

MINING FLASHNOTE

VAST Resources (VAST AIM)

10 October 2018

Stock Data

Share Price:	0.645p
Market Cap (M):	£35.6
EV (M):	£71.1

Price Chart



52 Week Range

0.307p	0.645p
0.779p	

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	11.72%
Interactive Investor	8.04%
Halifax Sharedealing	6.70%
Barclays	5.57%

Source: Vast Resources & Bloomberg

Peter Rose

Tel: +44 (0)20 3463 5034

Peter.Rose@brandonhillcapital.com

www.brandonhillcapital.com

Vast Announces the Approval by ANRM for Baita Plai Association Licence Granted

Event

Following the announcement on the 20th of September 2018 regarding the joint formal application to Romania's National Agency for Mineral Resources ("ANRM") for approval of the grant to the Company's 80% subsidiary African Consolidated Resources srl ("AFCR") of an Association Licence, the Company together with Baita SA were advised on 10 October 2018 by ANRM that the formal approval of the Association Licence has now been granted.

Comment

This is good news for Vast. The granting of this licence will give AFCR the right to mine at Baita Plai. Embedded in the ANRM approval is the pre-agreed commercial contract with Baita SA, the holder of the head licence which AFCR is now free to sign and which must be signed within five working days. Special terms in the commercial contract were included in the Company's announcement of 30 May 2018.

It has been a very long process, BHC visited Baita Plai in November 2015, just about 3 years ago and modelled it upon our return to London. Andrew Prelea, the CEO of Vast stated "This historic event marks the granting of an Association Licence of a polymetallic mine in Romania for the first time in 19 years and has been a learning experience for all the entire team and all stakeholders".

Vast is now committed to implementing its development strategy and recommencing production at Baita Plai as quickly as possible. This is important as our model gives Baita Plai a valuation for its 80% interest of US\$42.3M or 34.2% of the current assets excluding the current exploration assets such as Blueberry. This could conceivably underestimate Baita Plai as we have assumed that there will be no production until the September quarter of 2019 in our model which also has very conservative recovery rates factored in given the grades in the orebody.

Vast will be providing regular updates on the progress at Baita Plai, as it has the potential to transform the overall production profile both in Romania and for the company overall.

Research Disclosures

Peter Rose

Peter has 32 years' experience in equities as a resources analyst; he has been at Brandon Hill Capital for 11 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.

Tel: +44 (0)20 3463 5034

Peter.Rose@brandonhillcapital.com

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Research disclosure as of 10 October 2018

<u>Company Name</u>	<u>Disclosure</u>
Vast Resources (VAST AIM)	1, 2, 7, 8, 9

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Brandon Hill Contact List

International Sales

Oliver Stansfield

Tel: +44 20 3463 5061

Email: oliver.stansfield@brandonhillcapital.com

Arron Smyth

Tel: +44 20 3463 5042

Email: arron.smyth@brandonhillcapital.com

Research

Peter Rose

Tel: +44 20 3463 5034

Email: peter.rose@brandonhillcapital.com

Corporate Finance & Broking

Jonathan Evans

Tel: +44 20 3463 5016

Email: jonathan.evans@brandonhillcapital.com

Wei Jiao

Tel: +44 20 3463 5019

Email: wei.jiao@brandonhillcapital.com

Robert Beenstock

Tel: +44 20 3463 5023

Email: robert.beenstock@brandonhillcapital.com

Enzo Aliaj

Tel: +44 20 3463 5026

Email: enzo.aliaj@brandonhillcapital.com