



Dear Vast Shareholder,

Although only in our second month of the year, 2017 has already been an active and exciting year for Vast. The strategic investment by the SSCG Africa Holdings Ltd group has fundamentally reshaped the near-term outlook for the Company, and for this reason I wanted to provide shareholders with a better sense of where I believe Vast is headed over the course of the year.

A New Phase of Growth...

In my statement on 30 January, I advised you that the SSA transaction “heralds a new phase of growth for Vast” – I strongly believe this to be true and in this letter I want to provide context and colour around this statement.

In addition to removing the concerns of shareholders regarding emergency equity raisings, the capital derived from the SSA transaction provides shareholders with comfort that Vast is now positioned to achieve positive cash flow at Manaila and Baita Plai (once the necessary licence is granted) without further equity raises. Any future fund raising activities will need to be demonstrably beneficial to shareholders and the growth of the Company, therefore shielding investors to unnecessary or value destructive dilution. I know that further dilution has been a primary concern for many long-term holders, so I want to be clear when I say that the Board’s primary focus is on building a business which offers shareholders material value increases in the long-term through sustainable and organic growth.

As longer term shareholders will be aware, Vast has not always had this level of security over finance, and the Company agreed to two equity draw down facilities in 2016. Not only did these facilities create significant dilution in the year, but it is my belief that the market perceives that an overhang, derived from these two facilities, persists which is curbing the progression of the share price. After detailed shareholder analysis by our registrar, I can confirm that these two entities hold no residual holdings in Vast stock and I am therefore confident that neither party represents a threat to the progress of the share price henceforth. One of these parties does have 50,000,000 warrants exercisable at 0.4p which expire in October 2019, which only represent just over 1% of the currently issued share capital of the Company.

Professional & Reliable Communication...

The appointment of our new nominated adviser last month, together with our reinvigorated investment case post-SSA transaction, has prompted us and our advisory group to introduce a new investor communication programme, which is aimed at giving shareholders frequent and reliable news flow combined with regular access to the Board and management.

In addition to our regulatory announcement responsibilities, Vast will continue to report quarterly operational activity by way of a quarterly production report. In the past, Vast has reported on various financial aspects relating to each operation, and the complexity of this has made subscribing to a strict reporting calendar difficult. In order to resolve this, Vast will publish production figures only and these will be issued to the market within four weeks of the end of the period. The Board and its advisers believe that this will be a more useful tool in keeping investors abreast of developments – rather than waiting up to ten weeks for all the relevant information to be approved by the appropriate parties. The Company will of course continue to issue all financial results, including production and financial operating data for each mine, in its half-yearly report and annual audited accounts. The financial details will however be disclosed in the next quarterly report, due to be announced on Tuesday 21 February, as adequate time has elapsed for these to be accurately calculated.

The Board would also like to introduce a rationalised structure for ad hoc communication between the directors, management and shareholders. This investor relations policy will include the following:

- **Quarterly shareholder conference calls:** details of which will be found in the Quarterly Production Reports announced to the market – during the call, shareholders will have the opportunity to ask questions via an online chat function. Shareholders can also submit questions to the Board via email in advance of the call to St Brides Partners at shareholderenquiries@stbridespartners.co.uk. The first shareholder call will be held in conjunction with the release of the next quarterly production report scheduled on Tuesday 21 February.
- **Q & A documents:** shareholders will be invited to email questions to the Board which will be accumulated into Q & A documents and regularly posted on the Vast website and announced to the market – please send any questions through to St Brides Partners who will be compiling this on behalf of the Company (shareholderenquiries@stbridespartners.co.uk).
- **Private Investor Events:** new and existing shareholders will be invited to exclusive Vast Investor Evenings where members of the Board will provide a presentation and be available to answer questions. The first of these evenings will be announced to the market shortly.

A Final Word...

After 18 months of challenging times for Vast shareholders, we intend to rebuild credibility, trust and excitement in the Vast investment proposition for the benefit of all stakeholders. I am confident that over the course of 2017, when combined with the continued operational turnaround in Romania, this will be achieved.

Whilst the Board and its advisers continue to monitor the share price constantly, it is the Board's responsibility to build the business, which ultimately should be reflected in the share price moving forward. The Company's advisers will be active in communicating the progress on the ground within the investment community. All parties concerned, be they directors, managers or advisers, are fully committed and aligned with the success of Vast and we are focussed on establishing a significant, profitable and sustainable mining company with a robust communications strategy moving forward.

Brian Moritz
Chairman

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