

25 February 2015

Vast Resources plc

("VAST" or the "Company")

Update on Baita Bihor mine

Vast Resources plc the AIM listed resource and development company is pleased to announce an update on progress towards its proposed acquisition of the Baita Bihor polymetallic mine in Romania ("Baita Bihor") through an option (the "AP Option") to acquire an interest in Mineral Mining S.A. ("Mineral Mining"), as announced on 10 December 2014, and an increase in the equity interest over which it has an option from 68 per cent. to 80 per cent..

Overview

- Solid progress regarding the acquisition of Baita Bihor - a polymetallic mine with a 1.8 million tonne copper-silver-zinc-lead-gold-tungsten-molybdenum orebody (Russian Reserves & Resources Reporting System) at 6% copper equivalent.
- Due diligence work both on the financial position of Mineral Mining, which is subject to insolvency proceedings in Romania, and on Baita Bihor is progressing towards completion.
- As a result of the due diligence work so far completed, VAST has decided that, on the basis that the AP Option is exercised, advantage will be taken of formal merger provisions under Romanian insolvency law, by which under a merger agreement duly registered at the Trade Registry (the "Merger") all the Mineral Mining assets and liabilities will be transferred to VAST's Romanian subsidiary, African Consolidated Resources SRL (which is in the course of changing its name to Vast Resources SRL) ("VAST Romania"), and Mineral Mining will cease to exist as a corporate entity.
- VAST has been advised that legally the transfer of all the mining assets of Mineral Mining by operation of law to a solvent company through the Merger, should ensure that the licence to mine at Baita Bihor be transferred to VAST Romania.
- In anticipation of the completion of the Merger, a merger agreement between VAST Romania and Mineral Mining has already been signed and was duly registered at the Maramures Trade Register Office on 19 February 2015. The Merger is capable of cancellation by VAST Romania at any time within 30 days from the date of registration and no liabilities of Mineral Mining will be assumed by VAST Romania until the AP Option is exercised.
- As explained under Further Details below, the equity interest in Mineral Mining which VAST now has an option to acquire has increased from 68 per cent. to 80 per cent. with the bringing forward of an initial payment of €200,000, but with no other material additional acquisition cost

to the Company.

Roy Pitchford, Chief Executive Officer, commented:

"The opportunity to increase our option to acquire an interest in Baita Bihor from 68 per cent. to 80 per cent. at no material extra cost will significantly improve to our future prospects, particularly as the minority interests will all be held by our Romanian senior management and other employees. I believe that Baita Bihor represents a compelling investment opportunity for VAST and is in line with our strategy to accelerate high value brownfield assets with modest capital requirements and the ability to generate material cash flow in the near term.

"The legal steps concerning the wind up of the affairs of Mineral Mining and the transfer back of its mining licence following its insolvency are time consuming processes that we were aware of from the outset. We are pleased that the Merger is available to us under Romanian insolvency law as this materially advances the process of the return of the Baita Bihor mining licence. The Merger will also assist reputationally in disassociating Vast Romania from Baita Bihor's previous owners. We have the full support of the local labour force and from the trade unions in the proposed acquisition of Baita Bihor.

"We remain enthusiastic about our future at Baita Bihor and in Romania generally."

Further details on Baita Bihor

- The Baita Bihor financial model is being updated and refined based on additional information gained from the due diligence work, which is expected to be completed shortly.
- A final list of creditors of Mineral Mining has been tabled. The liabilities are in line with expectations. Furthermore, and importantly, there is now no possibility of new creditors being able to lodge a claim.

Due to the insolvency of Mineral Mining, the mining licence over Baita Bihor was assigned to a Romanian State company, Baita S.A., in 2013 against an undertaking by Baita S.A. that a licence to mine Baita Bihor be granted back to Mineral Mining on condition that Mineral Mining was not declared bankrupt and that Mineral Mining should produce proof of its financial position confirming that it had all the necessary finance that was needed to exploit the resources at Baita Bihor.

VAST Romania has been legally advised that the best way to expedite the return of the mining licence is to implement a formal procedure of merger under Romanian insolvency law under which all the assets and liabilities of Mineral Mining are transferred to VAST Romania, and Mineral Mining ceases to exist as a corporate entity.

- On the basis of the legal advice, and in contemplation of the exercise of the AP Option by VAST to acquire from VAST's Romanian senior management and other VAST Group employees led by the President and Executive Director of VAST Romania, Andrew Prelea ("the AP Group"), the Merger has been formally agreed.

The Merger was registered with the Maramures Trade Register Office on 19 February 2015. VAST Romania has a 30 day period in which it may cancel the Merger, after which if it is not cancelled it will become binding on VAST Romania. Due to the right of cancellation by VAST Romania no liabilities of Mineral Mining have at this stage been assumed by VAST Romania pursuant to the Merger, although certain liabilities which are not material have been assumed

in advance of the Merger in order to ensure no risk of flooding of the Baita Bahor mine.

- As announced on 10 December 2014, it was the opinion of the Board of VAST that the remaining 15 per cent. of the equity of Mineral Mining not owned by the AP Group (the "Additional Equity") could be acquired in the future on favourable terms and, on the basis of the exercise of the AP Option, the Additional Equity would be held in the same ratio of ownership between VAST and the AP Group as the initial 85 per cent. equity interest (i.e. 80:20 in each case). The AP Group has agreed with Mr Ni Jin Ming, who is the remaining sole owner of the Additional Equity to acquire the Additional Equity so that, subject to the AP Option in favour of VAST, the AP Group now owns 100 per cent. of Mineral Mining. As consideration for the Additional Equity the aggregate price payable for 100 per cent. of the shares in Mineral Mining payable to the shareholders of Mineral Mining by the AP Group remains substantially the same as the aggregate price that would have been payable for 85 per cent. of the shares in Mineral Mining, but €200,000, which under the previous agreement was only payable on the return of the mining licence to Mineral Mining, becomes payable immediately and unconditionally by the AP Group.

Under the terms of the AP Option, and as announced on 10 December 2014, the AP Group would neither be required to fund the acquisition of its interests in Mineral Mining nor the initial development costs. The terms of the AP Option contemplated that VAST might make payments prior to the exercise of the AP Option, and VAST has agreed with the AP Group to pay this €200,000 immediately. As a result of this the AP Group owns 100 per cent. of the shares of Mineral Mining and the AP Option has now been augmented so that VAST, on exercise, will obtain 80 per cent. of the shares of Mineral Mining.

- VAST expects to complete its due diligence on the proposed acquisition by 20 March 2015. On the basis that VAST is satisfied with the due diligence, its option to acquire an interest in Mineral Mining, in terms of the AP Option, will be exercised and the Merger will proceed. Accordingly, if VAST exercises the AP Option, Mineral Mining would be owned 80 per cent. by VAST and 20 per cent. by the AP Group. Apart from advancing the payment of €200,000 by VAST so that it is paid before the mining licence on Baita Bihor is returned, the cost of acquisition to VAST for 80 per cent. of Mineral Mining on exercise of the AP Option will not be greater to any material extent than what the cost would have been to VAST for 68 per cent. of Mineral Mining as announced on 10 December 2014.
- Should the AP Option be exercised and the Merger become unconditional, 20 per cent. of the shares in VAST Romania will be allotted to the AP Group in order to put the AP Group in the same position as it would have been had the ownership of Baita Bihor and the mining thereof remained within Mineral Mining. Provided the name change of VAST Romania from African Consolidated Resources SRL to Vast Resources SRL has by that time already been effected, the name of Vast Resources SRL will then change again, by operation of law, to Vast Resources SA.
- The Company has received legal advice which indicates that the mining licence should be transferred back to VAST Romania following the completion of the Merger. If, for any reason, which could include procedural delays, the existing licence were not returned on a timely basis, then the merged VAST Romania could enforce the cancellation of the existing licence now in the name of Baita SA, as VAST Romania, the successor in rights to Mineral Mining,

would own all of the assets of Baita Bihor. If the licence were cancelled, then, according to Romanian law, the merged VAST Romania has the right to apply for and receive a new mining licence provided it can demonstrate that it has the resources to develop the mine. This follows from a points-based system which would operate in VAST Romania's favour due to its ownership of the real estate, tailings dam and infrastructure.

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