

## MINING FLASHNOTE

## **VAST Resources** (VAST AIM)

29 March 2017

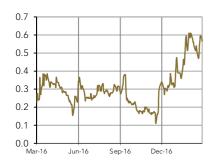
## **Stock Data**

 Share Price:
 0.585p

 Market Cap (M):
 £27

 EV (M):
 £36.5

## **Price Chart**



## 52 Week Range

0.105p **0.585p** 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 Peter Rose

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# **Vast Announces JORC Compliant Resource for the Faneata Storage Facility**

## **Event**

Vast Resources ("Vast") has announced a maiden JORC Compliant Mineral Resource Estimate for the Faneata Tailings Storage facility in Romania. The Resource is:

Resource		METAL GRADES							
Category Tons	Tons	Au g/t	Ag g/t	Bi %	Cu %	Mo %	Pb %	W %	Zn %
Measured	2,396,889	0.053	8.81	0.012	0.092	0.006	0.109	0.017	0.163
Indicated	532,460	0.039	8.08	0.016	0.092	0.005	0.072	0.018	0.199
Total M & I	2,929,349	0.051	8.68	0.013	0.092	0.006	0.102	0.017	0.169
Inferred	85,477	0.048	7.63	0.021	0.094	0.004	0.054	0.020	0.225
Total	3,014,826	0.050	8.65	0.013	0.092	0.006	0.101	0.017	0.171

## Comment

The Faneata Tailings Facility (Vast 80% ownership) is the repository for the Baita Plai tailings, and can be processed through the Baita Plai processing plant. The Baita Plai plant is located 7km from the mine and Vast believes that the Faneata has the potential to be a standalone operation. We understand that no metallurgical test work has been conducted and the low grades suggest that recoveries will be low. The initial preliminary economic assessment has indicated that a recovery of 25% for economic breakeven. At an anticipated recovery of 36%, Faneata has the potential to deliver a 44% margin over a period of 16-20 months before capital expenditure is considered. Metallurgical test work is about to commence and a Feasibility Study is underway due for completion by the end of Q2 2017.

The positives regarding the Faneata deposit are that being tailings, they will be inexpensive to dig out and the processing facility is only 7km away. However, it was last operated around 5 years ago and will need some rehabilitation. The tailings were subjected to grinding and by feeding them through the existing grinding circuit we would anticipate a finer grind which polishes the surfaces and should give acceptable recoveries.

However, we will not be adding this to our model until the results of the Feasibility Study are known. If all goes according to plan, the biggest advantage to Vast could be environmental, as the tailings dam will be cleaned up.

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## Research Disclosures

#### Peter Rose

Buy

Peter over 30 years' experience in equities as a resources analyst; he has been at Brandon Hill Capital for 10 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, seven 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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analysts' target price is negative.

,	current and analysts' target price.	
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Hold	Recommendation implies that expected total return of between 15% and zero is expected over 12 months between current and analysts' target price.	
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Sell	Recommendation implies that expected total return expected over 12 months between current and	

Recommendation implies that expected total return of at least 15% is expected over 12 months between

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Research disclosure as of 29 March 2017

Company NameDisclosureVast Resources (VAST AIM)1, 2, 7, 8, 9

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