LETTER FROM THE CHAIRMAN OF THE COMPANY

Vast Resources plc

(Incorporated and registered in England and Wales with registered number 05414325)

Directors:
Brian Moritz (*Non-Executive Chairman*)
Andrew Prelea (*Chief Executive Officer*)
Roy Tucker (*Finance Director*)
Craig Harvey (*Chief Operating Officer*)
Eric Diack (*Non-Executive Director*)
Nick Hatch (*Non-Executive Director*)

Registered Office:

60 Gracechurch Street
London
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28 September 2018

To Shareholders of Vast Resources plc

Dear Shareholder

Notice of Annual General Meeting

Introduction

Included with this letter is the Notice convening the Annual General Meeting of the Company for 2018. At the Annual General Meeting the Company is seeking, as is usual, shareholder approval for granting the Directors authority to issue new equity share capital up to specified limits and to disapply statutory pre-emption rights. The purpose of this letter is to explain the reason for the level of authority required in the light of the current circumstances of the Company.

Pipeline of new projects

I explained in my letter to shareholders of 8 June 2018 that we had been investigating several new opportunities, both in Romania and in Zimbabwe, where new finance was to be obtained primarily from third parties, and that there was a significant pipeline of such opportunities. The acquisition of an economic interest of 23.75 per cent. in the Eureka Gold Mine in Zimbabwe was cited as an example of this strategy. I also explained that although the major funding for such opportunities was planned to come from third party sources, there would be a requirement for seed finance from the Company.

Since 8 June 2018 and further to this policy we have announced the acquisition of a 29.41 per cent. interest in the Blueberry Project in the Golden Quadrilateral of Romania. Further opportunities continue to be under consideration and overall our budget for seed costs is likely to be increased.

Zimbabwe Diamonds

We have also announced, following the appointment of Mark Mabhudhu, a prominent figure in the Zimbabwe diamond industry, an access agreement with pre-agreed joint venture terms with a Community Trust on the Heritage Concession in the Marange Diamond Fields of Zimbabwe. Other related opportunities are also envisaged.

The Heritage Concession agreement arises partly as a result of our long historical investment in Zimbabwe. It is likely, we believe, to present a unique opportunity. Further announcements will be made in due course, but notwithstanding the Company's policy of seeking third party finance on new projects, your Board is of the opinion that, for the Heritage Concession, it will be in shareholders' interest that the Board has the freedom, should it so judge, to finance the early stages of the Heritage Concession development directly from the Company.

Senior management

As a result of the increasing number of projects it is important that the Company build up its senior management team. This it now plans to do. It will however bring a cost, not all of which can be covered by projects financed from third parties.

Baita Plai

At Baita Plai we have had to finance a further four months non-productive overhead and dewatering cost on account of the delay in the award of the association licence. We have also, in our final negotiations on that licence, had to agree to pay all of the outstanding debt to Baita SA immediately on the grant of the licence rather than over a time period as previously agreed. This debt, which was always in our capital budget, represents costs incurred by Baita SA on the Baita Plai perimeter prior to our acquisition together with some other debt incurred since. The total sum that becomes due immediately on the grant of the licence is approximately $650,000.

Policy

Overall, since the 2017 Annual General Meeting, and as a reaction by the Board to shareholder sensitivity following previous equity financings to which highly dilutive warrant terms had been attached, the Board has sought to restrict equity raisings to a minimum. This policy has however had a cost in that the Company has needed to restrict expenditure, particularly on Manaila, where ideally it would have chosen to have spent more, particularly on improved equipment. The position has been exacerbated by a technical legal delay in the drawdown of the $5.5 million Mercuria Tranche B off-take facility. A result of this has been that Manaila has been a net cash absorber.

We remain confident in the future of Manaila, but for Manaila to become a significant cash contributor it does require, as previously explained, new plant to be built on site which construction will take place with the finance derived from the Mercuria Tranche B facility. However, a measure of further expenditure is required in the short term in order to ensure that Manaila does not remain a cash absorber in the period until the plant construction is completed.

Taking all these things into consideration, the Company's projects and pipeline merit further capital and the Board considers it is in shareholders' interest that it has the freedom to raise what it needs. Resolution 9 if passed will give authority to the Directors to issue up to 850 million shares which would represent approximately 15 per cent. of the Company's issued share capital on the basis that all existing authorities to issue share capital have been used. Resolution 11 if passed will give authority to the Directors to disapply pre-exemption rights in respect of the same number of shares.

Share Appreciation Rights

Resolutions 8 and 10 if passed renew authority to the Directors to issue further Share Appreciation Rights to incentivise senior management.

Action to be taken

Shareholders have been sent a Form of Proxy for use at the General Meeting. Whether or not shareholders intend to be present at the General Meeting they are requested to complete and return the form of Proxy in accordance with the instructions printed thereon. To be valid, completed Forms of Proxy must be received by the Registrar as soon as possible, and in any event not later than 11.00 a.m. Thursday 18 October 2018. Completion of a form of proxy will not preclude shareholders from attending the meeting and voting in person if they so choose.

Recommendation

The Directors believe that the ability to obtain the necessary finance and therefore the passing of the Resolutions is important to the Company and Shareholders taken as a whole. The Directors unanimously recommend the shareholders to vote in favour of the Resolutions as they intend to do in respect of their own shareholdings amounting to 55,695,765 ordinary shares (approximately 1.01 per cent. of the total issued shares).

Brian Moritz
Chairman

28 September 2018

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