

25 October 2021

Vast Resources plc
(“Vast” or the “Company”)

Company Update

Vast Resources plc, the AIM-listed mining company, announces an update on its producing Baita Plai Polymetallic Mine (‘Baita Plai’) in Romania, financing developments and on its interests in Zimbabwe.

Baita Plai

The fundamentals of the mechanised mine plan, announced on 30 March 2021, remain in place and valid, and the ramp up of mining and production continues to advance. However schedules for the short term implementation of the plan have been delayed due to labour constraints, geo-technical challenges (including in particular an unexpected encounter with friable ground), supply chain issues and COVID-prevention measures. These have had the effect of pushing back the start of the planned higher production volumes.

These operating issues have been addressed and the Board believes that Baita Plai is on target to become profitable on a monthly basis by the end of 2021, and the Company’s internal projections for the period from May 2022 to April 2023 remain substantially the same as previously indicated to the Market. Those prior to May 2022 to April 2023 have been revised downward as further detailed below.

Fuller details about developments and production at Baita Plai are given at the end of this announcement.

The Company will now provide quarterly production and sales volume reports and the next production and sales report will be published by 31 January 2022 in respect of the quarter ended 31 December 2021.

Corporate Finance

[Restructure of Atlas equity linked convertible bond \(“Atlas Bond”\)](#)

On 10 August 2021, the Company announced the restructuring of the Atlas Bond subject to certain conditions which, if satisfied, would have converted the Atlas Bond into a fixed non-equity linked loan but with a premium on redemption and with additional warrants at 16p per share. The Company has to announce that the conditions of the restructure, outside of the control of the Company, have not been agreed between both Atlas and Mercuria, and therefore the status of the Atlas Bond reverts to the status quo ante as an equity linked bond in accordance with its original terms.

General

Further to the previous announcement made on 1 October 2021 regarding the Company's evaluation of the recommencement of production at its Manaila Polymetallic Mine ('Manaila') in Romania, the Company is pleased to update the market that it is now actively engaged in several financing discussions focused on both Manaila and Baita Plai. It is the Company's intention that on conclusion of these discussions, its existing finance creditors would be refinanced and the restart of production at Manaila would be supported via a non-equity linked finance structure, such as royalty finance.

Zimbabwe

As has been previously announced, the Company has been pursuing plans for the development of a diamond business in Zimbabwe. This included continuing discussions over the settlement of an historic claim, as announced on 29 January 2010 and 26 September 2019. Whilst it remains premature to report on this latter matter until any details or certainty under any such settlement can be established, the Company is aware that an individual, who has been made aware of certain details concerning the status of the settlement under strict confidentiality agreements that are still current, is now proposing to make these details more widely known. Whilst the Company remains hopeful of concluding a transaction in regard to this matter and to its diamond business generally, there is at this stage no definitive timing as to whether or where or when such a settlement will be concluded. The Company does, however, remain confident of a positive outcome.

Corporate

As referred to above in connection with Zimbabwe there appears to have been a breach of confidential information by a counterparty to strict confidentiality agreements with the Company, which breach extended to matters beyond Zimbabwe. The Company has instituted an internal enquiry by the senior independent non executive director into the circumstances under which the confidential information was disclosed and any associated internal corporate governance issues.

The Company has instructed its corporate lawyers to notify the counterparty of the potential breach of his legally binding and enforceable confidentiality agreements, which remains current and in place. Should the counterparty continue in breach the lawyers are instructed to take all necessary action.

At the same time, the Company is pleased to announce its intention to appoint Andrew Hall, Chief Commercial Officer of the Company, to the Board subject to normal AIM market checks. Andrew Hall, in addition to his existing responsibilities, will with immediate effect assume overall responsibility for the Company's external communications.

Audited Accounts

The Company at the moment remains on course for the publication of its audited accounts for the year ended 30 April 2021 by the required deadline under the AIM Rules of 31 October 2021.

Paul Fletcher, Chief Financial Officer of Vast Resources plc, commented:

"Since 2019, the fundamental value of both Baita Plai and Manaila has grown significantly. Independent commentators have placed values on Baita Plai and Manaila in excess of \$100 million, with Baita contributing \$80 million. This represents a substantial premium over the Company's existing share price. We believe there is the potential for significant further valuation upside to these assets which can be delivered through successful execution of the Baita Plai mining plan and the Manaila restart. We are now focused on executing the ramp up of Baita Plai's production and bringing Manaila back into production as we look to establish Vast as a mid-tier polymetallic mining company."

APPENDIX

Baita Plai further details

On 24 August 2021 both working fronts on Sub Level 1 Level 18 on the Antonio skarn at Baita Plai intersected a highly decomposed and friable zone within the Antonio Skarn.

The Antonio skarn is developed along the Antonio fault which marks the contact between the dolomitic hanging wall and the limestone footwall. The friable zone is directly below the Antonio fault which has acted as a conduit for water flow. The water has interacted with the altered limestone-wollastonite skarn and decomposed, resulting in an incompetent zone within the skarn.

The result was both working fronts were not able to be sufficiently supported and 'ran' from the sidewall creating large cavities that could not safely be worked under. The beam of rock above the Antonio fault itself is stable but continued working in the area could have caused the cavities to grow in size.

A decision was made to develop a new directional gallery in the footwall to intersect the Antonio skarn ahead of the stopped working faces. The direction of the development was laid out to develop along the direction of drillholes which were made as part of the drilling campaign conducted by Vast on 18 level during March – October 2020 as announced on 6 August 2020.

The friable ground was dealt with through reducing the dimensions of the underground tunnel from a standard of 3 x 3 metres to height of 2.3 – 2.5 metres with a width of 2.3 – 2.5 metres. In addition, where the ground appeared to be similar to the friable ground encountered before, the length of the blastholes was reduced and the explosives load reduced to prevent excessive overbreak in soft ground. The restricted tunnel width and height had a significant impact on production.

Until the full effect of the friable ground had been assessed the Company believed that it would be able to maintain its statement made in the previous announcement of 10 August 2021 that it was on schedule to meet accumulated net operational cashflow projections to April 2022 in accordance with the revised mechanised mine plan announced on 30 March 2021.

On 23 September 2021, the development end intersected the Antonio skarn as evidenced by mapping of the on-mine geologists. Mining intersected the proven high grade zones in the week of 27 September.

Post the intersection of the drilled proven high grade zones in the Sub-Level 1 development, the mine continues development down to 19 level. On this specific section line, deeper drillholes show the continuation of the grades with the position of each sub level shown.

In addition to the re-development on Sub-Level 1 as detailed above, a second ramp has been started to develop the Antonio skarn on Sub-Level 2 and Sub-Level 3. The mining layout has been implemented to overcome supply chain delays experienced as a result of the global pandemic. The delivery of a development Aramine Jumbo drilling rig, has been delayed due to supply chain issues, as previously announced on 10 August 2021, and in line with this announcement, the Company has been advised that the rig will be onsite and commissioned in December 2021 which will allow the Company to accelerate the necessary mine development into new areas.

The ramp is being developed in a similar fashion to the re-development on Sub-Level 1 and targets a line of drillholes drilled by Vast during March – September 2020. With the successful implementation of the Aramine Jumbo the future development for continued expansion to full mine capacity can be implemented. A requirement for the continued expansion of the production capability is to have a bottom level for ore to be transferred to and subsequently hauled out of the mine. This is what the Aramine is intended for and will allow for the set-up of longhole stopping between the Sub-Levels which will generate significantly increased tonnage rapidly once the infrastructure is in place.

Figure 1 below shows the existing infrastructure on 18 Level and the completed development area on sub level 1 as well as the planned development on Sub-Level 1 down to Sub-Level 3 as well as a visual representation on the planned development down to the levels below.

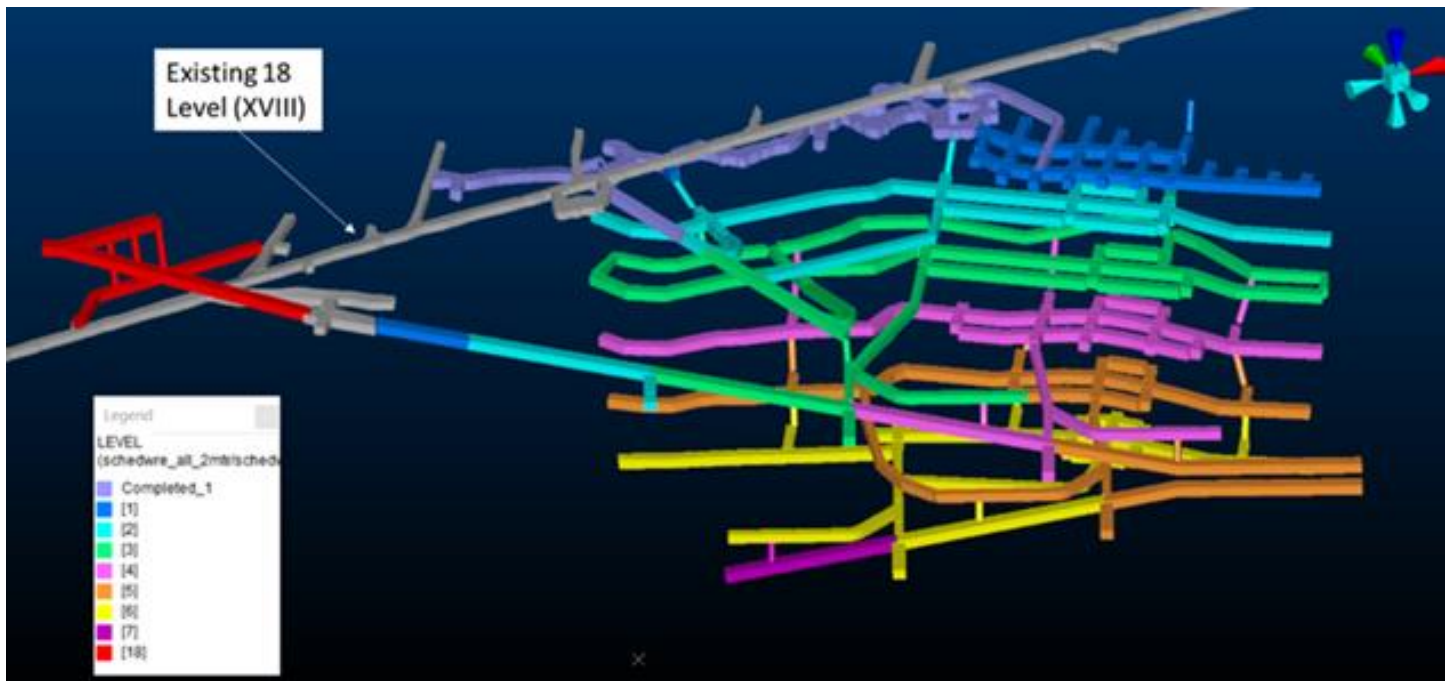
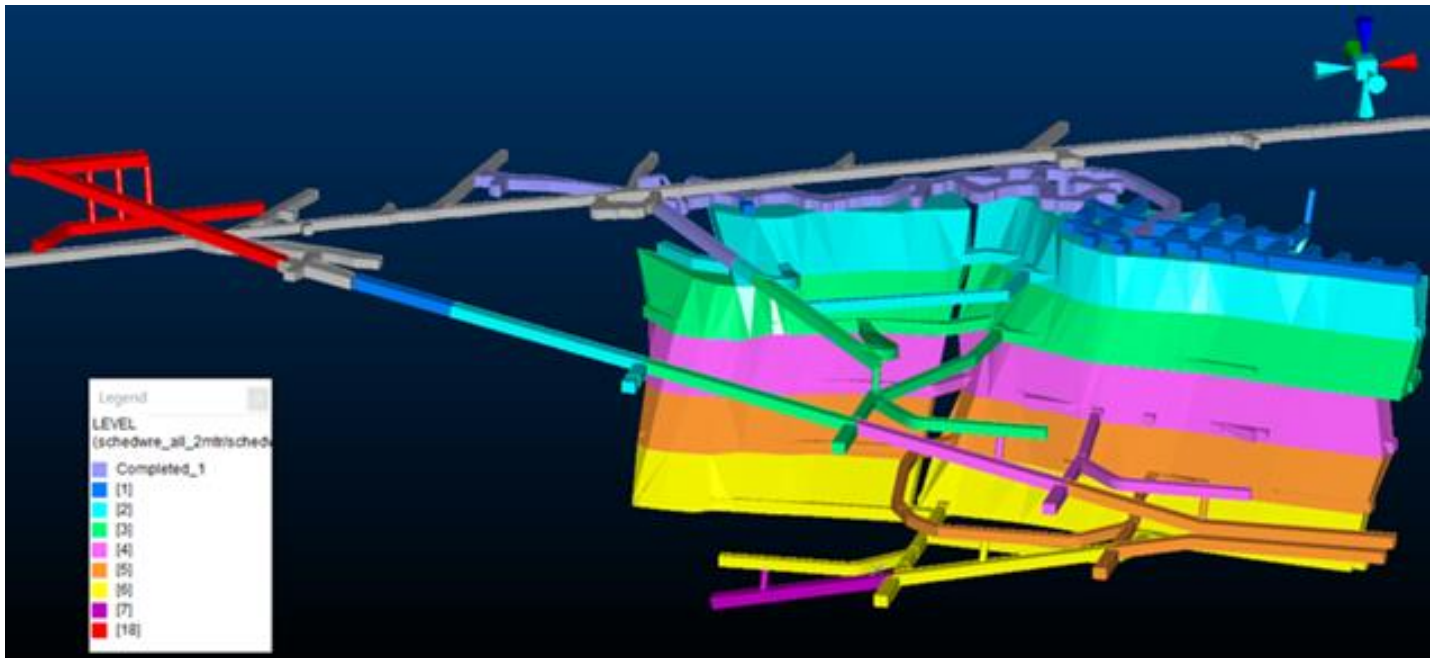


Figure 2 below shows the existing and planned development as per Figure 1 overlaid by the Stopping which has been proven by the drilling campaign in 2020.



The Company has now also addressed a limiting factor to the increase of production, which is the risk of skilled labour shortages. As announced on 10 August 2021, the Company has scaled operations at Baita Plai from an initial work force of 30 in September 2020 to 280 people across all areas of Baita Plai. In order to meet the ongoing requirement for additional skilled labour in the underground, the Company has implemented a Romanian National Labour Authority approved mining school which has already produced 18 qualified underground mine workers with a further 40 people expected to graduate by the end of November 2021. The mine school continues to attract many applications. The impact of the development of mining activity at Baita Plai is already reflected in reducing unemployment figures by the creation of new jobs in the local area and the Company, through Vast Baita Plai S.A. is now one of the major employers in Bihor County and the only mining operator for underground non-ferrous mining in Romania.

The growing work force has also meant the Company has had to adapt operations to reflect the current Covid Regulation requirements in Romania which requires the Company to avoid any overlap between work shifts which includes during transport to the mine and at all times on site. The net effect of social distancing requirements creates a two hour production loss per six hour shift. The Company, in the underground operations, was previously operating a three six-hour shift pattern five days a week. Now due to the addressed skilled labour issue, it can implement a three six-hour shift pattern seven days a week and in this way maintain the planned mining schedule despite still being required to meet its Covid Regulation requirements.

In summary, the Company can confirm the operating issues outlined above have been addressed and Baita Plai is on target to become profitable on a monthly basis by the end of 2021, and the forecast for the period from May 2022 to April 2023 remains unaffected.

Baita Plai production figures for the period covering October 2020 – October 2021 are below the historic forecasts on account of the issues outlined above and are outlined in Figure 3 below:

	DMT	~WMT	MT
Total Mined			29,654
Total Milled (Feed)			30,657
Cu Conc sold	829	912	
*Cu conc inventory	52	57	

**Estimate by end of Oct 2021*

Figure 3

In view of the issues outlined above, the Company would like to update the forecasts made on 30 March 2021 as set out in Figure 4 below:

	12 months ended 30 April 2022		12 months ended 30 April 2023		12 months ended 30 April 2024	
	Lower	Upper	Lower	Upper	Lower	Upper
Mined tonnes	54,889	56,203	224,791	224,791	293,563	293,563
Feed tonnes	55,414	56,725	168,831	168,831	175,697	175,697
Cu conc tonnes	1,417	1,696	6,881	7,833	8,636	9,931
Zn conc tonnes	270	290	1,886	2,169	3,044	3,500
Pb conc tonnes	135	142	1,104	1,269	1,602	1,842
	<u>US\$</u>	<u>US\$</u>	<u>US\$</u>	<u>US\$</u>	<u>US\$</u>	<u>US\$</u>
Net revenues	6,015,959	7,004,891	27,886,748	32,068,962	33,974,393	39,070,552
Operating costs	-8,632,282	-8,670,965	-12,635,030	-12,635,030	-13,543,074	-13,543,074
EBITDA (operating cashflows)	-2,616,323	-1,666,073	15,251,718	19,433,932	20,431,319	25,527,478

Figure 4

Competent Person

The forward-looking technical views made in this announcement is based on information interpreted by Mr Craig Harvey, the Group Geologist for Vast and a full-time employee of the company. Mr Harvey is a Competent Person who is a Member of the Australian Institute of Geoscientists and of the Geological Society of South Africa, a Recognised Professional Organisation included in a list that is posted on the ASX website from time to time.

Mr Harvey has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity being undertaken to qualify as a Competent Person as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'.

Important Notices

This announcement contains 'forward-looking statements' concerning the Company that are subject to risks and uncertainties. Generally, the words 'will', 'may', 'should', 'continue', 'believes', 'targets', 'plans', 'expects', 'aims', 'intends', 'anticipates' or similar expressions or negatives thereof identify forward-looking statements. These forward-looking statements involve risks and uncertainties that could cause actual results to differ materially from those expressed in the forward-looking statements. Many of these risks and uncertainties relate to factors that are beyond the Company's ability to control or estimate precisely. The Company cannot give any assurance that such forward-looking statements will prove to have been correct. The reader is cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date of this announcement. The Company does not undertake any obligation to update or revise publicly any of the forward-looking statements set out herein, whether as a result of new information, future events or otherwise, except to the extent legally required.

****ENDS****

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ABOUT VAST RESOURCES PLC

Vast Resources plc is a United Kingdom AIM listed mining company with mines and projects in Romania and Zimbabwe.

In Romania, the Company is focused on the rapid advancement of high-quality projects by recommencing production at previously producing mines.

The Company's Romanian portfolio includes 100% interest in the producing Baita Plai Polymetallic Mine, located in the Apuseni Mountains, Transylvania, an area which hosts Romania's largest polymetallic mines. The mine has a JORC compliant Reserve & Resource Report which underpins the initial mine production life of approximately 3-4 years with an in-situ total mineral resource of 15,695 tonnes copper equivalent with a further 1.8M-3M tonnes exploration target. The Company is now working on confirming an enlarged exploration target of up to 5.8M tonnes.

The Company also owns the Manaila Polymetallic Mine in Romania, which was commissioned in 2015, currently on care and maintenance. The Company has been granted the Manaila Carlibaba Extended Exploitation Licence that will allow the Company to re-examine the exploitation of the mineral resources within the larger Manaila Carlibaba licence area.

In Zimbabwe, the Company is focused on the commencement of the joint venture mining agreement on the Community Diamond Concession, Chiadzwa, in the Marange Diamond Fields.

In Botswana, the Company is focused on finalising the acquisition of the Ghaghoo Diamond Mine, which will be conducted through a joint venture between the Company and Botswana Diamonds plc and will provide the Company with a 90% interest in a high quality and previously producing diamond asset benefiting from world-class infrastructure and capable of generating material revenues in the near term.