburden stripping from a required Tonne: BCM 5.0 average to 2.3:1 from September 2016 to November 2017, creating a bottleneck in the pit which resulted in a lower grade ore being processed. The fundraising activities in December 2017 enabled the Company to commence an intense stripping programme designed to create a larger working footprint in the open pit and to expose the higher-grade ore across the full open pit floor. The remedial stripping programme will be concluded during Q2 2018 and will not interfere with the normal mining operations which have recommenced.

The pre-stripping activities at Manaila are intended to ensure the supply of the required tonnage and grade going forward in order to satisfy the conditional off-take agreement offer with Mercuria Energy Group. Additional equipment has been brought to site to assist with the stripping activities. This entails a blasthole drilling rig enabling management to plan and schedule the removal of overburden in a controlled manner together with improved fragmentation on the higher grade massive sulphide ore body.

The historical consequences of this issue are illustrated by a comparison between the monthly production figures in October and November 2017 with those of 2016 as shown below.

Comparable Monthly Production Figures (2017 vs. 2016)

		2017	2017		2016	2016		
		Oct	Nov	Total	Oct	Nov	Total	vs 2016
								% of
Ore mined		11,356	11,687	23,043	8,693	9,151	17,844	129.1%
Waste mined		40,537	32,609	73,146	19,243	11,042	30,285	241.5%
Stripping ratio		4	3		5	5		
Milled in plant		12,094	10,918	23,012	8,094	9,396	17,490	131.6%
Concentrate produced Copper		284	250	534	252	331	583	91.5%

Concentrate produced zinc	39	45	84	56	51	107	78.5%
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Production Statistics

December 2017 Quarterly Production Summary

Operational data:						
Pickstone-Peerless	Units	Dec'17 Quarter	Sep'17 Quarter	June'17 Quarter	Mar'17 Quarter	Dec'16 Quarter
Ore mined	Tonnes	90,874	71,533	68,659	51,660	70,930
Waste and low-grade ore mined	Tonnes	1,311,329	1,039,570	1,035,785	546,126	435,083
Stripping ratio	Times	14.4	14.5	15.1	10.6	6.1
Ore milled	Tonnes	86,097	68,431	58,923	51,102	61,356
Milled Grade	Grams per tonne	2.46	2.41	2.35	2.06	2.41
Gold produced	Ounces	6,057	4,738	4,037	2,974	4,352
Gold sold	Ounces	5,729	4,711	3,992	2,873	4,706
Gold in stock at period end	Ounces	1,110	782	755	710	609

Operational data:						
Manaila	Units	Dec'17 Quarter	Sep'17 Quarter	June'17 Quarter	Mar'17 Quarter	Dec'16 Quarter
Ore mined	Tonnes	23,622	40,462	27707	19,711(1)	23,905(2)
Waste mined	Cubic Metre	98,933	119,003	53,267	45,143	38,538
Stripping ratio	Times	4.2	2.9	1.9	2.3	1.6
Ore milled	Tonnes	25,654	39,135	28082	18,262(1)	26,786(2)
Milled Grade - Cu	Percentage	0.56%	0.70%	0.73%	0.79%	0.91%
Milled Grade - Zn	Percentage	0.58%	0.70%	0.74%	0.76%	0.88%
Concentrate produced - Cu	Dry tonnes	562	1082	828	526	889
	Percentage	16.3%	17.9%	18.2%	18.8%	19.5%
Concentrate produced - Zn	Dry tonnes	96	118	157	132	165

	Percentage	37.1%	42.3%	39.8%	26.3%	30.0%
Concentrate produced - Au	Dry tonnes	6	7			
	Grammes per tonne	86.0	31.4			
Concentrate sold - Cu	Dry tonnes	590	1079	995	321	889
Concentrate sold - Zn	Dry tonnes	100	92	252	0	200
Concentrate in stock at period end Cu	Dry tonnes	12	41	38	206	0
Concentrate in stock at period end Zn	Dry tonnes	59	63	37	132	0

Notes:

March 2017 Quarter: Tonnes mined and milled have been converted to dry tonnes. Previously reported: wet tonnes mined of 21,901 and wet tonnes milled of 20,291

December 2016 Quarter: Tonnes mined and milled have been converted to dry tonnes. Previously reported: wet tonnes mined of 25,245 and wet tonnes milled of 29,776

Quarterly Conference Call

Andrew Prelea, Chief Executive of Vast, will host a conference call for shareholders at 11.00 a.m. on 1 February 2018.

To participate in this conference call, please dial 0808 109 0701, or +44 (0) 20 3003 2701 if you are calling from outside of the UK, and enter participant code 8653798# when prompted to do so. Please note that all lines will be muted except for Vast's management, however the Company invites shareholders to submit questions to its public relations adviser, St Brides Partners Ltd, ahead of the call via email to shareholderenquiries@stbridespartners.co.uk or through the online chat function.

To access the online chat function, please use the link below and log in as a participant using the event number 959 152 384 followed by the password, 'Vast':

<https://sbmf.webex.com/sbmf/onstage/g.php?MTID=eba1a1f55f88152e6c6c26073260bd8c0>

On the right-hand side of the screen you will find an option to submit questions during the call. The Q&A function will only be made live once the call has commenced.

The management team will strive to answer as many questions as possible during the call. A recording of the call will also be made available on the Company's website.

If you have any problems accessing the call, please contact St Brides Partners Ltd on shareholderenquiries@stbridespartners.co.uk or call +44 (0) 20 7236 1177.

A copy of the presentation will also be uploaded to the Research, Media & Presentations page of the website at www.vastresourcesplc.com shortly before the call commences.

Competent Person's Review:

This announcement has been reviewed by Mr Craig Harvey, Chief Operating Officer at Vast, and a member of the Geological Society of South Africa and the Australian Institute of Geoscientists. Mr Harvey meets the definition of a "qualified person" as defined in the AIM Note for Mining, Oil and Gas Companies.

* In the previous Quarterly Production Summary, this figure was reported as wet tonnes however from April 2017 all tonnage measurement are reported as dry tonnes

** Calculated as an average grade over the previous four quarters

-ENDS-

For further information visit 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").

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