

## MINING FLASHNOTE

# VAST Resources (VAST AIM)

23 March 2017

### Stock Data

Share Price:	0.545p
Market Cap (M):	£25.1
EV (M):	£35.4

### Price Chart



### 52 Week Range

0.105p	0.545p
0.71p	

### Company Summary

Vast Resources was originally a Zimbabwean focused company called African Consolidated Resources. The opportunity to acquire some base metal assets in Romania changed the focus of the company and caused it to change its name to Vast Resources.

### MAIN SHAREHOLDERS HOLDING

Hargreaves Lansdown	10.38%
Sapi River Investments LTD	7.53%
Barclays PLC	7.49%
Toronto-Dominion Bank	7.16%
Halifax Share Dealing	6.80%

Source: Bloomberg

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## Vast Announces Acquisition of Remaining 49.9% of Sinarom Mining Group SRL

### Event

Vast Resources ("Vast") has announced the acquisition from Mr Ni Jin Ming of the remaining 49.9% of Sinarom Mining Group SRL ("Sinarom") through which the Company owns its interest in the Manaila Mine in Romania. This increases Vast's ownership of the producing mine to 100% and follows the settlement of debts associated with the Company's acquisition of its original 50.1% interest in Sinarom, as announced on 14 March 2017. The consideration for the purchase of the shares and outstanding loan account owned by Mr Ni Jin Ming is US\$1,135,000, with US\$400,000 payable by 31 March 2017 and the balance of US\$735,000 on 30 April 2017.

### Comment

This is further positive news as it will give Vast access to 100% of the cash flow from the Manaila mine. Brandon Hill has long been enthusiastic regarding this mine returning to profitability, and the news released today in the RNS that copper concentrate production has increase by 44% and zinc concentrate by 371%, albeit from a low base, added by higher metal prices, should see this mine become firmly cash flow positive.

Discussions are continuing concerning further transactions in relation to Sinarom, which could include the introduction of a joint venture partner and / or securing debt at the subsidiary company level in order to help increase production at both Manaila and advance the newly acquired Piciorul Zimbrului and Magura Neagra licences, which are proximal to Manaila. Both licences have demonstrated their prospectivity for polymetallic mineralisation and Vast is considering the potential to develop these assets as part of an enlarged Manaila Metallurgical Complex.

Brandon Hill sees these discussions as extremely important, as an extension to the mine life at Manaila would have a significant impact on the valuation of the mine, which currently only has a 5 year mine life. An increase in ore reserves would also enable the construction of a new metallurgical complex at the Manaila open pit which would improve metallurgical efficiencies and significantly reduce operating costs due to lower transport charges.

## Research Disclosures

### Peter Rose

Peter has 30 years' experience in equities as a resources analyst; he has been at Brandon Hill Capital for 9 years, after having spent 11 years with Deutsche Bank in Australia. Prior to this he spent 2 years with Prudential Bache and 6 years with James Capel. Peter's industry experience includes 16 years as a metallurgist, 3 years with De Beers in South Africa and 9 years in the uranium industry, six of which were spent at the Ranger Uranium mine. Peter holds a BSc degree in Applied Mineral Science from Leeds University UK and a Bachelor of Commerce from the University of South Africa. Peter is also a member of the Institute of Materials, Mining & Metallurgy and a chartered engineer.

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<b>Sell</b>	Recommendation implies that expected total return expected over 12 months between current and analysts' target price is negative.

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Research disclosure as of 23 March 2017

Company Name	Disclosure
Vast Resources (VAST AIM)	1, 2, 7, 8, 9

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