

Vast Resources plc

Report for the year to 30 April 2022

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OVERVIEW OF THE YEAR ENDED 30th APRIL 2022

Vast Resources plc ('Vast' or the 'Group' or the 'Company') is focused on key mining opportunities in Romania, Zimbabwe and Tajikistan. These opportunities comprise the Baita Plai Polymetallic Mine ("BPPM") in Romania, the Group's anticipated diamond opportunity in Zimbabwe, and participation in a joint venture in Tajikistan which was concluded after the year end. The Group continued to hold the Manaila Polymetallic Mine ("MPM") on care and maintenance during the reporting period and is in discussions with potential funders.

BPPM produced concentrate throughout the year and the Company continued to invest in BPPM to support the transition to mechanised mining. Long-hole stopping was successfully introduced in calendar Q3 2022 as the necessary step to significantly increase production volumes. The Company also entered into an agreement during the period to provide services to upgrade and optimise the processing plant at the operating fluorite and galena mine in Tajikistan.

Discussions continue regarding the conclusion of the Company's diamond agreement with its Zimbabwe stakeholders in line with previous expectations, save on timing.

Financial

- An increase in revenues in the year ended 30 April 2022 (US\$3.8 million) compared to the year ended 30 April 2021 (US\$ 0.9 million).
- 6.6% increase in other administrative and overhead expenses for the year ended 30 April 2022 (US\$4.5 million) compared to the year ended 30 April 2021 (US\$4.2 million).
- Foreign exchange losses of US\$3.8 million for the year ended 30 April 2022 compared to gains of US\$2.6 million for the year ended 30 April 2021. These losses arise from the Company's USD denominated funding of its Romanian Lei functional currency subsidiaries and are partly compensated by foreign exchange translation gains of US\$2.2 million. The Company funds its Romanian businesses in USD given this funding will ultimately be repaid from USD denominated sales.
- An increase in losses after taxation in the year ended 30 April 2022 (US\$15.5 million) compared to the year ended 30 April 2021 (US\$7.7 million). Eliminating the effects of foreign exchange gains and losses, the loss for the period has increased 14% from US\$10.3 million for the year ended 30 April 2021 to US\$11.7 million for the year ended 30 April 2022.
- Cash balances at the end of the period US\$0.130 million compared to US\$1.385 million at 30 April 2021.

Operational Development

- The Company continued to invest in BPPM to support the transition to mechanised mining and the implementation of long hole stoping with the procurement of two Mantis CMR4 Jumbo drilling rigs and an Aramine miniLoader L130D with remote control capability.
- Mill feed production at BPPM increased from 14,452 tonnes for the year ended 30 April 2021 to 38,108 tonnes for the year ended 30 April 2022.
- As announced on 1 October 2021, the Company confirmed the suitability of X-Ray Sorting Technology ('XRT') to optimise MPM's production profile resulting in a substantial improvement in the economics of the mine. The test results conducted by TOMRA indicate that an XRT machine can substantially reduce transportation and production costs. It is for these reasons that the Company is planning to recommence production which will be dependent upon obtaining financing which will be sought at the project level.
- The Company acquired an interest in a Tajikistan mining project under which Vast is providing the necessary services for the upgrade of the processing plant associated with a fluorite and galena mine. Vast is responsible for the management and execution of the project and, through its interest in the venture, will receive the equivalent of 12.25% royalty on sales of non-ferrous concentrate. Under the project agreements, the mine is to produce approximately 7,000 tonnes per month of ore containing no less than 1.5-2% lead, 1.2-1.4% zinc and 27% fluoride. Historically the Mine contained 30g/t silver and 1-2g/t gold in situ.
- Continued discussions to conclude the agreement with Zimbabwe Consolidated Diamond Company (Pvt) Ltd ("ZCDC") regarding the right to mine diamonds for the Company at the community diamond concession.

Post reporting date:

- The Company commenced long-hole stoping at BPPM in calendar Q3 2022.
- A second milling circuit was completed at the processing plant at BPPM at the end of June 2022.
- BPPM commenced molybdenum concentrate production in August 2022.
- An official opening ceremony for the processing plant of the Tajikistan mine took place on 15 August 2022.

Funding

Equity:

Fundraising share issues during the year (gross proceeds before cost of issue):

| £ | \$ | Shares Issued | Issued to |
|------------------|------------------|--------------------|---------------------------|
| 2,886,940 | 3,927,568 | 78,395,870 | Placing with investors |
| 645,600 | 855,428 | 53,580,952 | Subscription by investors |
| 1,057,884 | 1,400,000 | 145,366,144 | Settle debt |
| 4,590,424 | 6,182,996 | 277,342,966 | |

Post reporting date:

| £ | \$ | Shares Issued | Issued to |
|------------------|------------------|----------------------|---------------------------|
| 2,156,000 | 2,556,500 | 378,285,715 | Placing with investors |
| 1,743,325 | 2,121,265 | 249,046,446 | Subscription by investors |
| 1,420,845 | 1,750,000 | 511,963,302 | Settle debt |
| 5,320,170 | 6,427,765 | 1,139,295,463 | |

- On 6 May 2021 the Company concluded a capital reorganisation which comprised two distinct parts, firstly a consolidation of the existing Ordinary Shares on a 1 for 100 basis, and then a subdivision of each resulting ordinary share of 10p into one new Ordinary Share and eleven new Deferred Shares. The effect of this reorganisation was to reduce the number of ordinary shares in issue by a factor of 100. Where relevant, comparative figures have been adjusted to reflect the capital reorganisation.

Debt:

- During the period the Company repaid US\$1,400,000 of principal of the first tranche of the Atlas facility through the issuance of shares. Year end secured debt stood at US\$ 10.075 million, comprising the Atlas facility of US\$5.1 million and the Mercuria facility of US\$4.975 million.

Post reporting date:

- On 16 May 2022, the Company repaid in full the outstanding bonds owed to Atlas and subsequently made a US\$1 million debt reduction to the amount owed to Mercuria. These repayments were in part financed by a US\$4 million asset backed debt facility from A&T Investments SARL.

Management

- Appointment of Nigel Wyatt as independent Non-executive Director on 23 August 2021.

- Appointment of Andrew Hall as Commercial Director on 7 December 2021.
- Roy Tucker relinquished his executive functions and remains a Non-Executive Director.

Political and Covid-19

- Covid-19 restrictions eased during the period but still continue to create additional costs and inefficiencies to business activities.
- The conflict in Ukraine has not had any direct adverse impact on Vast's operations but has impacted commodity markets.

CHAIRMAN'S REPORT

The easing of Covid-19 pandemic restrictions was met by heightened geopolitical risks. While the conflict in Ukraine has not directly impacted the running of our operations in Romania, the uncertainty regarding economic global growth has contributed to copper prices being off their recent highs and impacted fuel, energy and transport costs generally. We believe that the fundamental value of our Romanian businesses remains unchanged and that, in the short term, the revenue diversification arising from the polymetallic composition of our deposits will provide some mitigation for the depressed copper price. Despite these challenges the Company successfully refinanced the Atlas bond facility in May 2022.

Romania

Production at the Baita Plai Polymetallic Mine ("BPPM") increased over last year, and the Company made good progress in transitioning to a mechanised mining methodology, culminating in the commencement of long-hole stopping in calendar Q3 2022. This together with the completion of a second milling circuit in June 2022, will allow a significant increase in production at the mine.

The many priorities and challenges during the period prevented us from working more extensively on the recommencement of production at the Manaila Polymetallic Mine ("MPM"). The Company conducted an evaluation of the economics of the mine, and as part of this process, has assessed the suitability of X-Ray Sorting Technology ('XRT') to optimise the mine's production profile. The assessment indicates that the implementation of XRT equipment would significantly improve the economics of MPM by reducing transportation and production expenses and the Company is actively engaging with potential new investors at the project level to support the re-start.

Zimbabwe

The Company continues discussions to conclude the agreement with Zimbabwe Consolidated Diamond Company (Pvt) Ltd ("ZCDC") regarding the right to mine diamonds for the Company at the community diamond concession. All stakeholders continue to express their support and the Company anticipates that an agreement will be finalised in due course.

Tajikistan

The Company's participation in a mining joint venture in Tajikistan marks an exciting development for the Company and is anticipated to provide an attractive income stream from the future sale of non-ferrous concentrates and other metals produced.

Directors and management

Executive management

On 7 December 2021, Andrew Hall was appointed to the Board as Commercial Director. Andrew Hall has spent the last fourteen years working in natural resources and finance linked businesses. Before joining the Company in December 2018, Mr Hall previously worked at a natural resource-focussed merchant bank where he established and managed the alternative finance distribution business covering asset managers, private equity, investment banks, family offices and trading houses.

Non-Executive Directors

On 23 August 2021, Nigel Wyatt was appointed as an independent Non-Executive Director of the Company. Nigel Wyatt is a Chartered Engineer, and a graduate of the Camborne School of Mines. He has held senior positions in several mining and engineering companies primarily in Southern Africa. Nigel has wide ranging experience in ore and diamond recovery technologies and the manufacture of electronic sorting equipment. His experience includes the design and erection of ore sorting and treatment plants.

Funding

On 16 May 2022, the Company repaid in full the outstanding bonds owed to Atlas and subsequently made a US\$1 million debt reduction to the amount owed to Mercuria. These repayments were part financed by a US\$4 million asset backed debt facility from A&T Investments SARL. The debt facility has a maturity of one year.

Share Capital

In May 2021 the Company's ordinary share capital was reorganised and consolidated so that the number of ordinary shares in issue was reduced by a factor of 100. The capital reorganisation comprised two distinct parts, firstly a consolidation of the existing Ordinary Shares on a 1 for 100 basis, and then a subdivision of each resulting ordinary share of 10p into one new Ordinary Share of 0.1p and eleven new Deferred Shares of 0.9p each.

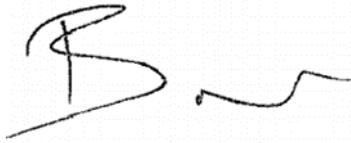
Corporate Governance

As stated in the Strategic Report, the Company has adopted the Quoted Company Alliance ('QCA') code on Corporate Governance. The Board strives to promote a corporate culture based on sound ethical values and behaviours. The Company maintains a strict anti-corruption and whistle blowing policy and the Directors are not aware of any event in

any jurisdiction in which it operates that might be considered to be a breach of this policy. The Company has formally adopted Code of Conduct, Health and Safety, Environmental, and Human Rights policies which clearly articulate the Board's expectations and strengthen the control environment of the organisation. The Company continues to operate a code for Directors' and employees' dealings in securities which is appropriate for a company whose securities are traded on AIM and is in accordance with the requirements of the Market Abuse Regulation which came into effect in 2016. The Company is also committed to maintaining open dialogue with shareholders, employees and other stakeholders.

Appreciation

The continued support and resolve of shareholders and other stakeholders through times that have been challenging is much appreciated. To fellow directors, thank you for your advice and support, and to management and staff both in Romania and Zimbabwe for their continued effort on behalf of the Company. Above all we wish all our stakeholders well in these difficult times and remain committed to safeguarding the safety of our employees and the communities in which we operate.

A handwritten signature in black ink, appearing to read 'B. Moritz', is positioned above the printed name and title.

Brian Moritz
Chairman

STRATEGIC REPORT

Principal activities, review of business and future developments

Vision

The vision of the Group continues to be to become a mid-tier mining group, one of the largest polymetallic (copper, zinc, silver, and gold) producers in Romania, and a major player in the re-emergence of the mining industry in Tajikistan and in Zimbabwe, where the Group now has a major focus on its diamond interests. The Group is also looking to expand its polymetallic and diamond footprint further afield to complement its Romanian and Zimbabwe strategy, and has recently entered into a joint venture in Tajikistan with a fluorite and galena mine to produce and market non-ferrous concentrate.

Principal activities

In Romania the Group has focused on operating the Baita Plai Polymetallic Mine ("BPPM") which commenced production in October 2020. The Manaila Polymetallic Mine ("MPM") has remained on care-and-maintenance during the period and the Company is actively engaged with new investors to support the restart.

In Zimbabwe, the Group continues to focus on concluding the agreement with Zimbabwe Consolidated Diamond Company (Pvt) Ltd ("ZCDC") regarding the right to mine diamonds for the Company at the community diamond concession.

In Tajikistan, the Group entered into a joint venture in Tajikistan with a fluorite and galena mine to produce and market non-ferrous concentrate and other metals.

In both Romania and Zimbabwe, the Group holds further mining claims or other interests which are under appraisal.

Review of business

Romania

BPPM (100% interest)

Operations

The Company established a new mechanised plan at BPPM in March 2021 but experienced complications and delays in Q2 of year ended 30 April 2022 due to encountering friable ground at the faces that required extra tunnelling to come back into the resource. Despite these challenges, mill feed production at BPPM has increased from 14,452 tonnes for the year ended 30 April 2021 to 38,108 tonnes for the year ended 30 April 2022. The Company has continued to invest time and resources to fully implement the transition to mechanised mining and successfully began long-hole stoping in calendar Q3 2022 following the deliveries of two Mantis CMR4 Jumbo drilling rigs and an Aramine miniLoader L130D with remote control capability. This represents a major achievement for the Company and will support significantly increased production volumes going forward. We continue to hold MPM on care-and-maintenance and are actively engaged with new investors to support the restart of MPM.

Resources

The JORC compliant Resource & Reserve Report for BPPM comprises an Indicated & Inferred mineral resource of 608,000 tonnes at 2.58% copper equivalent based on a copper metal price of US\$ 6,655/tonne. Under JORC an exploration target has been identified, which includes an historical mineral resource of between 1.8 million to 3 million tonnes with a copper grade range of 0.50–2.00%, gold range of 0.20–0.80 g/t and silver range of 40-80g/t. Subsequent to the publication of the JORC assessment, and following an analysis of historical data records, the exploration targets previously reported under the JORC were increased from 1.8 million – 3.0 million tonnes to 3.2 million - 5.8 million tonnes with copper grades in the range 0.50-2.00%, lead range 0.10-2.00%, zinc range 0.10-2.00%, gold range 0.20-0.80g/t, and silver range 40-80g/t further reinforcing the value of BPPM. The mineral resource estimate underpins the initial mine production life of approximately 3-4 years and the Company is in the process of conducting a drilling campaign in anticipation of increasing the JORC resource.

MPM (100% interest)

The Manaila Carlibaba exploitation perimeter contains a JORC-2012 compliant Indicated Mineral Resource of 3.6 million tonnes grading 0.93% copper, 0.29% lead, 0.63% zinc, 0.23g/t gold and 24.9g/t silver with Inferred Mineral Resources of 1.0 million tonnes grading 1.10% copper, 0.40% lead, 0.84% zinc, 0.24g/t gold and 29.2g/t silver. Under

JORC underground exploration targets identified are 7.9 million – 23.6 million tonnes with copper grades in range of 0.4-1.3%, lead range 0.2-0.7%, zinc range 0.3-1.1%, and open pit exploration targets of 1.1 million – 3.2 million tonnes with copper grades in range of 0.4-1.1%, lead 0.1-0.4%, and zinc range 0.2-0.6%.

The Company was granted the Manaila Carlibaba Exploitation License to 29 October 2025.

The increase in demand for copper together with production efficiencies confirmed by the assessment of the suitability of X-Ray Sorting Technology ('XRT') to optimise the mine's production profile results in a substantial improvement in the economics of MPM. The test results conducted by TOMRA indicate that an XRT machine can substantially reduce transportation and production costs. It is for these reasons that the Company is engaged with potential new investors at the project level to support the restart of MPM.

Blueberry Polymetallic Gold Project ('Blueberry') (29.41% effective interest).

The Group has an effective 29.41% economic interest in Blueberry through EMA Resources Ltd ('EMA') in a brown field perimeter located at Baia de Aries in the 'Golden Quadrilateral' of Western Romania on which historic work has demonstrated prospectivity for gold and polymetallic minerals. The Group has completed a drilling programme on the perimeter which has established sufficient information to support a maiden JORC resource. The Company has completed procedural and reporting requirements with the Romanian authorities. These have now been accepted and will allow the Company to apply for an exploitation licence. The results and net assets of the Blueberry project are immaterial to the Group and therefore have not been included in the Group financial statements under the equity method of accounting.

Other Romanian prospects

Given the Company's focus on BPPM, the application for an Exploration Licence for our current claims at Magura Neagra and Piciorul Zimbrului (collectively known as 'Zagra') has been placed on hold and will recommence once internal resources are available.

The Group continues to believe that exploitation of the many mining opportunities that have become dormant in Romania over the last two decades will be an attractive prospect for global mining players seeking to capitalize on the projected increase in demand globally for copper occasioned by the global transition to clean energy and electric vehicles. The Group's 'first mover position' in Romania has attracted interest in resuscitating the large-scale polymetallic resource projects in Romania.

Zimbabwe

The Group has now focused its Zimbabwe strategy on mining its anticipated diamond concession in Zimbabwe. This opportunity potentially offers high and near term positive cashflow and is unrestrained by tight currency controls.

Discussions with the various Zimbabwe stakeholders remain in line with previous expectations, other than on timing, and we anticipate that we will be able to commence our mining operations in due course.

Tajikistan

The Company, as one of a collective group of partners, entered into a new joint venture project (the "Project") in Tajikistan with Open Joint Stock Company Korkhonai Boygardonii Takob ("Takob").

The interest in the Project has been acquired as a result of the acquisition by a recently incorporated UK company, Central Asia Investments Ltd, in which Vast has a 49 percent interest of a 50 percent interest in Central Asia Minerals and Metals Ore Trading FZCO ("CAMM") which has an agreement with Takob (the "Master Agreement"). Vast has an effective 24.5 percent indirect interest in the Project.

Takob, a wholly owned subsidiary of the Tajikistan Open Joint Stock Company "TALCO", the country's largest group of companies, is the owner of the operating Takob fluorite and galena mine (the "Mine") in Tajikistan where the strategic fluoride concentrate is sold to TALCO's chemical division ("TALCO Chemical LLC"), for the production of essential raw materials required for primary aluminium production.

Under the Master Agreement the Mine is to produce approximately 7,000 tonnes per month of ore containing no less than 1.5-2% lead, 1.2-1.4% zinc and 27% fluoride. Under the Master Agreement CAMM is to provide equipment, technology and technical expertise to upgrade and optimise the processing plant at the Mine, and will undertake the responsibility for the management and execution of the Project. Takob will continue to mine ore at the Mine and produce fluoride concentrate. Takob has undertaken to supply no less than 1,000,000 tonnes of ore to be processed in line with the Project that is anticipated to run with the current Resource statement for 12 years.

CAMM has also under the Master Agreement been appointed as exclusive agent for Takob to market and sell all non-ferrous concentrates and precious metals from Takob's Mine including but not limited to lead, zinc, gold and silver. CAMM has secured financing and is fully funded for the Project. In consideration for CAMM's financing obligations and provision of services under the Master Agreement CAMM will be entitled to receive 50 percent of net revenue from the sale of non-ferrous concentrate and precious metals.

In order for CAMM to provide the expertise required to fulfil its services and marketing obligations under the Master Agreement CAMM has entered a services agreement with Vast to provide the services required. Under this agreement Vast is entitled to charge for the services provided on the basis that 24.5 percent of the fees earned will be left outstanding until they can be financed from revenue arising from the Project. In addition to fees receivable under the services agreement with CAMM Vast will receive the equivalent of 12.25 percent royalty of all sales of the non-ferrous concentrate and any other metals produced for its participation in the collective group.

As announced on 24 May 2022, CAMM executed a Memorandum of Understanding ("MoU") with Open Joint Stock Company TALCO linked to processing the tailings produced by the Takob Mine processing facility. During the initial soil sampling phase the company reported visible signs of Lead, Zinc and precious metals, including Gold, Silver & Platinum Group Metals, in the tailings facility. Initial surface survey results show that there is a minimum of 1 million tons and up to 3.3 million tons. Over the past 40 years of mining the processing plant was focused on Calcium Fluoride recoveries, not on extraction of non-ferrous or precious metals.

Corporate

During the period the Company repaid US\$1,400,000 of principal of the first tranche of the Atlas facility through the issuance of shares.

On 16 May 2022, the Company repaid in full the outstanding bonds owed to Atlas and subsequently made a US\$1 million debt reduction to the amount owed to Mercuria. These repayments were in part financed by a US\$4 million asset backed debt facility from A&T Investments SARL with maturity of one year.

Strategy

The Group's strategy is to:

- Attract ongoing funding for the Group – including from institutional investment
- Attract appropriate joint venture partners and public institutions to invest in the Group and projects of mutual interest
- Grow into a mid-tier mining company both organically and through acquisitions financed principally by third parties
- Optimise operations to produce positive cashflows
- Add value to operations by increasing resources and reserves
- If expedient, hold significant minority stakes in new ventures operationally managed by the Group
- Finance growth, where possible in a non-dilutive manner
- Maintain exposure to Romania and Zimbabwe where the Group has acquired in-depth country knowledge
- Develop the Company's existing relationship in Tajikistan with Talco with a view to expanding its portfolio within the country
- Expand the Company's polymetallic and diamond footprint further afield to complement its Romanian and Zimbabwe strategy
- Continue to work with Government and local communities in Zimbabwe in the diamond sector, and to develop the diamond business in a transparent way for the benefit of all stake holders

Key performance indicators

In executing its strategy, the Board considers the Group's key performance indicators to be:

Cash cost per tonne milled

- Cash cost per tonne is derived from aggregate cash costs divided by tonnes milled and measures productivity.

- BPPM cash cost per tonne was US\$180 for the year (2021: US\$201) and is derived from aggregate cash costs divided by tonnes milled and measures productivity.
- There has been no production at MPM this and last year given the mine was on care and maintenance.

Cash costs per tonne of concentrate

- Cash cost per tonne produced is calculated by dividing aggregate cash cost by concentrate tonnes produced and measures productivity.
- BPPM cash cost per tonne was US\$7,654 for the year (2021: US\$5,184) and is derived from aggregate cash costs divided by the tonnes produced. The increase this financial year is due to spiral development costs incurred to access higher grade resource to be mined. These costs have not been capitalised given their short useful economic life.
- There has been no production at MPM this year given the mine has been on care and maintenance.

Plant production volumes as a measure of asset utilisation

- BPPM processed mill feed of 38,108 tonnes (2021: 14,452 tonnes).
- There has been no production at MPM this and last year given the mine was on care and maintenance.

Total resources and reserves

- These indicators measure our ability to discover and develop new ore bodies, including through acquisition of new mines, and to replace and extend the life of our operating mines. We have published JORC-2012 compliant resource estimates for both BPPM and MPM which are described above. The alluvial diamond interest in Zimbabwe where there is an expectation of a right to mine is considered very prospective, but by its nature is not susceptible to the estimation of a JORC resource.

The rate of utilization of the Group's cash resources. This is discussed further below.

Cash resources

The Group's year end position was US\$0.103 million (2021: US\$1.385 million).

During the year cash used in operations were US\$3.562 million, with a significant portion of the balance directly related to developing, supporting and maintaining our mining assets.

Cash outflows from investing activities were US\$1.844 million comprising additions to property, plant, and equipment of \$1.467 million in the Group's Romanian operations and a \$0.417 million investment in the Company's associate, CAMM.

Cash net inflows from funding activities were US\$ 4.164 million, comprising the net of the proceeds from the issuance of shares of US\$4.528 million less repayment of loans and borrowings and finance expenses of US\$0.364 million.

The Directors monitor the cash position of the Group closely to plan sufficient funds within the business to allow the Group to meet its commitments and continue the development of assets. As part of this process, the Directors closely monitor capital expenditure and the regulatory requirements of the licences to ensure they continue in good standing.

Principal risks and uncertainties

Risk – Going concern

The Group will require funding to make further debt reductions to the Mercuria loan, and to refinance the Alpha debt facility which becomes due on 13 May 2023, and to provide general working capital. BPPM is currently producing and is expected to be operationally profitable within the financial year to 30 April 2023. The Directors are confident that the Company will be able to obtain funds for such requirements from debt providers and investors given the fundamental value of its assets and project pipeline, supported by expectations for strong demand for copper, and production at BPPM. However, while the Company is in discussions with potential investors and debt providers, no binding funding agreement is in place at the date of this Report. These conditions indicate the existence of a material uncertainty which may cast significant doubt about the Group's and Company's ability to continue as a going concern. The financial statements do not include the adjustment that would result if the Group and Company were unable to continue as a going concern.

Mitigation/Comments

The Company is in discussions for financing that is better suited to its current operational and risk profile. This includes medium-term financing at prices reflecting the reduced financial risk profile of the Company. The Board will also continue to engage with providers of commodity trade finance, potential joint venture and other investors in order for them to understand the fundamental strength of the Group's business and attract additional funding when required. The Board also will, whenever possible, retain sufficient cash margin to offset contingencies. The Group's diamond investments would not be subject to remittance restrictions as the Group is advised that foreign currency regulations will allow export proceeds not required to meet costs in Zimbabwe to be retained offshore.

Risk – Mining

Mining of natural resources involves significant risk. Drilling and operating risks include geological, geotechnical, seismic factors, industrial and mechanical incidents, technical failures, labour disputes and environmental hazards.

Mitigation/Comments

Use of strong technical management together with modern technology and electronic tools assist in reducing risk in this area. Good employee relations are also key in reducing the exposure to labour disputes. The Group is committed to following sound environmental guidelines and is keenly aware of the issues surrounding each individual project.

Risk - Commodity prices

Commodity prices are subject to fluctuation in world markets and are dependent on such factors as mineral output and demand, global economic trends and geo-political stability.

Mitigation/Comments

The Group's management constantly monitors mineral grades mined, cost of production, and commodity diversity to ensure that mining output becomes or remains economic. The anticipated marginal contributions going forward at both BPPM and the Zimbabwe diamond project opportunity are high versus fixed costs which provides a degree of liquidity protection in the event prices decline significantly.

Risk – Management and Retention of Key Personnel

The successful achievement of the Group's strategies, business plans and objectives depend upon its ability to attract and retain certain key personnel.

Mitigation/Comments

The Group's policy is to foster a management culture where management is empowered and where innovation and creativity in the workplace are encouraged. The Group has in place a "Share Appreciation Rights Scheme" for Directors and senior executives to provide incentives based on the success of the business and continues to consult third party benchmarks for remuneration. It has also introduced more specific incentive arrangements for the Group's diamond business in Zimbabwe.

Risk - Country and Political

The Group's activities are based in Romania, Zimbabwe and Tajikistan. Emerging market economies could be subject to greater risks, including legal, regulatory, economic, bribery and political risks, and are potentially subject to rapid change. In addition, there are risks particular to Zimbabwe arising from a scarcity of foreign exchange, difficulty with foreign remittances of funds and the, now albeit very substantially mitigated, risk of indigenisation.

Mitigation/Comments

The Group's management team is experienced in its areas of operation and skilled at operating within the framework of the local culture in Romania and Zimbabwe to progress its objectives. The Group routinely monitors political and regulatory developments in each of its countries of operation. In addition, the Group actively engages in dialogue with relevant government representatives to keep abreast of all key legal and regulatory developments applicable to its operations. The Group has several internal processes and checks in place to ensure that it is wholly compliant with all relevant regulations to maintain its mining or exploration licences within each country of operation.

Risk - Social, Safety and Environmental

The Group's success may depend upon its social, safety and environmental performance, as failures can lead to delays or suspension of its mining activities.

Mitigation/Comments

The Group takes its responsibilities in these areas seriously and monitors its performance across these areas on a regular basis. The Group has adopted and obtained ISO 9001:2015 for Quality, ISO 45001: 2018 for Safety, and ISO 140001: 2015 for Environment. The Group adheres to all Covid-19 rules, regulations, and guidelines in preventing transmission of the infection through the workforce.

Corporate Governance

The Company has adopted the QCA (Quoted Company Alliance) Code on corporate governance. Details of how the Company complies with this are set out on the Company's website. Principles which are required to be dealt with under the Code in the Company's Annual Report are set out below.

Business model and strategy

This is described above under Strategy and elsewhere in this Report.

Risk Management

In addition to its other roles and responsibilities, the Audit and Compliance Committee is responsible to the Board for ensuring that procedures are in place and are being implemented effectively to identify, evaluate and manage the significant risks faced by the Company.

The Directors have established procedures, as represented by this statement, for the purpose of providing a system of internal control. An internal audit function is not considered necessary or practical due to the size of the Company and the close day to day control exercised by the Executive Directors. The Board works closely with and has regular ongoing dialogue with the Company Financial Director and other Executive Directors and has established appropriate reporting and control mechanisms to ensure the effectiveness of its control systems.

The risks facing the Company are detailed above. The Board seeks to mitigate such risks so far as it is able to, as explained above, but certain important risks cannot be controlled. The CEO is primarily responsible to the Board for risk management.

In particular, the products the Company mines and is seeking to identify are traded globally at prices reflecting supply and demand rather than the cost of production. In Romania, the Company seeks to protect its cash flow by means of a long-term offtake agreement, but it does not hedge future production.

Maintenance of a well-functioning Board of Directors led by the Chairman

Membership of the Board at the date hereof is as follows:

| Name | Role | Appointed |
|---------------|-------------------------|------------------|
| Brian Moritz | Non-executive Chairman | 3 October 2016 |
| Andrew Prelea | Chief Executive Officer | 1 March 2018 |
| Roy Tucker | Non-Executive Director | 5 April 2005 |
| Paul Fletcher | Finance Director | 6 November 2019 |
| Craig Harvey | Chief Operating Officer | 1 March 2018 |
| Nick Hatch | Non-Executive Director | 9 May 2018 |
| Nigel Wyatt | Non-Executive Director | 23 August 2021 |
| Andrew Hall | Commercial Director | 7 December 2021 |

The Non-executive Directors other than Roy Tucker are considered to be independent.

All the Directors are subject to re-election at intervals of no more than three years.

The table illustrates the success of the Board in refreshing its membership.

The Board is well balanced both in its skill sets and in the domicile of its members. Of the Executive Directors, Andrew Prelea is resident in Romania, Andrew Hall and Paul Fletcher in the UK, and Craig Harvey splits his time between Romania and Southern Africa, with the majority of his time now spent in Romania. All the Non-Executive Directors are resident in the UK.

Non-executive Directors are committed to devote 3 days per month to the Company. Executive Directors devote substantially the whole of their time to the Company.

Where possible Directors are physically present at board meetings. However, due to the wide divergence of locations, Directors may be present by telephone. The position is also impacted currently by the Covid-19 situation.

During the year ended 30 April 2022 there were 17 board meetings of the Company which save for the absence by one Director on one occasion were attended by all the Directors. There were a further 10 meetings of a formal nature. There was also one General Meeting in addition to the Annual General Meeting.

Appropriate skills and experience of the Directors

The CVs of the Directors - four executives and four non-executives - as disclosed on the website, are set out below. In addition, the Company has employed the outsourced services of Ben Harber of Shakespeare Martineau as company secretary.

Andrew Prelea – Chief Executive Officer

Andrew has been involved in the mining sector for 10 years and with Vast since 2013. He has spearheaded the development of the Company's Romanian portfolio. Beginning his career in the early 1990s as a bulk iron ore and steel trader in Romania, he then went on to develop his career in the property and earthmoving sector in Australia before returning to Romania in 2003, initially to focus on the development of properties for the Romanian Ministry of Defence and latterly, private sector developments. Throughout his 29 year career, Andrew has developed extensive investor and public relations experience and has advised the Romanian government on wide ranging high-level topics including social housing and economic policy. He has built a strong network of contacts across the mining and metals industries and Europe and southern Africa, in addition to policy makers and governmental authorities in both Romania and Zimbabwe.

Brian Moritz - Chairman

Brian is a Chartered Accountant and former Senior Partner of Grant Thornton UK LLP, London; he formed Grant Thornton's Capital Markets Team which floated over 100 companies on AIM under his chairmanship. In December 2004, he retired from Grant Thornton UK LLP to concentrate on bringing new companies to the market. He specialises in natural resources companies, primarily in Africa, and was formerly chairman of Metal Bulletin plc, African Platinum plc and Chromex Mining plc as well as currently being chairman of several junior mining companies.

Roy Tucker – Non-Executive Director

Roy is a Chartered Accountant with some 50 years of high level and broad spectrum professional and business experience. He has been the founder of a London banking group, served on bank boards and had a position as a major shareholder of a substantial London commodity house. He is also the founder of Legend Golf and Safari Resort in South Africa. He has substantial investment in the Romanian property sector.

Paul Fletcher – Finance Director

Paul is a Chartered Accountant and Fellow of the Association of Corporate Treasurers with 30 years' experience working in the commodity and financial services industries. He has held a variety of senior international finance and operational roles in trading, processing, and financial businesses in the US, Europe, and Asia.

Andrew Hall – Commercial Director

Andrew has spent the last fourteen years working in natural resources and finance linked businesses. Before joining the Company in December 2018, Andrew previously worked at a natural resources focussed merchant bank where he established and managed the alternative finance distribution business covering asset managers, private equity, investment banks, family offices and trading houses.

Craig Harvey – Chief Operating Officer

Craig began his career with Gold Fields of SA in 1988 as a bursary student in Economic Geology where he worked on various gold, platinum, coal and exploration projects. At Harmony Gold he managed the mineral resources on various operations and was involved in due diligence on acquisitions. He joined Simmer and Jack with a focus on shallow hydro-thermal gold deposits in the Eastern Transvaal and later moved into a corporate role managing and auditing the mineral resource process across all gold and uranium operations. Craig spent 3 years in a Principal Consultant role for Ravensgate based in Perth, Australia, where he conducted numerous resource estimations, valuations and technical reports mainly in gold, uranium, copper and iron ore. Craig joined Vast Resources as a consultant in 2013 and became Chief Operating Officer in March 2017. During his tenure with Vast Resources, he has been heavily involved in both Zimbabwe and Romania.

Nick Hatch – Non-Executive Director

Nick has more than 36 years' experience in mining investment banking, primarily as a mining analyst and in managing mining & metals research and equities teams. He was most recently Director of Mining Equity Research at Canaccord Genuity in London. Nick's experience includes researching and advising on mining companies and projects across the globe and across the commodity spectrum and includes companies of all sizes. Nick left investment banking in 2017, and has set up his own company, Nick Hatch Mining Advisory Ltd, to provide mining research, business development and financing advice. He holds a degree in Mining Geology and is a Chartered Engineer.

Nigel Wyatt – Non-Executive Director

Nigel is a Chartered Engineer, a graduate of the Camborne School of Mines. He has held senior positions in several mining and engineering companies primarily in Southern Africa. These include CEO of Chromex Mining Plc, group marketing director of a De Beers subsidiary group supplying specialised, materials, engineering and technology to the mining and industrial sectors, and commercial director of Dunlop Industrial Products (Pty) Ltd, South Africa. He has wide ranging experience in ore and diamond recovery technologies and the manufacture of electronic sorting equipment. His experience includes the design and erection of ore sorting and treatment plants.

The Company believes that the current balance of skills on the Board, as a whole, reflects the broad range of commercial and professional skills that the Company requires. Among the Executive Directors, Andrew Prelea is experienced in general management, including identifying and negotiating new business opportunities; Paul Fletcher is a Chartered Accountant and Fellow of the Association of Corporate Treasurers with broad international and financial management experience in the commodity sector, Craig Harvey is a qualified geologist experienced in constructing and operating mines, and Andrew Hall is experienced in natural resource and finance linked businesses.

Among the Non-executives Brian Moritz is a Chartered Accountant with senior experience. In addition to his financial skills he has former experience as a Registered Nominated Adviser. Roy Tucker is a Chartered Accountant with many years' experience in general executive management. Nick Hatch is a qualified geologist with experience in evaluating mining companies and natural resource projects. Nigel Wyatt is a Chartered Engineer, a graduate of the Camborne School of Mines with wide ranging experience in the commercial aspects of mining and in ore and diamond recovery technologies.

Importantly, three Directors without geological qualifications have significant experience with junior companies in the natural resources sector.

Evaluation of Board Performance

The Group is in the process of fast evolution and at this stage in the Company's development it is not deemed necessary to adopt formal procedures for evaluation of the Board or of the individual Directors. There is frequent informal communication between members of the Board and peer appraisal takes place on an ongoing basis in the normal course of events. However, the Board will keep this under review and may consider formalised independent evaluation reviews at a later stage in the Company's development.

Given the size of the Company, the whole Board is involved in the identification and appointment of new Directors and as a result, a Nominations Committee is not considered necessary at this stage. The importance of refreshing membership of the Board is recognised and has been implemented. In 2018 Andrew Prelea was appointed to replace Roy Pitchford as CEO, and Nick Hatch replaced Brian Basham as a Non-executive Director. In November 2019, Paul Fletcher was appointed to the Board as Finance Director, and in 2021 Nigel Wyatt was appointed to replace Eric Diack as Non-executive Director, and Andrew Hall appointed to the Board as Commercial Director. Nevertheless, it is envisaged that the Board will be strengthened in due course as and when new projects are operated by the Company.

Maintenance of Governance Structures and Processes

The corporate governance structures which the Company is able to operate are limited by the size of the Board, which is itself dictated by the current size and geographical spread of the Company's operations, with Directors resident in the UK, Romania and Southern Africa. With this limitation, the Board is dedicated to upholding the highest possible standards of governance and probity.

The Chairman, Brian Moritz:

- leads the Board and is primarily responsible for the effective working of the Board;

- in consultation with the Board ensures good corporate governance and sets clear expectations with regards to Company culture, values and behaviour;
- sets the Board's agenda and ensures that all Directors are encouraged to participate fully in the activities and decision-making process of the Board.

The CEO, Andrew Prelea:

- is primarily responsible for developing Vast's strategy in consultation with the Board, for its implementation and for the operational management of the business;
- is primarily responsible for new projects and expansion;
- in conjunction with the CFO and Commercial Director is responsible for attracting finance and equity for the Company;
- runs the Company on a day-to-day basis;
- implements the decisions of the Board;
- monitors, reviews and manages key risks;

The Chief Operating Officer, Craig Harvey:

- is responsible for operational improvements and efficiency of mining operations in Romania;
- is responsible for expansion and exploration of projects at the mine level;
- is responsible for the Baita Plai mine ramp-up;
- assists and advises on the operation and expansion of other operations and projects;
- provides technical input on new projects.

The Finance Director, Paul Fletcher:

- is responsible for the administration of all aspects of the Group;
- oversees the accounting and treasury function of all Group companies;
- in conjunction with the CEO, is responsible for the financial risk management of the Company;
- is responsible for financial modelling to support fund raising initiatives and structuring trade related funding;
- is responsible for financial planning and analysis;
- deals with all matters relating to the independent audit;

The Commercial Director, Andrew Hall:

- works with the CEO on the Company's strategic business initiatives and capital raising;
- is responsible for offtake relationships;
- is responsible for leading the Company's external and investor communications;
- is the main point of contact with the Company's Nomad

Roy Tucker has assumed the role of Non-Executive Director during the year. Through a period of transition, Roy also provides legal, consultancy and compliance services to the Company.

The Remuneration Committee is currently chaired by Nick Hatch and comprises Nick Hatch, Brian Moritz and Nigel Wyatt. The Remuneration Committee is responsible for establishing a formal and transparent procedure for developing policy on executive remuneration and to set the remuneration packages of individual Directors. The Committee's policy is to provide a remuneration package which will attract and retain Directors and management with the ability and experience required to manage the Company and to provide superior long-term performance.

The Audit and Compliance Committee is currently chaired by Brain and comprises Brian Moritz and Nick Hatch. It normally meets twice per annum to inter alia, consider the interim and final results. In the latter case the auditors are present and the meeting considers and takes action on any matters raised by the auditors arising from their audit.

Matters reserved for the Board include:

- Vision and strategy
- Production and trading results

- Financial statements and reporting
- Financing strategy, including debt and other external financing sources
- Budgets, acquisitions and expansion projects, divestments and capital expenditure and business plans
- Corporate governance and compliance
- Risk management and internal controls
- Appointments and succession plans
- Directors' remuneration

Shareholder Communication

The Board is committed to maintaining effective communication and having constructive dialogue with its shareholders in accordance with Principle Two of the Quoted Companies Alliance Code as adopted by the Company. The Company is desirous of obtaining an institutional shareholder base, and institutional shareholders and analysts will have the opportunity to discuss issues and provide feedback at meetings with the Company.

The Investors section of the Company's website provides all required regulatory information as well as additional information shareholders may find helpful including: information on Board members, advisors and significant shareholdings, a historical list of the Company's Announcements, its corporate governance information, the Company's publications including historic annual reports and notices of annual general meetings, together with share price information.

The results of shareholder meetings will be publicly announced through the regulatory system and displayed on the Company's website with suitable explanations of any actions undertaken as a result of any significant votes against resolutions.

Section 172 (1) Statement

The Directors of the Company must act in accordance with a set of general duties. These duties are detailed in section 172 of the UK Companies Act 2006. This Section 172 statement explains how the Directors fulfil these duties.

Each Director must act in a way that they consider, in good faith, would be most likely to promote the Company's success for the benefit of its members as a whole, and in doing so have regard (among other matters) to:

S172(1) (a) "The likely consequences of any decision in the long term"

The Board has focused its resources primarily on two key mining opportunities in Romania and Zimbabwe. These opportunities comprise BPPM in Romania, and the Group's expected diamond concession in Zimbabwe. The Board is also looking to expand the Company's polymetallic and diamond footprint further afield to complement its Romanian and Zimbabwe strategies. For further details on the Company's strategy and the key performance indicators, please see page 9 and 10. The Board has implemented processes to identify, measure, manage, and mitigate risks and uncertainties arising from the implementation of its strategy. These risks and uncertainties are highlighted on pages 10, 11 and 12 and the processes by which they are managed are highlighted under the Risk Management principles set out on the Corporate Governance section on page 12.

S172(1) (b) "The interests of the Company's employees"

The successful achievement of the Group's strategies, business plans and objectives depend upon its ability to attract, motivate, and protect the safety of its employees. Health and Safety, and Human Rights policies clearly articulate the Board's expectations and safeguard the interests of the Company's employees. The Group's policy is to foster a management culture where management is empowered and where innovation and creativity in the workplace are encouraged and rewarded. This is reflected in the performance programs that the Company has implemented.

S172(1) (c) "The need to foster the company's business relationships with suppliers, customers and others"

The Company has ongoing dialogue with its customers and suppliers and ensures that a strong relationship is maintained at the level of senior management. This ensures alignment with the Company's business objectives and promotes strong collaboration. As mentioned on page 16, under Shareholder Communication, the Board maintains effective communication with its shareholders and provides updates and information through public announcements on the regulatory system and on the Company website.

S172(1) (d) "The impact of the company's operations on the community and the environment"

As mentioned on page 11, under Risk – Social, Safety and Environmental, the Group monitors its performance across these areas on a regular basis. The Group has adopted and obtained ISO 9001:2015 for Quality, ISO 45001: 2018

for Safety, and ISO 140001: 2015 for Environment. The Group adheres to all Covid-19 rules, regulations, and guidelines in preventing transmission of the infection through the workforce. As mentioned in the Chairman's Report on pages 5 and 6, the Company has also implemented formal policies on these areas.

S172(1) (e) "The desirability of the company maintaining a reputation for high standards of business conduct"

As more fully explained on pages 5 and 6 of the Chairman's Report and under the Corporate Governance section on page 12 the Board strives to promote a culture based on high business conduct standards.

S172(1) (f) "The need to act fairly as between members of the company"

Having assessed all necessary factors, and as supported by the processes described above, the Directors consider the best approach to delivering on the Company's strategy. This is done after assessing the impact on all stakeholders and is performed in such a manner so as to act fairly as between the Company's members.

Outlook

The Company has continued to invest time and resources to implement the full transition to mechanised mining and successfully began long hole stoping in calendar Q3 2022 following the deliveries of two Mantis CMR4 Jumbo drilling rigs and an Aramine miniLoader L130D with remote control capability. This represents a major achievement for the Company and will support significantly increased production volumes going forward. MPM continues to hold significant value for the Company, supported by strong demand for copper and improved production techniques. The priorities this year prevented the team from devoting time to realising the value of the asset and we are re-engaging with investors to support at the project level the restart of MPM.

In Zimbabwe, we continue to anticipate that we will be able to conclude our mining agreement despite the delays; and in Tajikistan we see near term opportunity to develop our position in the country in polymetallics.

The economic fundamentals for the Company's polymetallic business are strong. Increased demand for copper and tightness in supply have significantly lifted copper prices, despite recent declines due to the conflict in Ukraine. The forecast global growth in electric vehicles remains likely to create, over the next decade, a shortage of copper as producers struggle to meet demand as a consequence of declining grades, water supply issues and community resistance holding back discovery and exploitation of new resources.

Management believes that the business environment in Zimbabwe will improve as the government seeks to establish an attractive base for sustainable foreign investment, and that the Group, having established production at BPPM and having acquired significant first mover know-how, will begin to see traction on its other Romanian opportunities. Management believes that a combination of a bullish outlook on polymetallics together with a reduction in Romanian and Zimbabwean country risk premiums has the potential to provide significant medium-term growth in the share price and the financial performance of these businesses.

Many thanks to fellow Board members and management for the commitment and hard work that has been put into the Group. I also thank all our stakeholders for their support through these challenging times.

On behalf of the Board,



Andrew Prelea
Group Chief Executive Officer

REPORT OF THE DIRECTORS for the year ended 30 April 2022

The Directors present their report together with the audited financial statements for the twelve-month period ended 30 April 2022.

Results and dividends

The Group statement of comprehensive income is set out on page 28 and shows the profit for the period.

The Directors do not recommend the payment of a dividend (2021: nil).

Financial instruments

Details of the use of financial instruments by the Company and its subsidiary undertakings are contained in note 21 of the financial statements.

Directors

The Directors who served during the period and up to the date hereof were as follows: -

| | Date of Appointment |
|---------------|----------------------------|
| Roy Tucker | 5 April 2005 |
| Brian Moritz | 3 October 2016 |
| Andrew Prelea | 1 March 2018 |
| Craig Harvey | 1 March 2018 |
| Nick Hatch | 9 May 2018 |
| Paul Fletcher | 6 November 2019 |
| Nigel Wyatt | 23 August 2021 |
| Andrew Hall | 7 December 2021 |

Directors' interests

The interests in the shares of the Company of the Directors who served during the period were as follows:

| | 30 April 2022 | 30 April 2021 |
|---------------|------------------------|----------------------------|
| | Ordinary Shares | New Ordinary Shares |
| Andrew Hall | 115,550 | 115,550 |
| Nigel Wyatt | - | - |
| Paul Fletcher | 705,481 | 340,481 |
| Craig Harvey | 56,500 | 56,500 |
| Nick Hatch | - | - |
| Brian Moritz | 250,000 | 250,000 |
| Andrew Prelea | 16,065,147 | 16,065,147 |
| Roy Tucker | 2,945,757 | 2,945,757 |
| Total | 20,138,435 | 19,773,435 |

Cash-settled share rights

The following rights are held by Directors in a cash-settled share rights performance programme:

| | Subscription price | Outstanding at 30 April 2021 | Exercised during last 12 months | Lapsed during last 12 months | Outstanding at 30 April 2022 |
|--------------|--------------------|------------------------------|---------------------------------|------------------------------|------------------------------|
| Roy Tucker | £6.00 | 27,500 | - | (27,500) | - |
| Total | | 27,500 | - | (27,500) | - |

See note 23 for further details of this programme.

Share Appreciation Rights Scheme

The following Directors have been granted rights under the Company's Share Appreciation Rights Scheme:

| | In issue at 30 April 2021 | Grant date | Awarded during period | Exercised / lapsed during period | In issue at 30 April 2022 | Vesting period Start | Vesting period Finish |
|----------|---------------------------|------------|-----------------------|----------------------------------|---------------------------|----------------------|-----------------------|
| Paul | 50,000 | 04-Nov-19 | | | 50,000 | 04-Nov-19 | 03-Nov-22 |
| Fletcher | 50,000 | 04-Nov-19 | | | 50,000 | 04-Nov-19 | 31-Mar-23 |
| | 175,000 | 24-Nov-20 | | | 175,000 | 24-Nov-20 | 23-Nov-23 |
| | 175,000 | 24-Nov-20 | | | 175,000 | 31-Mar-21 | 31-Mar-24 |
| | | 05-Jul-21 | 2,000,000 | | 2,000,000 | 31-Dec-22 | 31-Dec-25 |
| Nick | 50,000 | 24-Nov-20 | | | 50,000 | 24-Nov-20 | 23-Nov-23 |
| Hatch | 50,000 | 24-Nov-20 | | | 50,000 | 31-Mar-21 | 31-Mar-24 |
| Craig | 90,000 | 01-Mar-18 | | (90,000) | 0 | 31-Mar-19 | 31-Mar-22 |
| Harvey | 90,000 | 01-Mar-18 | | | 90,000 | 31-Mar-20 | 31-Mar-23 |
| | 90,000 | 04-Nov-19 | | | 90,000 | 04-Nov-19 | 03-Nov-22 |
| | 90,000 | 04-Nov-19 | | | 90,000 | 04-Nov-19 | 31-Mar-23 |
| | 100,000 | 24-Nov-20 | | | 100,000 | 24-Nov-20 | 23-Nov-23 |
| | 100,000 | 24-Nov-20 | | | 100,000 | 31-Mar-21 | 31-Mar-24 |
| | | 05-Jul-21 | 2,000,000 | | 2,000,000 | 31-Dec-22 | 31-Dec-25 |
| Andrew | 180,000 | 01-Mar-18 | | (180,000) | 0 | 31-Mar-19 | 31-Mar-22 |
| Prelea | 180,000 | 01-Mar-18 | | | 180,000 | 31-Mar-20 | 31-Mar-23 |
| | 180,000 | 04-Nov-19 | | | 180,000 | 04-Nov-19 | 03-Nov-22 |
| | 180,000 | 04-Nov-19 | | | 180,000 | 04-Nov-19 | 31-Mar-23 |
| | | 05-Jul-21 | 2,000,000 | | 2,000,000 | 31-Dec-22 | 31-Dec-25 |
| Roy | 90,000 | 01-Mar-18 | | (90,000) | 0 | 31-Mar-19 | 31-Mar-22 |
| Tucker | 90,000 | 01-Mar-18 | | | 90,000 | 31-Mar-20 | 31-Mar-23 |
| | 90,000 | 04-Nov-19 | | | 90,000 | 04-Nov-19 | 03-Nov-22 |
| | 90,000 | 04-Nov-19 | | | 90,000 | 04-Nov-19 | 31-Mar-23 |
| | 112,500 | 24-Nov-20 | | | 112,500 | 24-Nov-20 | 23-Nov-23 |
| | 112,500 | 24-Nov-20 | | | 112,500 | 31-Mar-21 | 31-Mar-24 |
| | | 05-Jul-21 | 2,000,000 | | 2,000,000 | 31-Dec-22 | 31-Dec-25 |
| Andrew | 50,000 | 04-Nov-19 | | | 50,000 | 04-Nov-19 | 03-Nov-22 |
| Hall | 50,000 | 04-Nov-19 | | | 50,000 | 04-Nov-19 | 31-Mar-23 |

| | | | | | |
|-----------|-----------|------------|-----------|------------|-----------|
| 100,000 | 24-Nov-20 | | 100,000 | 24-Nov-20 | 23-Nov-23 |
| 100,000 | 24-Nov-20 | | 100,000 | 31-Mar-21 | 31-Mar-24 |
| | 05-Jul-21 | 2,000,000 | 2,000,000 | 31-Dec-22 | 31-Dec-25 |
| <hr/> | | | <hr/> | | |
| 2,715,000 | | 10,000,000 | (360,000) | 12,355,000 | |
| <hr/> | | <hr/> | | <hr/> | |

See note 23 for further details of the SARS.

Directors' remuneration

| | 2022 | | | 2021 | | |
|---------------|-----------------------|-----------------|-----------------|-----------------------|-----------------|-----------------|
| | Salary/Fees \$'000 | Other \$'000 | Total \$'000 | Salary/Fees \$'000 | Other \$'000 | Total \$'000 |
| Nigel Wyatt | 20 | - | 20 | - | - | - |
| Paul Fletcher | 193 | 7 | 200 | 132 | 3 | 135 |
| Craig Harvey | 192 | - | 192 | 180 | - | 180 |
| Nick Hatch | 30 | - | 30 | 29 | - | 29 |
| Brian Moritz | 31 | - | 31 | 29 | - | 29 |
| Andrew Prelea | 258 | - | 258 | 227 | - | 227 |
| Roy Tucker | 135 | - | 135 | 150 | - | 150 |
| Andrew Hall | 75 | 10 | 85 | - | - | - |
| Total | 934 | 17 | 951 | 747 | 3 | 750 |

* The Company has developed a practice of deferring payment of varying proportions of sums earned by Directors until the Company liquidity position improves.

As at 30 April 2022 a total of US\$647,230 was owed to Directors (Brian Moritz – US\$88,442, Nick Hatch – US\$78,040, Roy Tucker US\$222,463, Nigel Wyatt – US\$20,095, Paul Fletcher US\$90,453, Andrew Prelea US\$83,059, Craig Harvey US\$56,960, and Andrew Hall – US\$7,718). As at 30 April 2021 a total of US\$346,646 was owed to the Directors (Brain Moritz - US\$55,086, Nick Hatch US\$56,185, Eric Diack US\$47,876, and Roy Tucker US\$187,499).

Future developments

The Company's plans for future developments are more fully set down in the Strategic Report, on pages 7 to 17.

Research and development

The Company has assessed the suitability of X-Ray Sorting Technology ('XRT') to optimise the production profile of both BPPM and MPM. The test results received from TOMRA indicate that the implementation of XRT equipment significantly improves the economics of both mines, and in the case of MPM the improvement is particularly significant.

Disabled employees

The Group gives full consideration to applications for employment from disabled persons where the candidate's particular aptitudes and abilities are consistent with adequately meeting the requirements of the job. Opportunities are available to disabled employees for training, career development and promotion.

Where existing employees become disabled, it is the Company's policy to provide continuing employment wherever practicable in the same or an alternative position and to provide appropriate training to achieve this aim.

Auditors

All of the current Directors have taken all the steps that they ought to have taken to make themselves aware of any information needed by the Group's auditors for the purposes of their audit and to establish that the auditors are aware of that information. The Directors are not aware of any relevant audit information of which the auditors are unaware.

Vast's auditor, Crowe U.K. LLP, was initially appointed on 25 April 2016 and it is proposed by the Board that they be reappointed as auditors at the forthcoming AGM.

Events after the reporting date

These are more fully disclosed in Note 27.

A handwritten signature in black ink, appearing to be 'BH' with a long horizontal stroke extending to the right.

By order of the Board
Ben Harber
Secretary

29 October 2022

Statement of Directors' responsibilities

The Directors are responsible for preparing the Strategic Report, the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have elected to prepare the financial statements in accordance with UK-adopted International Accounting Standards and applicable law.

Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and the group and of the profit or loss of the group for that period. In preparing these financial statements, the Directors are required to:

- * select suitable accounting policies and then apply them consistently;
- * make judgments and accounting estimates that are reasonable and prudent;
- * state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- * prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Group's transactions and disclose with reasonable accuracy at any time the financial position of the Group and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

They are further responsible for ensuring that the Strategic Report and the Report of the Directors and other information included in the Annual Report and Financial Statements is prepared in accordance with applicable law in the United Kingdom.

The maintenance and integrity of the Group's website is the responsibility of the Directors.

Legislation in the United Kingdom governing the preparation and dissemination of the accounts and the other information included in annual reports may differ from legislation in other jurisdictions.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF VAST RESOURCES PLC

Opinion

We have audited the financial statements of Vast Resources plc (the "Parent Company") and its subsidiaries (the "Group") for the year ended 30 April 2022, which comprise:

- the Group statement of comprehensive income for the year ended 30 April 2022;
- the Group and Parent Company statement of changes in equity for the year ended 30 April 2022;
- the Group and Parent Company statements of financial position as at 30 April 2022;
- the Group and Parent Company statements of cash flows for the year then ended; and
- the notes to the financial statements, including a summary of significant accounting policies.

The financial reporting framework that has been applied in the preparation of the financial statements is applicable law and UK-adopted International Accounting Standards.

In our opinion the financial statements:

- give a true and fair view of the state of the Group's and of the Parent Company's affairs as at 30 April 2022 and of the Group's loss for the period then ended;
- have been properly prepared in accordance with UK-adopted International Accounting Standards; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Group and the Parent Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard as applied to listed entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material uncertainty related to going concern

We draw attention to the basis of preparation and going concern assessment note on page 33 in the financial statements, which indicates that the group will require the receipt of additional funds from either debt providers, investors or royalty financiers and whilst discussions are on-going no binding agreements are in place. As stated in this note, these events or conditions, along with the other matters as set forth in the note, indicate that a material uncertainty exists that may cast significant doubt on the company's and group's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

In auditing the financial statements, we have concluded that the directors use of the going concern basis of accounting in the preparation of the financial statements is appropriate. Our evaluation of the directors' assessment of the group and company's ability to continue to adopt the going concern basis of accounting included:

- Obtaining managements going concern assessment and testing the mathematical accuracy of the model;
- Considering the key assumptions into the model including metal prices, operating expenditure and production volumes and agreeing to forecast data;
- Reviewing the disclosures made in the financial statements relating to going concern and agreeing it is consistent with management's assessment; and
- Performing our own sensitivity analysis having regard to the risk that key financing events are delayed or do not occur. This included assessing the ability of management to raise finance in the past, and the current progress in any new financing negotiations.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Overview of our audit approach

Materiality

In planning and performing our audit we applied the concept of materiality. An item is considered material if it could reasonably be expected to change the economic decisions of a user of the financial statements. We used the concept of materiality to both focus our testing and to evaluate the impact of misstatements identified.

Based on our professional judgement, we determined overall materiality for the Group financial statements as a whole to be \$210,000 (2021: \$230,000), based on approximately 1% of the Group's assets. Materiality for the Parent Company financial statements as a whole was set at \$125,000 (2021: \$140,000).

We use a different level of materiality ('performance materiality') to determine the extent of our testing for the audit of the financial statements. Performance materiality is set based on the audit materiality as adjusted for the judgements made as to the entity risk and our evaluation of the specific risk of each audit area having regard to the internal control environment. This is set at \$140,000 (2021: \$172,000) for the Group and \$87,500 (2021: \$105,000) for the Parent Company.

Where considered appropriate performance materiality may be reduced to a lower level, such as, for related party transactions and directors' remuneration.

We agreed with the Audit Committee to report to it all identified errors in excess of \$6,000. Errors below that threshold would also be reported to it if, in our opinion as auditor, disclosure was required on qualitative grounds.

Overview of the scope of our audit

Of the Group's reporting components, in addition to the Parent Company, we identified two entities comprising one component requiring audit procedures to be performed for group reporting purposes, the component is located in Romania. The components within the scope of our work accounted for 100% of the group's total assets and 100% of the result for the period. The work on these components was performed by local auditors under our direction and review.

We issued instructions to the local auditors which included details of the significant areas to be covered, including the key audit matters detailed below, and the information required to be reported back. We reviewed the audit work performed by the component auditors, communicated our findings therefrom and any further work required by us was then performed by the local auditor.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) that we identified. These matters included those which had the greatest effect on: the overall audit strategy, the allocation of resources in the audit; and directing the efforts of the engagement team. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

In addition to the matter described in the 'Material uncertainty related to going concern section, we have determined the following key audit matters. This is not a complete list of all risks identified by our audit.

| <i>Key audit matter</i> | <i>How the scope of our audit addressed the key audit matter</i> |
|---|--|
| Carrying value of property, plant and equipment At 30 April 2022 the group had property, plant and equipment of \$16.2million (2021: \$17.3million). The group incurred a loss from operations of \$12.9million and therefore there could be evidence that these assets are impaired. | We reviewed management's assessment as to whether there is any indication of impairment to the assets in line with IAS 36 – Impairment of assets. That assessment concluded that there whilst there were indications of impairment in relation to the reduction of market capitalisation of the business, as well as an operating loss, this was due to the assets either being under care and maintenance until resources are available to put them into production or the assets being in their early stage of production following a period of additional capital expenditure. In particular, we had regard to: |

-
- whether there was any evidence that the estimates of reserves had changed during the year;
 - whether metal prices had decreased indicating that the value of those reserves could be less than the carrying amount of the assets;
 - management's plans for the development of the assets in the current year and also for commercialisation of the assets in future periods; and
 - the adequacy of disclosures made in the financial statements in relation to the property plant and equipment.
-

Carrying value of investments and intercompany receivables – Parent Company

The carrying value of investments in subsidiaries in the Parent Company financial statements at 30 April 2022 was \$23.3million as well as intercompany receivables of \$25.2million. The valuation of these investments and the recovery of the intercompany receivables are almost entirely dependent on the successful execution of the business plan. Failure to execute the business plan would likely result in an impairment to the carrying value of the investments in loans to subsidiaries.

We obtained management's assessment of the impairment of investment in subsidiaries and the intercompany receivables. This is intrinsically linked to the assessment to the carrying value of property, plant and equipment. In addition to the work undertaken on that account area, we considered the following matters:

- The reasonableness of the assumptions used by management in assessing the forecast cashflows of the underlying assets in the subsidiary and thus the ability of the subsidiaries to generate profit and ultimately remit that to the Parent Company; and
 - Sensitivity analysis on these cashflows.
-

Our audit procedures in relation to these matters were designed in the context of our audit opinion as a whole. They were not designed to enable us to express an opinion on these matters individually and we express no such opinion.

Other information

The directors are responsible for the other information contained within the annual report. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion based on the work undertaken in the course of our audit

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In light of the knowledge and understanding of the group and the parent company and their environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report.

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of the directors for the financial statements

As explained more fully in the directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the Group's and Parent Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or the Parent Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

We obtained an understanding of the legal and regulatory frameworks within which the Group operates, focusing on those laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements. The laws and regulations we considered in this context were relevant company law and taxation legislation in the UK and Romania being the principal jurisdictions in which the Group operates.

We identified the greatest risk of material impact on the financial statements from irregularities, including fraud, to be the override of controls by management. Our audit procedures to respond to these risks included enquiries of management about their own identification and assessment of the risks of irregularities, sample testing on the posting of journals and reviewing accounting estimates for biases in particular where significant judgements are involved (see Key Audit Matters above).

Owing to the inherent limitations of an audit, there is an unavoidable risk that some material misstatements of the financial statements may not be detected, even though the audit is properly planned and performed in accordance with the ISAs (UK).

The potential effects of inherent limitations are particularly significant in the case of misstatement resulting from fraud because fraud may involve sophisticated and carefully organised schemes designed to conceal it, including deliberate failure to record transactions, collusion or intentional misrepresentations being made to us.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

A handwritten signature in black ink, appearing to read 'J. Glasby', is positioned above the printed name and title.

John Glasby (Senior Statutory Auditor)

for and on behalf of

Crowe U.K. LLP

Statutory Auditor

London

29 October 2022

**Group statement of comprehensive income
for the year ended 30 April 2022**

| | | 30 Apr 2022 | 30 Apr 2021 |
|--|-------------|--------------------|--------------------|
| | | 12 Months | 12 Months |
| | | Group | Group |
| | Note | \$'000 | \$'000 |
| Revenue | | 3,781 | 896 |
| Cost of sales | | (7,403) | (2,642) |
| Gross loss | | (3,622) | (1,746) |
| Overhead expenses | | (9,380) | (2,439) |
| Depreciation of property, plant and equipment | 2 | (812) | (724) |
| Profit / (loss) on sale of property, plant and equipment | | - | 2 |
| Share option and warrant expense | 2, 23 | (356) | (178) |
| Sundry income | | 59 | 88 |
| Exchange gain / (loss) | 2 | (3,754) | 2,612 |
| Other administrative and overhead expenses | | (4,517) | (4,239) |
| Fair value movement in available for sale investments | | (3) | (29) |
| Loss from operations | | (13,005) | (4,214) |
| Finance income | 4 | - | 4 |
| Finance expense | 4 | (2,487) | (3,509) |
| Loss before taxation from continuing operations | | (15,492) | (7,719) |
| Taxation charge | 5 | - | - |
| Total (loss) taxation for the period | | (15,492) | (7,719) |
| Other comprehensive income | | | |
| Items that may be subsequently reclassified to either profit or loss | | | |
| Exchange gain /(loss) on translation of foreign operations | | 2,219 | (1,740) |
| Total comprehensive expense for the period | | (13,273) | (9,459) |
| Total profit / (loss) attributable to: | | | |
| - the equity holders of the parent company | | (15,492) | (7,755) |
| - non-controlling interests | | - | 36 |
| | | (15,492) | (7,719) |
| Total comprehensive profit / (loss) attributable to: | | | |
| - the equity holders of the parent company | | (13,273) | (9,495) |
| - non-controlling interests | | - | 36 |
| | | (13,273) | (9,459) |
| (Loss) per share - basic and diluted – US\$ cents | 8 | (5.73) | (4.90) |

The accompanying accounting policies and notes on pages 33 to 64 form an integral part of these financial statements.

**Group statement of changes in equity
for the year ended 30 April 2022**

| | Share capital \$'000 | Share premium \$'000 | Share option reserve \$'000 | Foreign currency translation reserve \$'000 | Retained deficit \$'000 | Total \$'000 | Non-controlling interests \$'000 |
|--|----------------------------|----------------------------|--------------------------------------|---|-------------------------------|-----------------|--|
| At 30 April 2020 | 27,096 | 82,997 | 2,983 | (855) | (107,377) | 4,844 | (349) |
| Total comprehensive loss for the period | - | - | - | (1,740) | (7,755) | (9,495) | 36 |
| Share option and warrant charges | - | - | 178 | - | - | 178 | - |
| Share options and warrants lapsed | - | - | (179) | - | 179 | - | - |
| VBP NCI acquisition | - | - | - | - | (6,756) | (6,756) | 313 |
| Shares issued: | | | | | | | |
| - for cash consideration | 9,674 | 3,582 | - | - | - | 13,256 | - |
| - for NCI acquisition | 3,790 | 2,653 | - | - | - | 6,443 | - |
| - to settle liabilities | 532 | 116 | - | - | - | 648 | - |
| At 30 April 2021 | 41,092 | 89,348 | 2,982 | (2,595) | (121,709) | 9,118 | - |
| Total comprehensive loss for the period | - | - | - | 2,219 | (15,492) | (13,273) | - |
| Share option and warrant charges | - | - | 356 | - | - | 356 | - |
| Share options and warrants lapsed | - | - | (967) | - | 967 | - | - |
| Share warrants issued under share issuance | - | (203) | 203 | - | - | - | - |
| Shares issued: | | | | | | | |
| - for cash consideration | 175 | 4,353 | - | - | - | 4,528 | - |
| - to settle liabilities | 191 | 1,209 | - | - | - | 1,400 | - |
| At 30 April 2022 | 41,458 | 94,707 | 2,574 | (376) | (136,234) | 2,129 | - |

The accompanying accounting policies and notes on pages 33 to 64 form an integral part of these financial statements.

**Company statement of changes in equity
for the year ended 30 April 2022**

| | Share capital \$'000 | Share premium \$'000 | Share option reserve \$'000 | Foreign currency translation reserve \$'000 | Retained deficit \$'000 | Total \$'000 |
|--|-------------------------|-------------------------|-----------------------------------|---|-------------------------------|-----------------|
| At 30 April 2020 | 27,096 | 82,997 | 2,983 | (4,954) | (83,494) | 24,628 |
| Total comprehensive loss for the period | - | - | - | - | (4,464) | (4,464) |
| Share option and warrant charges | - | - | 178 | - | - | 178 |
| Share options and warrants lapsed | - | - | (179) | - | 179 | - |
| Shares issued: | | | | | | |
| - for cash consideration | 9,674 | 3,582 | - | - | - | 13,256 |
| - for NCI acquisition | 3,790 | 2,653 | - | - | - | 6,443 |
| - to settle liabilities | 532 | 116 | - | - | - | 648 |
| At 30 April 2021 | 41,092 | 89,348 | 2,982 | (4,954) | (87,779) | 40,689 |
| Total comprehensive loss for the period | - | - | - | - | (3,448) | (3,448) |
| Share option and warrant charges | - | - | 356 | - | - | 356 |
| Share options and warrants lapsed | - | - | (967) | - | 967 | - |
| Share warrants issued under share issuance | - | (203) | 203 | - | - | - |
| Shares issued: | | | | | | |
| - for cash consideration | 175 | 4,353 | - | - | - | 4,528 |
| - to settle liabilities | 191 | 1,209 | - | - | - | 1,400 |
| At 30 April 2022 | 41,458 | 94,707 | 2,574 | (4,954) | (90,260) | 43,525 |

The accompanying accounting policies and notes on pages 33 to 64 form an integral part of these financial statements.

Group and Company statements of financial position
As at 30 April 2022

| | | 30 Apr 2022 Group \$'000 | 30 Apr 2021 Group \$'000 | 30 Apr 2022 Company \$'000 | 30 Apr 2021 Company \$'000 |
|---|----|--------------------------------|--------------------------------|----------------------------------|----------------------------------|
| Assets | | | | | |
| Non-current assets | | | | | |
| Property, plant and equipment | 10 | 16,212 | 17,284 | 3 | 4 |
| Available for sale investments | 16 | 891 | 891 | 891 | 891 |
| Investment in subsidiaries | 11 | - | - | 23,302 | 23,302 |
| Investment in associates | 12 | 417 | - | 417 | - |
| Loans to group companies | 13 | - | - | 25,402 | 20,373 |
| | | 17,520 | 18,175 | 50,015 | 44,570 |
| Current assets | | | | | |
| Inventory | 14 | 839 | 936 | - | - |
| Receivables | 15 | 2,834 | 3,207 | 648 | 499 |
| Cash and cash equivalents | | 103 | 1,385 | 86 | 1,315 |
| Total current assets | | 3,776 | 5,528 | 734 | 1,814 |
| Total Assets | | 21,296 | 23,703 | 50,749 | 46,384 |
| Equity and Liabilities | | | | | |
| Capital and reserves attributable to equity holders of the Parent | | | | | |
| Share capital | 22 | 41,458 | 41,092 | 41,458 | 41,092 |
| Share premium | 22 | 94,707 | 89,348 | 94,707 | 89,348 |
| Share option reserve | | 2,574 | 2,982 | 2,574 | 2,982 |
| Foreign currency translation reserve | | (376) | (2,595) | (4,954) | (4,954) |
| Retained deficit | | (136,234) | (121,709) | (90,260) | (87,779) |
| | | 2,129 | 9,118 | 43,525 | 40,689 |
| Non-controlling interests | | - | - | - | - |
| Total equity | | 2,129 | 9,118 | 43,525 | 40,689 |
| Non-current liabilities | | | | | |
| Loans and borrowings | 17 | - | - | - | - |
| Provisions | 19 | 1,145 | 1,206 | - | - |
| Trade and other payables | 20 | 1,954 | - | - | - |
| | | 3,099 | 1,206 | - | - |
| Current liabilities | | | | | |
| Loans and borrowings | 17 | 10,316 | 9,593 | 5,300 | 5,064 |
| Trade and other payables | 18 | 5,752 | 3,786 | 1,924 | 631 |
| Total current liabilities | | 16,068 | 13,379 | 7,224 | 5,695 |
| Total liabilities | | 19,167 | 14,585 | 7,224 | 5,695 |
| Total Equity and Liabilities | | 21,296 | 23,703 | 50,749 | 46,384 |

The accompanying accounting policies and notes on pages 33 to 64 form an integral part of these financial statements. The parent Company reported a loss after taxation for the year of US\$ 3.448 million (2021: US\$ 4.464 million loss). The financial statements on pages 28 to 64 were approved and authorised for issue by the Board of Directors on 29 October 2022 and were signed on its behalf by:


Paul Fletcher
Director

Registered number 5414325
29 October 2022

**Group and Company statements of cash flow
for the year ended 30 April 2022**

| | 30 Apr 2022 Group \$'000 | 30 Apr 2021 Group \$'000 | 30 Apr 2022 Company \$'000 | 30 Apr 2021 Company \$'000 |
|---|--------------------------------|--------------------------------|----------------------------------|----------------------------------|
| CASH FLOW FROM OPERATING ACTIVITIES | | | | |
| Loss before taxation for the period | (15,492) | (7,719) | (3,448) | (4,464) |
| Adjustments for: | | | | |
| Depreciation and impairment charges | 812 | 724 | - | - |
| Profit on sale of property, plant, and equipment | - | (2) | - | - |
| Share option expense | 356 | 178 | 356 | 178 |
| Finance expense | 2,487 | 3,509 | 1,979 | 2,969 |
| Unrealised foreign currency exchange loss / (gain) | 3,946 | (2,623) | - | - |
| | <u>(7,891)</u> | <u>(5,933)</u> | <u>(1,113)</u> | <u>(1,317)</u> |
| Changes in working capital: | | | | |
| Decrease (increase) in receivables | 373 | (683) | (149) | (171) |
| Decrease (increase) in inventories | 97 | (469) | - | - |
| Increase (decrease) in payables | 3,859 | 1,128 | 1,294 | (317) |
| | <u>4,329</u> | <u>(24)</u> | <u>1,145</u> | <u>(488)</u> |
| Taxation paid | - | - | - | - |
| Cash (used in) / generated by operations | <u>(3,562)</u> | <u>(5,957)</u> | <u>32</u> | <u>(1,805)</u> |
| Investing activities: | | | | |
| Payments to acquire property, plant and equipment | (1,467) | (4,391) | - | (3) |
| Proceeds on disposal of property, plant and equipment | - | 2 | - | - |
| Payments to acquire investments in associates | (417) | - | (417) | - |
| (Increase) decrease in loans to group companies | - | - | (5,029) | (8,677) |
| | <u>(1,884)</u> | <u>(4,389)</u> | <u>(5,446)</u> | <u>(8,680)</u> |
| Financing Activities: | | | | |
| Proceeds from the issue of ordinary shares | 4,528 | 13,256 | 4,528 | 13,256 |
| Repayment of loans and borrowings | (364) | (2,003) | (343) | (1,846) |
| Total proceeds from financing activities | <u>4,164</u> | <u>11,253</u> | <u>4,185</u> | <u>11,410</u> |
| Increase (decrease) in cash and cash equivalents | (1,282) | 907 | (1,229) | 925 |
| Cash and cash equivalents at beginning of period | 1,385 | 478 | 1,315 | 390 |
| Cash and cash equivalents at end of period | <u>103</u> | <u>1,385</u> | <u>86</u> | <u>1,315</u> |

The accompanying notes and accounting policies on pages 33 to 64 form an integral part of these financial statements.

Statement of accounting policies for the year ended 30 April 2022

General information

Vast Resources plc and its subsidiaries (together “the Group”) are engaged principally in the exploration for and development of mineral projects in Sub-Saharan Africa and Eastern Europe. Since incorporation the Group has built an extensive and interesting portfolio of projects in these jurisdictions, and has this year invested in a mineral joint venture in Central Asia. The Company’s ordinary shares are listed on the AIM market of the London Stock Exchange.

Vast Resources plc was incorporated as a public limited company under UK Company Law with registered number 05414325. It is domiciled in England and Wales with its registered office at 60 Gracechurch Street, London EC3V 0HR.

Basis of preparation and going concern assessment

The principal accounting policies adopted in the preparation of the financial information are set out below. The policies have been consistently applied throughout the current year and prior year, unless otherwise stated. These financial statements have been prepared in accordance with UK-adopted International Accounting Standards and the Companies Act 2006.

The financial statements are prepared under the historical cost convention on a going concern basis. In certain prescribed circumstances the use of fair value accounting has been adopted.

The Group made a loss for the year of \$15.49 million (2021: \$7.72 million). The Group recorded net cash used in operating activities of \$3.56 million (2021: \$5.96 million). At the reporting date the group held cash and cash equivalents of \$0.1 million (2021: \$1.39 million) and had net current liabilities of \$12.29 million (2021: \$7.85 million). Subsequent to the year end, the Company raised approximate \$6.4million from the placing of new shares to part settle debts owed to Atlas and Mercuria and the remaining balance used for mine operations, capital expenditure and general working capital.

The Group will require funding to make further debt reductions to the Mercuria loan and to refinance the Alpha debt facility which becomes due on 13 May 2023, and to provide general working capital. BPPM is currently producing and is expected to be operationally profitable within the financial year to 30 April 2023. The Directors are confident that the Company will be able to obtain funds for such requirements from debt providers and investors given the fundamental value of its assets and project pipeline, supported by expectations for strong demand for copper, and production at BPPM. However, while the Company is in discussions with potential investors and debt providers, no binding funding agreement is in place at the date of this Report. These conditions indicate the existence of a material uncertainty which may cast significant doubt about the Group’s and Company’s ability to continue as a going concern. The financial statements do not include the adjustment that would result if the Group and Company were unable to continue as a going concern.

Changes in Accounting Policies

At the date of authorisation of these financial statements, a number of Standards and Interpretations were in issue but were not yet effective. The Directors do not anticipate that the adoption of these standards and interpretations, or any of the amendments made to existing standards as a result of the annual improvements cycle, will have a material effect on the financial statements in the year of initial application.

Areas of estimates and judgement

The preparation of the Group financial statements in conformity with International Financial Reporting Standards (IFRS) requires the use of estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Although these estimates are based on management’s best knowledge of current events and actions, actual results may ultimately differ from those estimates. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities in the next financial year are discussed below:

Accounting estimates

a) Impairment of mining assets

The Group reviews, on an annual basis, whether deferred exploration costs, acquired either as intangible assets, as property, plant and equipment, or as mining options or licence acquisition costs, have suffered any impairment. The recoverable amounts are determined based on an assessment of the economically recoverable mineral reserves, the ability of the Group to obtain the necessary financing to complete the development of the reserves and future profitable production or proceeds from the disposition of recoverable reserves.

The Company uses discounted cash flow techniques ("DCF") and, as relevant industry benchmarks, to assess whether any impairment is necessary. Revenue projections used in DCF are based on production plans associated with the Company's estimate of economically recoverable mineral reserves and are modelled using prevailing commodity market prices with an appropriate down stress applied. Production cost inputs used in DCF are referenced to observable inputs in accordance with the production plan and are applied conservatively. The Company applies a discount rate of 12.5% in its DCF modelling, reflecting its assessment of the market cost of capital for such assets under the Capital Asset Pricing Model ("CAPM"). The results of these assessments indicate that the fair value of the Company's mining assets is significantly more than their carry value. There have been no fundamental changes in the quality and condition of these assets versus the previous year.

b) Estimates of fair value

The Group will, from time to time, enter into financial instruments, which are required by IFRS to be recorded at fair value within the financial statements. In determining the fair value of such instruments, the Directors are required to apply accounting estimates in selecting the inputs used in valuation models such as the Black Scholes or Monte Carlo models. Inputs over which the Directors may be required to form judgements relate to volatility, vesting periods, risk free interest rates, commodity price assumptions and discount rates. In addition, where a valuation requires more complex fair value considerations the Directors may appoint third party advisers to assist in the determination of fair value.

c) Provisions

The Group is required to estimate the cost of its obligations to realise and rehabilitate its mining properties.

The estimation of the cost of complying with the Group's obligations at future dates and in economically unpredictable regions, and the application of appropriate discount rates thereto, gives rise to significant estimation uncertainties.

Accounting judgements

d) Going concern and Inter-company loan recoverability

The recoverability of inter-Company loans advanced by the Company to subsidiaries depends also on the subsidiaries realising their cash flow projections. The going concern considerations are highlighted above. The carrying value of these loans are assessed for impairment by Company by using DCF techniques as mentioned earlier. The results of these assessments indicate that the fair value of the Company's loans to its subsidiaries are significantly more than their carry value.

e) VAT recoverable

In countries where the Group has productive mining operations carried out by its subsidiaries those subsidiaries are registered for Value Added Tax (VAT) with their respective local taxation authorities and, as their outputs are predominantly zero-rated for VAT, receive net refunds of VAT in respect of input tax borne on their inputs. This amount is carried as a receivable until refunded by the State

The amount carried as a receivable is determined in accordance with the returns submitted to the taxation authorities.

Basis of consolidation

Where the Company has control over an investee, it is classified as a subsidiary. The Company controls an investee if all three of the following elements are present: power over the investee, exposure to variable returns from the investee, and the ability of the investor to use its power to affect those variable returns. Control is reassessed whenever facts and circumstances indicate that there may be a change in any of these elements of control.

The consolidated financial statements present the results of the Company and its subsidiaries ("the Group") as if they formed a single entity. Inter-company transactions and balances between Group companies are therefore eliminated in full.

The consolidated financial statements incorporate the results of business combinations using the acquisition method. In the statement of financial position, the acquiree's identifiable assets, liabilities and contingent liabilities are initially recognised at their fair values at the acquisition date. The results of acquired operations are included in the consolidated statement of comprehensive income from the date on which control is obtained. They are deconsolidated from the date on which control ceases.

Financial instruments

The Group's principal financial assets are cash and cash equivalents and receivables. The Group also holds a long-term investment available for sale. The Group's principal financial liabilities are trade and other payables, and loans and borrowings.

The Group's accounting policy for each category of financial asset is as follows:

Financial assets held at amortised cost

Trade receivables and other receivables are classified as financial assets held at amortised cost as they are held within a business model whose objective is to collect contractual cashflows which are solely payments of principal and interest. They are initially recognised at fair value plus transaction costs that are directly attributable to their acquisition or issue and are subsequently carried at amortised cost using the effective interest rate method, less provision for impairment.

Impairment provisions are recognised under the expected loss model with changes in the provision being recorded in the statement of comprehensive income. For receivables, which are reported net, such provisions are recorded in a separate allowance account with the loss being recognised within administrative expenses in the statement of comprehensive income. On confirmation that the receivable will not be collectable, the gross carrying value of the asset is written off against the associated provision.

Financial assets held at fair value

Investments available for sale are measured at fair value through the profit and loss account as their value will be recovered through sale.

Cash and cash equivalents

These amounts comprise cash on hand and balances with banks. Cash equivalents are short term, highly liquid accounts that are readily converted to known amounts of cash. They include short-term bank deposits and short-term investments.

Financial liabilities

The Group's financial liabilities consist of trade and other payables (including short terms loans) and long term secured borrowings. These are initially recognised at fair value and subsequently carried at amortised cost, using the effective interest method. Where any liability carries a right to convertibility into shares in the Group and the Group has an unconditional right to avoid delivering cash, the fair value of the equity and liability portions of the liability is determined at the date that the convertible instrument is issued, by use of appropriate discount factors.

Foreign currency

The functional currency of the Company and all of its subsidiaries outside Romania is the United States Dollar, while the functional currency of the Company's Romanian subsidiaries is the Romanian Lei (RON). These are the currencies of the primary economic environment in which the Company and its subsidiaries operate.

Transactions entered into by the Group entities in a currency other than the currency of the primary economic environment in which it operates (the "functional currency") are recorded at the rates ruling when the transactions occur. Foreign currency monetary assets and liabilities are translated at the rates ruling at the date of the statement of financial position. Exchange differences arising on the retranslation of unsettled monetary assets and liabilities are similarly recognised immediately in profit or loss.

For consolidation purposes, the results and financial position of a Group entity whose functional currency differs from the Group's presentation currency is translated into the Group's presentation currency as follows: assets and liabilities are translated at the closing rate; income and expenses are translated at the average rate for the period, and; all resulting exchange differences are recognised in other comprehensive income.

The exchange rates applied at each reporting date were as follows:

- 30 April 2022 \$1.2572: £1 and \$1: RON 4.6774 and \$1: ZWL 159.35
- 30 April 2021 \$1.3818: £1 and \$1: RON 4.0621 and \$1: ZWL 85.75
- 30 April 2020 \$1.2604: £1 and \$1: RON 4.4541 and \$1: ZWL 25

On 22 February 2019 all United States dollar balances in Zimbabwe were restated as RTGS (Real Time Gross Settlement) balances, later renamed Zimbabwe Dollar (ZWL), as a separate and distinct currency tradeable against the US dollar. On 27 March 2020 the Government of Zimbabwe pegged the rate of exchange at \$1: 25. Subsequent to the balance sheet date, the ZWL has depreciated significantly. This has an immaterial impact on the balance sheet and profit and loss for the year ended 30 April 2021 and for the ongoing financial position of our operations in Zimbabwe.

Intangible assets - Mining rights

Mineral rights are recorded at cost less amortisation and provision for diminution in value. Amortisation will be over the estimated life of the commercial ore reserves on a unit of production basis.

Licences for the exploration of natural resources will be amortised over the lower of the life of the licence and the estimated life of the commercial ore reserves on a unit of production basis.

Inventories

Inventories are initially recognised at cost, and subsequently at the lower of cost and net realisable value. Cost comprises all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition. Weighted average cost is used to determine the cost of ordinarily inter-changeable items.

Mining inventory includes run of mine stockpiles, minerals in circuit, finished goods and consumables. Stockpiles, minerals in circuit and finished goods are valued at their cost of production to their point in process using a weighted average cost of production, or net realisable value, whichever is the lower. Low grade stockpiles are only recognised as an asset when there is evidence to support the fact that some economic benefit will flow to the Company on the sale of such inventory. Consumables are valued at their cost of acquisition, or net realisable value, whichever is the lower.

Investment in subsidiaries and associates

The Company's investment in its subsidiaries and associates is recorded at cost less any impairment. In the Group accounts, associates are accounted for under the equity accounting method under which the equity investment is initially recorded at cost and subsequently adjusted to reflect the Group's share of net assets of the associate.

Associates

Where the Group has the power to participate in (but not control) the financial and operating policy decisions of another entity, it is classified as an associate. Associates are initially recognised in the consolidated statement of financial position at cost. Subsequently associates are accounted for using the equity method, where the Group's share of post-acquisition profits and losses and other comprehensive income is recognised in the consolidated statement of profit and loss and other comprehensive income (except for losses in excess of the Group's investment in the associate unless there is an obligation to make good those losses).

Profits and losses arising on transactions between the Group and its associates are recognised only to the extent of unrelated investors' interests in the associate. The investor's share in the associate's profits and losses resulting from these transactions is eliminated against the carrying value of the associate.

Any premium paid for an associate above the fair value of the Group's share of the identifiable assets, liabilities and contingent liabilities acquired is recognised as goodwill and included in the carrying amount of the associate. Where there is objective evidence that the investment in an associate has been impaired the carrying amount of the investment is tested for impairment in the same way as other non-financial assets.

Non-controlling interests

For business combinations completed on or after 1 January 2010 the Group has the choice, on a transaction by transaction basis, to initially recognise any non-controlling interest in the acquiree which is a present ownership interest and entitles its holders to a proportionate share of the entity's net assets in the event of liquidation at either acquisition date fair value or, at the present ownership instruments' proportionate share in the recognised amounts of the acquiree's identifiable net assets. Other components of non-controlling interest such as outstanding share options are generally measured at fair value.

The total comprehensive income of non-wholly owned subsidiaries is attributed to owners of the parent and to the non-controlling interests in proportion to their relative ownership interests.

Revenue

Revenue from the sales of goods is recognised when the Group has performed its contractual obligations and it is probable that the Group will receive the previously agreed upon payment. These criteria are considered to be met when the goods are loaded at the plant and consigned to the buyer. Where the buyer has a right of return, the Group defers recognition of revenue until the right to return has lapsed. Revenue for services is recognised as those services are performed under contractual obligations with the customer.

Under IFRS 15, the freight service on export commodity contracts with CIF/CFR terms represents a separate performance obligation, and a portion of the revenue earned under these contracts, representing the obligation to perform the freight service, is deferred and recognised over time as this obligation is fulfilled, along with the associated costs for which the point of recognition is dependent on the contract sales terms. Similarly, the Group's agreed terms with its sole buyer of concentrates, require that the seller must contract for and pay the costs and freight necessary to bring the goods to the named port of loading.

Provided the amount of revenue can be measured reliably and it is probable that the Group will receive any consideration, revenue for services is recognised in the period in which they are rendered. Payment is due once the services have been rendered.

Pension costs

Contributions to defined contribution pension schemes are charged to profit or loss in the year to which they relate.

Production expenses

Production expenses include all direct costs of production but exclude depreciation of property plant and equipment involved in the mining process, and mine and Company overhead.

Property, plant, and equipment

Land is not depreciated. Items of property, plant and equipment are initially recognised at cost and are subsequently carried at depreciated cost. As well as the purchase price, cost includes directly attributable costs and the estimated present value of any future costs of dismantling and removing items. The corresponding liability is recognised within provisions.

Depreciation is provided on all other items of property and equipment so as to write off the carrying value of items over their expected useful economic lives. It is applied at the following rates:

| | | |
|--------------------------------|---|---------------------------------|
| Buildings | – | 2.5% per annum, straight line |
| Plant and machinery | – | 15% per annum, reducing balance |
| Fixtures, fittings & equipment | – | 20% per annum, reducing balance |
| Computer assets | – | 33.33% per annum, straight line |
| Motor vehicles | – | 15% per annum, reducing balance |

Capital works in progress: Property, plant and equipment under construction are carried at its accumulated cost of construction and not depreciated until such time as construction is completed or the asset put into use, whichever is the earlier.

Proved mining properties

Depletion and amortisation of the full-cost pools is computed using the units-of-production method based on proved reserves as determined annually by management.

Provision for rehabilitation of mining assets

Provision for the rehabilitation of a mining property on the cessation of mining is recognised from the commencement of mining activities. This provision accounts for the full cost to rehabilitate the mine according to good practice guidelines in the country where the mine is located, which may involve more than the stipulated minimum legal commitment.

When accounting for the provision the Company recognises a provision for the full cost to rehabilitate the mine and a matching asset accounted for within the non-current mining asset. The rehabilitation provision is discounted using a risk-free rate, which is linked to the currency in which the costs are expected to be incurred, and the applicable inflation rate applied to the cash flows. The unwinding of the discounting effect is recognised within finance expenses in the income statement.

Share based payments

Equity-settled share-based payments

Where share options are awarded to employees, the fair value of the options at the date of grant is charged to profit or loss over the vesting period. Non-market vesting conditions are taken into account by adjusting the number of equity instruments expected to vest at each reporting date so that, ultimately, the cumulative amount recognised over the vesting period is based on the number of options that eventually vest. Market vesting conditions are factored into the fair value of the options granted. As long as all other vesting conditions are satisfied, a charge is made irrespective of whether the market vesting conditions are satisfied. The cumulative expense is not adjusted for failure to achieve a market vesting condition.

Where the terms and conditions of options are modified before they vest, the increase in the fair value of the options, measured immediately before and after the modification, is also charged to profit or loss over the remaining vesting period.

Where equity instruments are granted to persons other than employees, the fair value of goods and services received is charged to profit or loss, except where it is in respect to costs associated with the issue of shares, in which case, it is charged to the share premium account.

Remuneration shares

Where remuneration shares are issued to settle liabilities to employees and consultants, any difference between the fair value of the shares on the date of issue and the carrying amount of the liability is charged to profit or loss.

Stripping costs

Costs incurred in stripping the overburden to gain access to mineral ore deposits are accounted for as follows:

Stripping costs incurred during the development phase of the mine (before production begins) are capitalised as part of the depreciable cost of building, developing and constructing the mine. Capitalised costs are amortised using the units of production method, once production begins.

Stripping costs incurred during the production phase of the mine which give rise to the production of usable inventory are accounted for in accordance with the principles contained in the Group's policy on Inventories. Stripping costs incurred in the production phase of the mine which result in improved access to ore are capitalized and recognized as additions to non-current assets provided that it is probable that the future economic benefit from improved access to the ore body associated with the stripping activity will flow to the Company, that it is possible to identify the component of the ore body to which access has been improved and that the costs relating to the stripping activity associated with that component of the ore body can be measured reliably.

Tax

The major components of income tax on the profit or loss include current and deferred tax.

Current tax

Current tax is based on the profit or loss adjusted for items that are non-assessable or disallowed and is calculated using tax rates that have been enacted or substantively enacted by the reporting date.

Tax is charged or credited to the statement of comprehensive income, except when the tax relates to items credited or charged directly to equity, in which case the tax is also dealt with in equity.

Deferred tax

Deferred tax assets and liabilities are recognised where the carrying amount of an asset or liability in the statement of financial position differs to its tax base, except for differences arising on:

- The initial recognition of goodwill;
- The initial recognition of an asset or liability in a transaction which is not a business combination and at the time of the transaction affects neither accounting or taxable profit; and
- Investments in subsidiaries where the Group is able to control the timing of the reversal of the difference and it is probable that the differences will not reverse in the foreseeable future.

Recognition of deferred tax assets is restricted to those instances where it is probable that taxable profit will be available against which the difference can be utilised.

The amount of the asset or liability is determined using tax rates that have been enacted or substantively enacted by the reporting date and are expected to apply when deferred tax liabilities/(assets) are settled/(recovered). Deferred tax balances are not discounted.

New IFRS accounting standards

A number of new standards and amendments to standards and interpretations have been issued but are not yet effective.

At the date of authorisation of these financial statements, the Directors have reviewed the standards in issue by the International Accounting Standards Board ("IASB"), which are effective for annual accounting periods ending on or after the stated effective date. In their view, none of these standards would have a material impact on the consolidated financial statements.

Notes to financial statements for the year ended 30 April 2022

1 Segmental analysis

The Group operates in one business segment, the development and mining of mineral assets. The Group has interests in two geographical segments being Southern Africa (primarily Zimbabwe and focusing on diamond opportunities) and Europe and Central Asia (primarily Romania and Tajikistan focusing on polymetallic opportunities). The group combines its Tajikistan and Romanian operations into one geographical segment, Europe and Central Asia, as these operations are managed together as a single geography utilising common resources and leveraging commercial and strategic synergies.

The Group's operations are reviewed by the Board (which is considered to be the Chief Operating Decision Maker ('CODM')) and split between mining exploration and development and administration and corporate costs.

Exploration and development is reported to the CODM only on the basis of those costs incurred directly on projects. All costs incurred on the projects are capitalised in accordance with IFRS 6, including depreciation charges in respect of tangible assets used on the projects.

Administration and corporate costs are further reviewed on the basis of spend across the Group.

Decisions are made about where to allocate cash resources based on the status of each project and according to the Group's strategy to develop the projects. Each project, if taken into commercial development, has the potential to be a separate operating segment. Operating segments are disclosed below on the basis of the split between exploration and development and administration and corporate.

Revenue comprise of the sale of concentrates of \$2.25million (2021: \$0.9million) and services rendered of \$1.53million (2021: \$nil). The Group derives revenue from two customers (2021: One), each exceeding 10% of total revenues.

| | Mining, exploration, and development | | Admin and corporate | Total |
|---|---|--------|---------------------------|-----------------|
| | Europe & Central Asia | Africa | | |
| | \$'000 | \$'000 | \$'000 | \$'000 |
| Year to 30 April 2022 | | | | |
| Revenue | 3,781 | - | - | 3,781 |
| Production costs | (7,403) | - | - | (7,403) |
| Gross profit (loss) | (3,622) | - | - | (3,622) |
| Depreciation | (806) | - | (6) | (812) |
| Profit (loss) on sale of property, plant and equipment | - | - | - | - |
| Share option and warrant expense | - | - | (356) | (356) |
| Sundry income | 59 | - | - | 59 |
| Exchange (loss) gain | (3,359) | - | (395) | (3,754) |
| Other administrative and overhead expenses | (2,565) | - | (1,952) | (4,517) |
| Fair value movement in available for sale investments | - | - | (3) | (3) |
| Finance income | - | - | - | - |
| Finance expense | (508) | - | (1,979) | (2,487) |
| Taxation (charge) | - | - | - | - |
| Profit (loss) for the year | (10,801) | - | (4,691) | (15,492) |
| 30 April 2022 | | | | |
| Total assets | 19,614 | - | 1,682 | 21,296 |
| Total non-current assets | 16,549 | - | 971 | 17,520 |
| Additions to non-current assets | 1,467 | - | - | 1,467 |
| Total current assets | 3,065 | - | 711 | 3,776 |
| Total liabilities | 11,938 | - | 7,229 | 19,167 |

| | Mining, exploration, and development | | Admin and corporate | Total |
|--|--------------------------------------|--------|---------------------|---------|
| | Europe | Africa | | |
| | \$'000 | \$'000 | \$'000 | \$'000 |
| Year to 30 April 2021 | | | | |
| Revenue | 896 | - | - | 896 |
| Production costs | (2,642) | - | - | (2,642) |
| Gross profit (loss) | (1,746) | - | - | (1,746) |
| Depreciation | (718) | - | (6) | (724) |
| Profit (loss) on sale of property, plant and equipment | 2 | - | - | 2 |
| Share option and warrant expense | - | - | (178) | (178) |
| Sundry income | 88 | - | - | 88 |
| Exchange (loss) gain | 1,939 | - | 673 | 2,612 |
| Other administrative and overhead expenses | (2,036) | - | (2,203) | (4,239) |
| Fair value movement in available for sale investments | - | - | (29) | (29) |
| Finance income | - | - | 4 | 4 |
| Finance expense | (545) | - | (2,964) | (3,509) |
| Profit on disposal of discontinued operations | - | - | - | - |
| Taxation (charge) | - | - | - | - |
| Profit (loss) for the year | (3,016) | - | (4,703) | (7,719) |
| 30 April 2021 | | | | |
| Total assets | 20,913 | - | 2,790 | 23,703 |
| Total non-current assets | 17,198 | - | 977 | 18,175 |
| Additions to non-current assets | 4,390 | - | 1 | 4,391 |
| Total current assets | 3,715 | - | 1,813 | 5,528 |
| Total liabilities | 8,878 | - | 5,707 | 14,585 |

2 Group loss from operations

Group loss from operations

| | 2022 | 2021 |
|--|---------------|---------------|
| | Group | Group |
| | \$'000 | \$'000 |
| Operating loss is stated after charging/ (crediting): | | |
| Auditors' remuneration (note 3) | 91 | 94 |
| Depreciation | 812 | 724 |
| Employee pension costs | 283 | 170 |
| Share option expense | 356 | 178 |
| Foreign exchange (gain) / loss | 3,754 | (2,612) |
| Loss (gain) on disposal of property, plant and equipment | - | (2) |

3 Auditor's remuneration

| | 2022 | 2021 |
|--|---------------|---------------|
| | Group | Group |
| | \$'000 | \$'000 |
| Fees payable to the Company's auditor for the audit of the Company's annual accounts | 60 | 60 |
| Fees payable to the Company's auditor for other services: | | |
| - Audit of the accounts of subsidiaries | 31 | 34 |
| - Other services | - | - |
| | 91 | 94 |

4 Finance income and expense

Finance income

| | 2022 | 2021 |
|------------------------------------|---------------|---------------|
| | Group | Group |
| | \$'000 | \$'000 |
| Interest received on bank deposits | - | - |
| Other interest received | - | 4 |
| | - | 4 |

Finance expense

| | 2022 | 2021 |
|----------------------------------|---------------|---------------|
| | Group | Group |
| | \$'000 | \$'000 |
| Interest on secured borrowings | 2,473 | 3,505 |
| Interest on unsecured borrowings | 14 | 4 |
| | 2,487 | 3,509 |

5 Taxation

| | Group \$'000 | Group \$'000 |
|-----------------------|-----------------|-----------------|
| Income tax on profits | - | - |
| Deferred tax charge | - | - |
| Tax charge (credit) | - | - |

| | 2022 Group \$'000 | 2021 Group \$'000 |
|---|-------------------------|-------------------------|
| The tax assessed for the year is lower than the standard rate of corporation tax in the UK. The differences are explained as follows: | | |
| Loss before taxation | (15,492) | (7,719) |
| Loss before taxation at the standard rate of corporation tax in the UK of 19% (2021: 19%) | 2,943 | 1,466 |
| Difference in tax rates in foreign jurisdictions | (348) | (72) |
| Income not chargeable to tax | - | 384 |
| Expenses not allowed for tax | 304 | 167 |
| Short term timing differences | 14 | (383) |
| Loss carried forward | (2,913) | (1,562) |
| Income tax charge on profits | - | - |

There was no taxation charge during the year (2021: US\$ nil).

Deferred tax assets are only recognised in the Group where the company concerned has a reasonable expectation of future profits against which the deferred tax asset may be recovered.

| Tax losses | 2022 Group \$'000 | 2021 Group \$'000 | 2022 Company \$'000 | 2021 Company \$'000 |
|------------------------|-------------------------|-------------------------|---------------------------|---------------------------|
| Accumulated tax losses | 65,240 | 65,397 | 40,649 | 37,557 |

However, these losses will only be recoverable against future profits, the timing of which is uncertain, and a deferred tax asset has not been recognised in respect of these losses. A deferred tax asset has not been recognised in respect of accumulated tax losses for the Company.

6 Employees

| | 2022 | 2021 |
|---|---------------|---------------|
| | Group | Group |
| | \$'000 | \$'000 |
| Staff costs (including directors) consist of: | | |
| Wages and salaries – management | 1,318 | 966 |
| Wages and salaries – other | 5,712 | 4,179 |
| | 7,030 | 5,145 |
| Consultancy fees | 185 | 231 |
| Social Security costs | 64 | 37 |
| Healthcare costs | - | 14 |
| Pension costs | 283 | 170 |
| | 7,562 | 5,597 |
| The average number of employees (including directors) during the year was as follows: | | |
| Management | 15 | 10 |
| Other operations | 352 | 216 |
| | 367 | 226 |

7 Directors' remuneration

| | 2022 | 2021 |
|---|---------------|---------------|
| | Group | Group |
| | \$'000 | \$'000 |
| Directors' emoluments | 934 | 747 |
| Company contributions to pension schemes | 16 | 3 |
| Healthcare costs | 1 | - |
| Directors and key management remuneration | 951 | 750 |

The Directors are considered to be the key management of the Group and Company.

Five of the Directors at the end of the period have share options receivable under long term incentive schemes. The highest paid Director received an amount of US\$258,259 (2021: US\$227,227).

8 Earnings per share

| | 30 Apr 2022 Group | 30 Apr 2021 Group |
|--|------------------------------|------------------------------|
| Profit and loss per ordinary share has been calculated using the weighted average number of ordinary shares in issue during the relevant financial year. | | |
| The weighted average number of ordinary shares in issue for the period is: | 270,291,660 | 158,339,542 |
| Loss for the period: (\$'000) | (15,492) | (7,755) |
| Loss per share basic and diluted (cents) | (5.73) | (4.90) |
| The effect of all potentially dilutive share options is anti-dilutive. | | |

9 Loss for the financial year

The Company has adopted the exemption allowed under Section 408(1b) of the Companies Act 2006 and has not presented its own income statement in these financial statements.

10 Property, plant, and equipment

| Group | Plant and machinery \$'000 | Fixtures, fittings and equipment \$'000 | Computer assets \$'000 | Motor vehicles \$'000 | Buildings and Improvements \$'000 | Mining assets \$'000 | Capital Work in progress \$'000 | Total \$'000 |
|--|-------------------------------|---|------------------------------|-----------------------------|--|----------------------------|---------------------------------------|-----------------|
| Cost at 1 May 2020 | 3,064 | 48 | 150 | 265 | 3,093 | 6,127 | 5,206 | 17,953 |
| Additions during the period | 27 | 17 | 3 | 7 | - | 2,359 | 1,978 | 4,391 |
| Reclassification | 1,188 | 6 | - | 425 | - | 3,271 | (4,890) | - |
| Foreign exchange movements | 275 | 4 | 12 | 41 | 233 | 371 | 449 | 1,385 |
| Cost at 30 April 2021 | 4,554 | 75 | 165 | 738 | 3,326 | 12,128 | 2,743 | 23,729 |
| Additions during the year | 28 | 5 | 12 | 45 | - | 256 | 1,121 | 1,467 |
| Reclassification | (568) | 2 | - | 98 | 168 | 892 | (592) | - |
| Foreign exchange movements | (571) | (10) | (17) | (118) | (348) | (1,206) | (289) | (2,559) |
| Cost at 30 April 2022 | 3,443 | 72 | 160 | 763 | 3,146 | 12,070 | 2,983 | 22,637 |
| Depreciation at 1 May 2020 | 2,397 | 47 | 78 | 151 | 875 | 1,066 | 604 | 5,218 |
| Charge for the year | 313 | 15 | 9 | 21 | 101 | 265 | - | 724 |
| Reclassification | - | (5) | 5 | - | - | - | - | - |
| Foreign exchange movements | 239 | 8 | 8 | 53 | 113 | 82 | - | 503 |
| Depreciation at 30 April 2021 | 2,949 | 65 | 100 | 225 | 1,089 | 1,413 | 604 | 6,445 |
| Charge for the year | 281 | 14 | 16 | 27 | 138 | 336 | - | 812 |
| Reclassification | - | (4) | 4 | - | - | - | - | - |
| Foreign exchange movements | (392) | (10) | (13) | (62) | (190) | (165) | - | (832) |
| Depreciation at 30 April 2022 | 2,838 | 65 | 107 | 190 | 1,037 | 1,584 | 604 | 6,425 |
| Net book value at 1 May 2020 | 667 | 1 | 72 | 114 | 2,218 | 5,061 | 4,602 | 12,735 |
| Net book value at 30 April 2021 | 1,605 | 10 | 65 | 513 | 2,237 | 10,715 | 2,139 | 17,284 |
| Net book value at 30 April 2022 | 605 | 7 | 53 | 573 | 2,109 | 10,486 | 2,379 | 16,212 |

10 Property, plant, and equipment (cont.)

| Company | Plant and machinery \$'000 | Fixtures, fittings and equipment \$'000 | Computer assets \$'000 | Motor vehicles \$'000 | Buildings and Improvements \$'000 | Mining assets \$'000 | Capital Work in progress \$'000 | Total \$'000 |
|--|-------------------------------|--|---------------------------|--------------------------|--------------------------------------|-------------------------|------------------------------------|-----------------|
| Cost at 30 April 2020 | 30 | 5 | 25 | - | - | - | - | 60 |
| Additions during the period | - | - | 3 | - | - | - | - | 3 |
| Disposals during the period | - | - | - | - | - | - | - | - |
| Cost at 30 April 2021 | 30 | 5 | 28 | - | - | - | - | 63 |
| Additions during the year | - | - | - | - | - | - | - | - |
| Disposals during the year | - | - | - | - | - | - | - | - |
| Cost at 30 April 2022 | 30 | 5 | 28 | - | - | - | - | 63 |
| Depreciation at 30 April 2020 | 30 | 5 | 23 | - | - | - | - | 58 |
| Charge for the period | - | - | 1 | - | - | - | - | 1 |
| Disposals during the period | - | - | - | - | - | - | - | - |
| Depreciation at 30 April 2021 | 30 | 5 | 24 | - | - | - | - | 59 |
| Charge for the year | - | - | 1 | - | - | - | - | 1 |
| Disposals during the year | - | - | - | - | - | - | - | - |
| Depreciation at 30 April 2022 | 30 | 5 | 25 | - | - | - | - | 60 |
| Net book value at 30 April 2021 | - | - | 4 | - | - | - | - | 4 |
| Net book value at 30 April 2022 | - | - | 3 | - | - | - | - | 3 |

11 Investments in subsidiaries

| | 2022 | 2021 |
|-----------------------------------|----------------|----------------|
| | Company | Company |
| | \$'000 | \$'000 |
| Cost at the beginning of the year | 23,302 | 1,297 |
| Additions during the year | - | 22,005 |
| Cost at the end of the year | 23,302 | 23,302 |

The principal subsidiaries of Vast Resources plc, all of which are included in these consolidated Annual Financial Statements, are as follows:

| Company | Country of registration | Class | Proportion held by group | | Nature of business |
|--|-------------------------|----------|--------------------------|------|------------------------------------|
| | | | 2022 | 2021 | |
| Vast Baita Plai SA (formerly African Consolidated Resources SRL) | Romania | Ordinary | 100% | 100% | Mining exploration and development |
| Sinarom Mining Group SRL | Romania | Ordinary | 100% | 100% | Mining exploration and development |
| Vast Resources Romania Ltd | United Kingdom | Ordinary | 100% | 100% | Holding company |
| Vast Resources Zimbabwe (Private) Limited | Zimbabwe | Ordinary | 100% | 100% | Mining exploration and development |

The table above shows the principal subsidiaries of the Company. A full list of all group subsidiaries is given in Note 28, at the end of this report.

12 Investment in associates

Investment in associates comprises the acquisition cost of an effective interest of 24.5% in Central Asia Minerals and Metals Ore Trading FZCO ("CAMM"). The net assets of CAMM at 30 April 2022 are immaterial.

13 Loans to group companies

Loans to Group companies are repayable on demand. The treatment of this balance as non-current reflects the Company's expectation of the timing of receipt. Recoverability of these balances is linked to the future cashflows expected to be generated from the underlying asset and that these support a valuation exceeding the carrying value of the receivable.

14 Inventory

| | Apr 2022 Group \$'000 | Apr 2021 Group \$'000 | Apr 2022 Company \$'000 | Apr 2021 Company \$'000 |
|------------------------|-----------------------------|-----------------------------|-------------------------------|-------------------------------|
| Minerals held for sale | 185 | 266 | - | - |
| Production stockpiles | 6 | 6 | - | - |
| Consumable stores | 648 | 664 | - | - |
| | 839 | 936 | - | - |

15 Receivables

| | Apr 2022 Group \$'000 | Apr 2021 Group \$'000 | Apr 2022 Company \$'000 | Apr 2021 Company \$'000 |
|-------------------|-----------------------------|-----------------------------|-------------------------------|-------------------------------|
| Trade receivables | 151 | 899 | - | - |
| Other receivables | 1,658 | 1,218 | 268 | 233 |
| Short term loans | 312 | 309 | 246 | 243 |
| Prepayments | 183 | 89 | 118 | 23 |
| VAT | 530 | 692 | 16 | - |
| | 2,834 | 3,207 | 648 | 499 |

| | Carrying amount before deducting any impairment loss | Related Impairment loss | Net carrying amount | Of which: | Of which: not impaired as at 30 April 2022 and past due in the following periods: | | |
|-------------------|--|-------------------------|---------------------|--|---|---|----------------------|
| | | | | Neither impaired nor past due on 30 April 2022 | Not more than three months | More than three months and not more than six months | More than six months |
| Trade receivables | 151 | - | 151 | 63 | - | 48 | 40 |
| Other receivables | 1,658 | - | 1,658 | 1,658 | - | - | - |
| | 1,809 | - | 1,809 | 1,721 | - | 48 | 40 |

At the reporting date, included within VAT receivable is an amount in respect of VAT owed to Vast Baita Plai SA (formerly African Consolidated Resources SRL) of US\$ 432,766 (RON 2,024,222). The amount represents VAT paid on the Baita Plai Mine's care operations. As reported previously, ANAF, the Romanian revenue authority had refused to accept amounts included in this balance as a legitimate VAT receivable as a mining licence was not then in place for Baita Plai Mine. On 15th October 2018, the mining licence was granted. The Romanian Court instructed an independent VAT audit which has been completed satisfactorily and supported the Group's claim for repayment.

Accordingly, the Court ruled in favour of Vast Baita Plai SA. The tax authorities have appealed against the decision and the Company continues to maintain that the case has no merit.

16 Available for sale investments

In the year to 30 April 2020, the Company acquired an investment in the Convertible 15% Loan Notes of EMA of principal value US\$750,000. The transaction value was US\$891,164. These notes fund EMA's and Blueberry's working capital and capital expenditure requirements in relation to exploration at the Blueberry mine and other matters necessary for the purpose of achieving an IPO. The conversion feature of the loan notes allows the holder to convert every US\$ 10,000 of principal into 0.075% of shares at the time of the IPO. These notes are held for sale and are carried at fair value through the profit and loss account as their value will be recovered through sale. Management is targeting a sale in the financial year ended 30 April 2024 and has therefore classified the investment in non-current assets. The project is in its early stages of development and there is insufficient more recent information to reliably measure the fair value of the project, on the basis management consider cost to be the best estimate of fair value of the instrument.

17 Loans and borrowings

| | Apr 2022 Group \$'000 | Apr 2021 Group \$'000 | Apr 2022 Company \$'000 | Apr 2021 Company \$'000 |
|---|-----------------------------|-----------------------------|-------------------------------|-------------------------------|
| Non-current | | | | |
| Secured borrowings | 10,075 | 9,325 | 5,100 | 4,847 |
| less amounts payable in less than 12 months | (10,075) | (9,325) | (5,100) | (4,847) |
| | - | - | - | - |
| Current | | | | |
| Unsecured borrowings | 240 | 266 | 199 | 215 |
| Bank overdrafts | 1 | 2 | 1 | 2 |
| Current portion of long-term borrowings - secured | 10,075 | 9,325 | 5,100 | 4,847 |
| | 10,316 | 9,593 | 5,300 | 5,064 |
| Total loans and borrowings | 10,316 | 9,593 | 5,300 | 5,064 |

Current secured borrowings consist of:

- US\$5,100,000 (2021: US\$ 4,847,300) in respect of the first tranche of US\$15,000,000 Convertible Bond facility from Atlas Capital Markets Limited. The Bonds are secured by a charge on the assets held by Vast Baita Plai SA which is the holder of the rights to the Baita Plai Mine and by a pledge on both Vast Resources PLC and AP Mining Group's shares in Vast Baita Plai SA. The loan bears interest at 5%. The first tranche of bonds were initially repayable on 29 January 2022. However, this was extended to 31 July 2022. On 16 May 2022, the first tranche bonds were repaid in full.
- US\$4,975,129 (2021: US\$4,468,626) secured offtake finance from Mercuria Energy Trading SA. The loan is secured by a charge on the assets held by Sinarom Mining Group SRL which is the holder of the rights to the Manaila Mine and by a pledge on the shares of Vast Resources PLC 100% holding. The loan bore interest during the period of 7.6%. The repayment of the loan is to be made from surplus cashflows generated from BPPM.
- US\$NIL (2021: US\$8,504) asset financing loans secured on the underlying movable assets belonging to Vast Baita Plai SA.

Current unsecured borrowing consists of:

- US\$40,753 (2021: US\$50,976) loans owed to the former non-controlling interests in Vast Baita Plai SA. These include amounts owed to the following directors: Andrew Prelea (US\$17,239) and Roy Tucker (US\$10,579).

These loans are interest free and have no fixed terms of repayment. There is no expectation that these loans will be called in the short-term.

- US\$199,266 (2021: US\$215,367) loan from M Semere bearing an interest rate of 6%. There is no expectation that this loan will be called in the short-term.

Reconciliation of liabilities arising from financing activities

| 2022 Group | Non-cash changes | | | | | |
|--|----------------------|------------------------|--|---|-----------------------------|----------------------|
| | 01-May-21 \$'000s | Cash -flows \$'000s | Amortised finance charges \$'000s | Loans repaid in shares \$'000s | Maturity classifications | 30-Apr-22 \$'000s |
| Long-term borrowings | - | - | - | - | - | - |
| Short-term borrowings | 9,593 | (364) | 2,487 | (1,400) | - | 10,316 |
| Total liabilities from financing activities | 9,593 | (364) | 2,487 | (1,400) | - | 10,316 |

| 2021 Group | Non-cash changes | | | | | |
|--|----------------------|------------------------|--|---|-----------------------------|----------------------|
| | 01-May-20 \$'000s | Cash -flows \$'000s | Amortised finance charges \$'000s | Loans repaid in shares \$'000s | Maturity classifications | 30-Apr-21 \$'000s |
| Long-term borrowings | 8,343 | - | - | - | (8,343) | - |
| Short-term borrowings | 392 | (2,003) | 3,509 | (648) | 8,343 | 9,593 |
| Total liabilities from financing activities | 8,735 | (2,003) | 3,509 | (648) | - | 9,593 |

| 2022 Company | Non-cash changes | | | | | |
|--|----------------------|------------------------|--|---|-----------------------------|----------------------|
| | 01-May-21 \$'000s | Cash -flows \$'000s | Amortised finance charges \$'000s | Loans repaid in shares \$'000s | Maturity classifications | 30-Apr-22 \$'000s |
| Long-term borrowings | - | - | - | - | - | - |
| Short-term borrowings | 5,064 | (343) | 1,979 | (1,400) | - | 5,300 |
| Total liabilities from financing activities | 5,064 | (343) | 1,979 | (1,400) | - | 5,300 |

| 2021 Company | Non-cash changes | | | | | |
|--|----------------------|------------------------|--|---|-----------------------------|----------------------|
| | 01-May-20 \$'000s | Cash -flows \$'000s | Amortised finance charges \$'000s | Loans repaid in shares \$'000s | Maturity classifications | 30-Apr-21 \$'000s |
| Long-term borrowings | 4,589 | - | - | - | (4,589) | - |
| Short-term borrowings | - | (1,846) | 2,969 | (648) | 4,589 | 5,064 |
| Total liabilities from financing activities | 4,589 | (1,846) | 2,969 | (648) | - | 5,064 |

18 Trade and other payables

| | Apr 2022 Group \$'000 | Apr 2021 Group \$'000 | Apr 2022 Company \$'000 | Apr 2021 Company \$'000 |
|---------------------------------------|-----------------------------|-----------------------------|-------------------------------|-------------------------------|
| Trade payables | 2,608 | 1,434 | 548 | 151 |
| Other payables | 1,751 | 789 | 1,262 | 478 |
| Other taxes and social security taxes | 1,325 | 1,528 | 80 | 2 |
| Accrued expenses | 68 | 35 | 34 | - |
| | 5,752 | 3,786 | 1,924 | 631 |

Maturity profile of trade and other payables

| | Total \$'000 | 30 days | 60 days | 90 days | 120 days | 121 days or more |
|----------------|-----------------|---------|---------|---------|----------|---------------------|
| Trade payables | 2,608 | 1,490 | 53 | 53 | 307 | 705 |
| Other payables | 1,751 | 501 | - | - | - | 1,250 |

19 Provisions

| | Apr 2022 Group \$'000 | Apr 2021 Group \$'000 | Apr 2022 Company \$'000 | Apr 2021 Company \$'000 |
|---|-----------------------------|-----------------------------|-------------------------------|-------------------------------|
| Provision for rehabilitation of mining properties | | | | |
| - Provision brought forward from previous periods | 1,206 | 420 | - | - |
| - Liability recognised during period | - | - | - | - |
| - Adjustment to provision during year | (61) | 786 | - | - |
| | 1,145 | 1,206 | - | - |

As more fully set out in the Statement of Accounting Policies on page 37, the Group provides for the cost of the rehabilitation of a mining property on the cessation of mining. Provision for this cost is recognised from the commencement of mining activities.

This provision accounts for the estimated full cost to rehabilitate the mine at Manaila according to good practice guidelines in the country where the mine is located, which may involve more than the stipulated minimum legal commitment.

When accounting for the provision the Group recognises a provision for the full cost to rehabilitate the mine and a matching asset accounted for within the non-current mining asset.

20 Trade and other payables

Vast Baita Plai SA ('VBP') reached an agreement in principle with ANAF in December 2021 to defer the current payroll tax liability over a five year period. The final repayment schedule was established on 20 May 2022. The amounts included in trade and other payables (non-current liabilities) represent those amounts that are due for repayment beyond one year from the balance sheet date.

| | Apr 2022 | Apr 2021 |
|--|----------|----------|
| | \$000's | \$000's |
| Amounts due between one and two years | 340 | - |
| Amounts due between two and three years | 409 | - |
| Amounts due between three and four years | 493 | - |
| Amounts due between four and five years | 712 | - |

21 Financial instruments – risk management

Significant accounting policies

Details of the significant accounting policies in respect of financial instruments are disclosed on page 34. The Group's financial instruments comprise available for sale investments, cash and items arising directly from its operations such as trade and other receivables, trade payables and loans.

Financial risk management

The Board seeks to minimise its exposure to financial risk by reviewing and agreeing policies for managing each financial risk and monitoring them on a regular basis. No formal policies have been put in place in order to hedge the Group and Company's activities to the exposure to currency risk or interest risk; however, the Board will consider this periodically. No derivatives or hedges were entered into during the year.

The Group and Company is exposed through its operations to the following financial risks:

- Credit risk
- Market risk (includes cash flow interest rate risk and foreign currency risk)
- Liquidity risk

The policy for each of the above risks is described in more detail below.

The principal financial instruments used by the Group, from which financial instruments risk arises are as follow:

- Receivables
- Cash and cash equivalents
- Trade and other payables (excluding other taxes and social security) and loans
- Available for sale investments

The table below sets out the carrying value of all financial instruments by category and where applicable shows the valuation level used to determine the fair value at each reporting date. The fair value of all financial assets and financial liabilities is not materially different to the book value.

| | 2022 Group \$'000 | 2021 Group \$'000 | 2022 Company \$'000 | 2021 Company \$'000 |
|---|-------------------------|-------------------------|---------------------------|---------------------------|
| Loans and receivables | | | | |
| Cash and cash equivalents | 103 | 1,385 | 86 | 1,315 |
| Receivables | 2,834 | 3,207 | 648 | 499 |
| Loans to Group Companies | - | - | 25,163 | 20,373 |
| Available for sale financial assets | | | | |
| Available for sale investments | 891 | 891 | 891 | 891 |
| Other liabilities | | | | |
| Trade and other payables (excl. short term loans) | 5,752 | 3,786 | 1,924 | 631 |
| Loans and borrowings | 10,316 | 9,593 | 5,300 | 5,064 |

Credit risk

Financial assets, which potentially subject the Group and the Company to concentrations of credit risk, consist principally of cash, short-term deposits, an available for sale investment in 15% loan notes funding the Blueberry

project, and other receivables. Cash balances are all held at recognised financial institutions. The 15% loan notes are considered fully recoverable given the project prospects. Receivables are presented net of allowances for doubtful receivables.

The Company has a credit risk in respect of inter-company loans to subsidiaries. The recoverability of these balances is dependent on the commercial viability of the exploration activities undertaken by the respective subsidiary companies. The credit risk of these loans is managed as the directors constantly monitor and assess the viability and quality of the respective subsidiary's investments in intangible mining assets.

Maximum exposure to credit risk

The Group's maximum exposure to credit risk by category of financial instrument is shown in the table below:

| | 2022 Carrying value \$'000 | 2022 Maximum exposure \$'000 | 2021 Carrying value \$'000 | 2021 Maximum exposure \$'000 |
|--------------------------------|---|---|---|---|
| Cash and cash equivalents | 103 | 103 | 1,385 | 1,385 |
| Receivables | 2,834 | 2,834 | 3,207 | 3,207 |
| Available for sale investments | 891 | 891 | 891 | 891 |

The Company's maximum exposure to credit risk by category of financial instrument is shown in the table below:

| | 2022 Carrying value \$'000 | 2022 Maximum exposure \$'000 | 2021 Carrying value \$'000 | 2021 Maximum exposure \$'000 |
|--------------------------------|---|---|---|---|
| Cash and cash equivalents | 86 | 86 | 1,315 | 1,315 |
| Receivables | 648 | 648 | 499 | 499 |
| Available for sale investments | 891 | 891 | 891 | 891 |
| Loans to Group Companies | 25,163 | 25,163 | 20,373 | 20,373 |

Market risk

Cash flow interest rate risk

The Group has adopted a non-speculative policy on managing interest rate risk. Only approved financial institutions with sound capital bases are used to borrow funds and for the investments of surplus funds.

The Group and the Company seeks to obtain a favourable interest rate on its cash balances through the use of bank deposits. At the reporting date, the Group had a cash balance of \$0.103 million (2021: \$1.385 million) which was made up as follows:

| | 2022 Group \$'000 | 2021 Group \$'000 |
|----------------------|--|--|
| Sterling | 3 | 1,300 |
| United States Dollar | 41 | 14 |
| Euro | 42 | 1 |
| Lei (Romania) | 17 | 70 |
| | 103 | 1,385 |

At the reporting date, the Company had a cash balance of \$0.086 million (2021: \$1.315 million) which was made up as follows:

| | 2022 | 2021 |
|----------------------|----------------|----------------|
| | Company | Company |
| | \$'000 | \$'000 |
| Sterling | 4 | 1,300 |
| United States Dollar | 39 | 10 |
| Euro | 42 | 1 |
| Lei (Romania) | 1 | 4 |
| | 86 | 1,315 |

The Group had interest bearing debts at the current year end of US\$10.275 million (2021: US\$9.542 million). These are made up as follows:

| | Interest rate | 2022 Group | 2021 Group | 2022 Company | 2021 Company |
|--------------------------|----------------------|-------------------|-------------------|---------------------|---------------------|
| | | \$'000 | \$'000 | \$'000 | \$'000 |
| Secured short-term loans | 5-8% | 10,075 | 9,325 | 5,100 | 4,847 |
| Unsecured loans | 0-6% | 200 | 217 | 200 | 217 |
| | | 10,275 | 9,542 | 5,300 | 5,064 |

Borrowings of US\$4.975 million carry a floating interest rate with the remainder having fixed rates. An increase in interest rates of 1% would increase the annual finance expense by US\$49,750. All Company borrowings are at fixed rates.

Foreign currency risk

Foreign exchange risk is inherent in the Group's and the Company's activities and is accepted as such. The Company's production, underlying value, and funding is referenced to and denominated in the United States Dollar and therefore foreign currency exchange risk arises where any balance is held, or costs incurred, in currencies other than United States Dollars. At 30 April 2022 and 30 April 2021, the currency exposure of the Group was as follows:

Currency exposure - Group

| | Sterling | US Dollar | Euro | RON | Total |
|--------------------------------|-----------------|------------------|---------------|---------------|---------------|
| | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 |
| At 30 April 2022 | | | | | |
| Cash and cash equivalents | 3 | 41 | 42 | 17 | 103 |
| Trade and other receivables | 30 | 582 | 170 | 2,052 | 2,834 |
| Trade and other payables | (1,004) | (585) | (330) | (3,833) | (5,752) |
| Available for sale investments | - | 891 | - | - | 891 |
| At 30 April 2021 | | | | | |
| Cash and cash equivalents | 1,300 | 14 | 1 | 70 | 1,385 |
| Trade and other receivables | 24 | 506 | 150 | 2,527 | 3,207 |
| Trade and other payables | (326) | (233) | (133) | (3,094) | (3,786) |
| Available for sale investments | - | 891 | - | - | 891 |

The effect of a 10% strengthening of Sterling against the US dollar at the reporting date, all other variables held constant, would have resulted in increasing post tax losses by \$97,000 (2021: \$99,700 decrease). Conversely the

effect of a 10% weakening of Sterling against the US dollar at the reporting date, all other variables held constant, would have resulted in decreasing post tax losses by \$97,000 (2021: \$99,700 increase)

At 30 April 2022 and 30 April 2021, the currency exposure of the Company was as follows:

Currency exposure - Company

| | Sterling | US Dollar | Euro | RON | Total |
|--------------------------------|-----------------|------------------|---------------|---------------|---------------|
| | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 |
| At 30 April 2022 | | | | | |
| Cash and cash equivalents | 4 | 39 | 42 | 1 | 86 |
| Trade and other receivables | 30 | 513 | 105 | - | 648 |
| Loans to Group companies | - | 25,163 | - | - | 25,163 |
| Trade and other payables | (1,003) | (584) | (330) | (7) | (1,924) |
| Available for sale investments | - | 891 | - | - | 891 |
| At 30 April 2021 | | | | | |
| Cash and cash equivalents | 1,300 | 10 | 1 | 4 | 1,315 |
| Trade and other receivables | 23 | 476 | - | - | 499 |
| Loans to Group companies | - | 20,373 | - | - | 20,373 |
| Trade and other payables | (326) | (232) | (73) | - | (631) |
| Available for sale investments | - | 891 | - | - | 891 |

Liquidity risk

Any borrowing facilities are negotiated with approved financial institutions at acceptable interest rates. All assets and liabilities are at fixed and floating interest rate. The Group and the Company seeks to manage its financial risk to ensure that sufficient liquidity is available to meet the foreseeable needs both in the short and long term. See also references to Going Concern disclosures in the Strategic Report on page 10.

The Group's total contractual future cashflows for loans and borrowings are shown in the table below:

| | 2022 | 2022 | 2021 | 2021 |
|----------------------|-----------------------|---|-----------------------|---|
| | Carrying value | Total Contractual Future Cashflows | Carrying value | Total Contractual Future Cashflows |
| Loans and borrowings | 10,316 | 10,754 | 9,593 | 11,798 |

The Group's estimated future interest charges are shown in the table below:

| | Apr 2022 | Apr 2021 |
|--|-----------------|-----------------|
| | \$000's | \$000's |
| Estimated future interest charges for the Group within one year. | 438 | 1,155 |

The Company's contractual future cashflows for loans and borrowings are shown in the table below:

| | 2022 Carrying value | 2022 Total Contractual Future Cashflows | 2021 Carrying value | 2021 Total Contractual Future Cashflows |
|----------------------|---------------------------|---|---------------------------|---|
| Loans and borrowings | 5,300 | 5,364 | 5,064 | 6,959 |

The Company's estimated future interest charges are shown in the table below:

| | Apr 2022 \$000's | Apr 2021 \$000's |
|--|---------------------|---------------------|
| Estimated future interest charges for the Company within one year. | 64 | 835 |

The maturity of the Group's and Company's loans and borrowings are shown below:

| | Interest rate | 2022 Group \$'000 | 2021 Group \$'000 | 2022 Company \$'000 | 2021 Company \$'000 |
|--------------------------|------------------|----------------------|----------------------|------------------------|------------------------|
| Secured short-term loans | 5-8% | 10,075 | 9325 | 5,100 | 4,847 |
| Unsecured loans | 0-6% | 241 | 268 | 200 | 217 |
| | | <u>10,316</u> | <u>9,593</u> | <u>5,300</u> | <u>5,064</u> |

These loans are repayable as follows:

| | | | | |
|------------------------|--------|-------|-------|-------|
| -Within 1 year | 10,316 | 9,593 | 5,300 | 5,064 |
| -Between 1 and 2 years | - | - | - | - |
| -In more than 2 years | - | - | - | - |

As set out in Note 18 of the consolidated trade and other payables balance of US\$4.359 million, US\$1.991 million is due for payment within 60 days of the reporting date. The maturity profile of interest-bearing debts are highlighted above.

Capital

The objective of the Directors is to maximise shareholder returns and minimise risks by keeping a reasonable balance between debt and equity.

Debt equity ratio

The Group's debt to equity ratio is 479.7% (2021: 90.0%), calculated as follows:

| | Apr 2022 \$000's | Apr 2021 \$'000 |
|----------------------------------|---------------------|--------------------|
| Loans and borrowings | 10,316 | 9,593 |
| Less: cash and cash equivalents | (103) | (1,385) |
| Net debt | 10,213 | 8,208 |
| Total equity | 2,129 | 9,118 |
| Debt to capital ratio (%) | 479.7% | 90.0% |

| | Ordinary 0.1p | | Deferred 0.9p | | TOTAL | |
|----------------------------|------------------|---------------|---------------|---------------|---------------|---------------|
| | No of shares | Nominal value | No of shares | Nominal value | Share Capital | Share premium |
| As at 30 April 2020 | 10,679,222,622 | 14,246 | 863,562,664 | 12,850 | 27,096 | 82,997 |
| Issued during the period * | 10,621,266,878 | 13,996 | - | - | 13,996 | 6,351 |
| As at 30 April 2021 | 21,300,489,500 | 28,242 | 863,562,664 | 12,850 | 41,092 | 89,348 |
| Capital Reorganization | (21,087,484,605) | (27,959) | 2,343,053,845 | 27,959 | - | - |
| Issued during the year * | 277,342,966 | 366 | - | - | 366 | 5,359 |
| As at 30 April 2022 | 490,347,861 | 649 | 3,206,616,509 | 40,809 | 41,458 | 94,707 |

* Details of the shares issued during the year are as shown in the table below and in the Statement of Changes of Equity on pages 29-30.

There were no shares reserved for issue under share options at 30 April 2022 (2021: nil).

On 6 May 2021 the Company concluded a capital reorganisation which comprised two distinct parts, firstly a consolidation of the existing Ordinary Shares on a 1 for 100 basis, and then a subdivision of each resulting ordinary share of 10p into one new Ordinary Share and eleven new Deferred Shares. The effect of this reorganisation was to reduce the number of ordinary shares in issue by a factor of 100. The effect of this capital reorganisation is highlighted in the above table.

The deferred shares carry no rights to dividends or to participate in any way in the income or profits of the Company. They may receive a return of capital equal to the amount paid up on each deferred share after the ordinary shares have received a return of capital equal to the amount paid up on each ordinary share plus £10,000,000 on each ordinary share, but no further right to participate in the assets of the Company. The Company may, subject to the Statutes, acquire all or any of the deferred shares at any time for no consideration. The deferred shares carry no votes.

The ordinary shares carry all the rights normally attributed to ordinary shares in a company subject to the rights of the deferred shares.

See also Note 27 on page 63 for details of share issues after the reporting date.

Date of issue

| 2022 | No of shares | Issue price (p) | Purpose of issue |
|-----------|--------------|-----------------|---------------------------|
| 06-May-21 | 0 | 0.000 | CAPITAL REORGANISATION |
| 13-Aug-21 | 5,611,110 | 6.300 | Placing with investors |
| 13-Aug-21 | 2,380,952 | 6.300 | Subscription by investors |
| 13-Aug-21 | 1,200,000 | 6.300 | Subscription by investors |
| 24-Aug-21 | 18,784,760 | 6.300 | Placing with investors |
| 03-Nov-21 | 10,000,000 | 2.500 | Placing with investors |
| 11-Nov-21 | 44,000,000 | 2.500 | Placing with investors |
| 30-Nov-21 | 1,512,416 | 2.470 | To settle liabilities |
| 01-Dec-21 | 1,540,160 | 2.430 | To settle liabilities |
| 02-Dec-21 | 1,577,229 | 2.370 | To settle liabilities |
| 11-Jan-22 | 4,676,536 | 1.570 | To settle liabilities |
| 24-Feb-22 | 14,806,819 | 1.240 | To settle liabilities |
| 24-Mar-22 | 13,195,122 | 0.860 | To settle liabilities |
| 30-Mar-22 | 14,772,333 | 0.770 | To settle liabilities |
| 12-Apr-22 | 19,400,315 | 0.590 | To settle liabilities |
| 20-Apr-22 | 17,857,143 | 0.840 | Subscription by investors |
| 20-Apr-22 | 5,952,381 | 0.840 | Subscription by investors |
| 20-Apr-22 | 2,380,952 | 0.840 | Subscription by investors |
| 20-Apr-22 | 5,952,381 | 0.840 | Subscription by investors |
| 20-Apr-22 | 17,857,143 | 0.840 | Subscription by investors |
| 21-Apr-22 | 48,414,060 | 0.480 | To settle liabilities |

| | | | |
|-----------|--------------------|-------|-----------------------|
| 25-Apr-22 | 25,471,154 | 0.450 | To settle liabilities |
| | 277,342,966 | | |

Date of issue

| 2021 | No of shares | Issue price (p) | Purpose of issue |
|-----------|-----------------------|-----------------|---|
| 05-May-20 | 15,582,523 | 0.153 | To settle liabilities interest |
| 22-May-20 | 200,000,000 | 0.15 | Placing |
| 22-May-20 | 23,333,333 | 0.15 | Subscription management |
| 22-May-20 | 6,666,667 | 0.15 | Subscription management |
| 02-Jun-20 | 370,944,440 | 0.15 | Placing |
| 04-Jun-20 | 16,911,058 | 0.142 | To settle liabilities interest |
| 26-Jun-20 | 215,000,000 | 0.18 | Placing |
| 30-Jun-20 | 29,000,000 | 0.18 | Subscription |
| 30-Jun-20 | 22,000,000 | 0.18 | Subscription |
| 30-Jun-20 | 10,000,000 | 0.18 | Subscription |
| 03-Jul-20 | 13,915,053 | 0.173 | To settle liabilities interest |
| 06-Jul-20 | 611,055,555 | 0.18 | Placing |
| 06-Jul-20 | 830,416 | 0.5 | Exercise of open offer warrants |
| 28-Jul-20 | 27,130 | 0.5 | Exercise of open offer warrants |
| 29-Jul-20 | 10,936,641 | 0.209 | To settle liabilities interest |
| 04-Sep-20 | 12,643,763 | 0.176 | To settle liabilities interest |
| 16-Sep-20 | 233,333,333 | 0.15 | Placing |
| 24-Sep-20 | 888,666,666 | 0.15 | Placing |
| 30-Oct-20 | 189,375,000 | 0.16 | Placing |
| 09-Nov-20 | 905,125,000 | 0.16 | Placing |
| 25-Nov-20 | 2,850,000,000 | 0.17 | Purchase of AP Mining Group |
| 15-Dec-20 | 755,587,515 | 0.132 | Placing |
| 23-Dec-20 | 2,916,063,924 | 0.132 | Placing |
| 04-Jan-21 | 12,212 | 0.5 | Exercise of open offer warrants |
| 13-Jan-21 | 376,374 | 0.5 | Exercise of open offer warrants |
| 01-Feb-21 | 323,880,177 | 0.113 | To settle liabilities |
| 29-Apr-21 | 98 | 0.1 | Equity issuance for share consolidation post year-end |
| | 10,621,266,878 | | |

23 Share based payments

Equity – settled share-based payments

The Company has granted share options and warrants to Directors, staff and consultants.

In June 2015, the Company also established a Share Appreciation Scheme to incentivise Directors and senior executives. The basis of the Scheme is to grant a fixed number of 'share appreciation rights' (SARs) to participants. Each SAR is credited rights to receive at the discretion of the Company ordinary shares in the Company or cash to a value of the difference in the value of a share at the date of exercise of rights and the value at date of grant. The SARs are subject to various performance conditions.

The tables below reconcile the opening and closing number of SAR's in issue at each reporting date:

| Exercise price | In issue at 30 April 2021* | Issued during year* | Lapsed during year | Exercised during year | In issue at 30 April 2022 | Final exercise date |
|----------------|----------------------------|---------------------|--------------------|-----------------------|---------------------------|---------------------|
| Options | | | | | | |
| 19.8p | | 10,000,000 | | | 10,000,000 | Dec-25** |
| 19.8p | 700,000 | | | | 700,000 | Nov-23 |
| 19.8p | 700,000 | | | | 700,000 | Mar-24 |
| 25p | 520,000 | | | | 520,000 | Nov-22 |
| 25p | 620,000 | | | | 620,000 | Mar-23 |
| 30p | 200,000 | | (200,000) | | - | Mar-22 |
| 45p | 50,000 | | | | 50,000 | Dec-22*** |
| 50p | 480,000 | | (480,000) | | - | Mar-22 |
| 50p | 470,000 | | | | 470,000 | Mar-23 |
| | 3,740,000 | 10,000,000 | (680,000) | - | 13,060,000 | |

* Prior years SARS awards have been restated to reflect the share capital reorganisaition effected on 6 May 2022

**Vests upon one day VWAP share price reaching not less than 20p for a continuous period of 20 consecutive business days where the first of such days falls on or before 31 December 2022

***Extended from 30 June 2020 to 31 December 2022

| Exercise price | In issue at 30 April 2020* | Issued during year | Lapsed during year** | Exercised during year | In issue at 30 April 2021* | Final exercise date |
|----------------|----------------------------|--------------------|----------------------|-----------------------|----------------------------|---------------------|
| Options | | | | | | |
| 19.8p | | 700,000 | | | 700,000 | Nov-23 |
| 19.8p | | 700,000 | | | 700,000 | Mar-24 |
| 25p | 520,000 | | | | 520,000 | Nov-22 |
| 25p | 620,000 | | | | 620,000 | Mar-23 |
| 30p | 200,000 | | | | 200,000 | Mar-22 |
| 45p | 50,000 | | | | 50,000 | Dec-22** |
| 50p | 470,000 | | 10,000 | | 480,000 | Mar-22 |
| 50p | 470,000 | | | | 470,000 | Mar-23 |
| | 2,330,000 | 1,400,000 | 10,000 | - | 3,740,000 | |

* Prior years SARS awards have been restated to reflect the share capital reorganisation effected on 6 May 2022

**Included within lapsed are 10,000 SARS at exercise price of 0.5p that were reinstated

The tables below reconcile the opening and closing number of share option and warrants in issue at each reporting date:

| Exercise price | In issue at 30 April 2021* | Issued during year | Lapsed during year | Exercised during year | In issue at 30 April 2022* | Final exercise date |
|----------------|----------------------------|--------------------|--------------------|-----------------------|----------------------------|---------------------|
| 0.525 p | - | 160,000,000 | - | - | 160,000,000 | Dec-25 |
| 26p* | 5,176,048 | - | - | - | 5,176,048 | Jan-23 |
| | 5,176,048 | 160,000,000 | - | - | 165,176,048 | |
| variable | 23,150,000 | - | - | - | 23,150,000 | See Note |
| | 28,326,048 | 160,000,000 | - | - | 188,326,048 | |

*Prior years warrants issued have been restated to reflect the share capital reorganisation effected on 6 May 2022

| Exercise price | In issue at 30 April 2020* | Issued during year | Lapsed during year | Exercised during year | In issue at 30 April 2021* | Final exercise date |
|----------------|----------------------------|--------------------|--------------------|-----------------------|----------------------------|---------------------|
| 26p | 5,176,048 | - | - | - | 5,176,048 | Jan-23 |
| 50p | 5,209,154 | - | (5,196,693) | (12,461) | - | |
| variable | 145,833 | - | (145,833) | - | - | |
| variable | 66,138 | - | (66,138) | - | - | |
| | 10,597,173 | - | (5,408,664) | (12,461) | 5,176,048 | |
| variable | 23,150,000 | - | - | - | 23,150,000 | See Note |
| | 33,747,173 | - | (5,408,664) | (12,461) | 28,326,048 | |

* Extended from June 2019

Note: These warrants are only exercisable in the event of a default in repayment of the Mercuria Tranche

A pre-payment off-take facility of US\$4,975,129 (Mercuria Warrants).

| | 2022 | | 2021 | |
|---|---|-------------|---|-------------|
| | Weighted average exercise price (pence) | Number | Weighted average exercise price (pence) | Number |
| Outstanding at the beginning of the year | 27.77 | 8,916,048 | 33.77 | 12,927,172 |
| Granted during the year | 1.66 | 170,000,000 | 19.80 | 1,400,000 |
| Lapsed during the year | 44.12 | (680,000) | 40.02 | (5,398,663) |
| Exercised during the year - Adjusted 17 million | - | - | 50.00 | (12,461) |
| Outstanding at the end of the year | 2.80 | 178,236,048 | 27.77 | 8,916,048 |
| Exercisable at the end of the year | 2.80 | 8,236,048 | 27.77 | 8,916,048 |

The weighted average remaining lives of the SARs, share options or warrants outstanding at the end of the period is 14 months (2021: 23 months). Of the 178,236,048 SARs, options and warrants outstanding at 30 April 2022 (2021: 8,916,048), 8,236,048 (2021: 8,916,048) are fully vested in the holders and are exercisable at that date.

Fair value of share options

The fair values of share options and warrants granted have been calculated using the Black Scholes pricing model which takes into account factors specific-to-share incentive plans such as the vesting periods of the plan, the expected dividend yield of the Company's shares and the estimated volatility of those shares. Based on the above assumptions, the fair values of the options granted are estimated to be:

| Grant date | Share Option or Warrant Exercise Price | Vesting periods | Share price at date of grant | Volatility | Life (years) | Dividend yield | Risk free interest rate | Fair value |
|------------|--|-----------------|------------------------------|------------|--------------|----------------|-------------------------|------------|
| Jun-17 | 45 | Dec-22 | 40 | 90% | 5.55 | nil | 0.50% | 7 |
| Mar-18 | 50 | Mar-23 | 57 | 95% | 5.00 | nil | 0.50% | 31 |
| Nov-19 | 25 | Nov-22 | 29 | 90% | 3.00 | nil | 0.71% | 17 |
| Nov-19 | 25 | Mar-23 | 29 | 90% | 4.00 | nil | 0.71% | 19 |
| Jan-20 | 26 | Jan-23 | 32.5 | 93% | 3.00 | nil | 0.71% | 20 |
| Nov-20 | 19.8 | Nov-23 | 17.5 | 88% | 3.00 | nil | 0.05% | 9 |
| Nov-20 | 19.8 | Mar-24 | 17.5 | 88% | 3.33 | nil | 0.05% | 10 |
| Jul-21 | 19.8 | Dec-25 | 7.15 | 87% | 3.42 | nil | 0.05% | 2.57 |
| Apr-22 | 0.525 | Apr-23 | 0.525 | 105% | 1 | nil | 0.69% | 0.21 |

Volatility has been based on historical share price information. A higher rate of volatility is used when determining the fair value of certain options in order to reflect the special conditions attached thereto.

Based on the above fair values the expense arising from equity-settled share options and warrants made was \$356,015 (2021: \$177,551).

Cash-settled share-based payments

The Directors of the Company had set up an Employee Benefit Trust (EBT) in which a number of employees and directors were participants (the 'Participants'). The EBT held shares on behalf of Participants until such time as those Participants exercised their right to require the EBT to sell the shares. On the sale of the shares the Participants would have received the appreciation of the value in the shares above the market price on the date that the shares were purchased by the EBT, subject to the first 5% in growth in the share price, on an annual compound basis, being retained by the EBT. The Participants were to pay 0.01p per share to acquire their rights.

In view of the large reduction in the Company's share price since the EBT was set up, the value of the rights of the Participants under the EBT has become negligible, and accordingly the EBT was terminated in the year ended 30 April 2019 by the sale of the shares and the application of the sale proceeds in repayment of the loan by The Company to the EBT. The rights lapsed during the year.

The EBT rights of Participants are set out in the table below.

| Exercise price | Outstanding at 30 April 2021* | Exercised during last 12 months | Lapsed during Last 12 months | Granted during last 12 months | Outstanding at 30 April 2022 |
|----------------|-------------------------------|---------------------------------|------------------------------|-------------------------------|------------------------------|
| £6.00 | 77,500 | - | (77,500) | - | - |
| £6.00 | 77,500 | - | (77,500) | - | - |
| | 155,000 | - | (155,000) | - | - |

*Prior years options issued have been restated to reflect the share capital reorganisation effected on 5 May 2022

| Exercise price | Outstanding at 30 April 2020* | Exercised during last 12 months | Lapsed during Last 12 months | Granted during last 12 months | Outstanding at 30 April 2021* |
|----------------|-------------------------------|---------------------------------|------------------------------|-------------------------------|-------------------------------|
| £8.75 | 60,000 | - | (60,000) | - | - |
| £8.75 | 60,000 | - | (60,000) | - | - |
| £9.00 | 25,000 | - | (25,000) | - | - |
| £9.00 | 25,000 | - | (25,000) | - | - |
| £6.00 | 77,500 | - | - | - | 77,500 |
| £6.00 | 77,500 | - | - | - | 77,500 |
| | 325,000 | - | (170,000) | - | 155,000 |

*Prior years options issued have been restated to reflect the share capital reorganisation effected on 5 May 2022

Warrant and Share option expense

| | 2022 Group \$'000 | 2021 Group \$'000 |
|--|-------------------------|-------------------------|
| Warrant and share option expense: | | |
| - In respect of remuneration contracts | 356 | 178 |
| - In respect of financing arrangements | - | - |
| Total expense / (credit) | <u>356</u> | <u>178</u> |

24 Reserves

Details of the nature and purpose of each reserve within owners' equity are provided below:

- Share capital represents the nominal value at 0.1p each of the shares in issue.
- Share premium represents the balance of consideration received net of fund-raising costs in excess of the par value of the shares.
- The share options reserve represents the accumulated balance of share benefit charges recognised in respect of share options granted by the Company, less transfers to retained losses in respect of options exercised or lapsed.
- The foreign currency translation reserve represents amounts arising on the translation of the Group and Company financial statements from Sterling to United States Dollars, as set out in the Statement of Accounting Policies on page 35, prior to the change in functional currency to United States Dollars, together with cumulative foreign exchange differences arising from the translation of the Financial Statements of foreign subsidiaries; this reserve is not distributable by way of dividends.
- The retained deficit reserve represents the cumulative net gains and losses recognised in the Group statement of comprehensive income.

25 Related party transactions

Company and group

Directors and key management emoluments are disclosed in notes 6 and 7.

Group

At the reporting date, there was an amount owing by Vast Baita Plai SA (formerly African Consolidated Resources SRL) to Ozone Homes SRL (Ozone) of US\$3,586 (2021: US\$4,129) in respect of transactions undertaken by Ozone in 2014. Ozone is a company controlled by Andrew Prelea, the Group CEO and senior Group executive in Romania.

During the year, the company had a service contract with Roy Tucker to provide office premises and associated services totalling US\$24,360 including VAT (2021: US\$23,869).

During the year, the Company provided services of US\$1.528 million to CAMM, its 24.5% associate company, who provides these services on a back-to-back basis to Takob, a third party. These amounts have been recognised in revenues. CAMM has settled US\$1.895 million by the year-end which includes an advance of US\$0.367 million for services provided after the period end. This amount has been included in creditors at the year end.

26 Contingent liabilities

In the normal course of conducting business in Romania, the Company's Romanian businesses are subject to a number of legal proceedings and claims. These matters mainly comprise claims by the Romanian tax authorities. The Company records liabilities related to such matters when management assesses that settlement of the exposure is probable and can be reasonably estimated. Based on current information and legal advice, management does not expect any such proceedings or claims to result in liabilities and therefore no liabilities have been recorded at 30 April 2022. However, these matters are subject to inherent uncertainties and there exists the remote possibility that the outcome of these proceedings and claims could have a material impact on the Group.

27 Events after the reporting date

Ordinary Shares issued and warrants exercised post reporting date

| £ | \$ | Shares Issued | Issued to |
|------------------|------------------|----------------------|---------------------------|
| 2,156,000 | 2,556,500 | 378,285,715 | Placing with investors |
| 1,743,325 | 2,121,265 | 249,046,446 | Subscription by investors |
| 1,420,845 | 1,750,000 | 511,963,302 | Settle debt |
| 5,320,170 | 6,427,765 | 1,139,295,463 | |

On 16 May 2022, the Company repaid in full the outstanding bonds owed to Atlas and subsequently made a US\$1million debt reduction to the amount owed to Mercuria. These repayments were in part financed by a US\$4 million asset backed debt facility from A&T Investments SARL.

28 Group subsidiaries

A full list of all subsidiary companies and their registered offices is given below:

| Company | Country of registration | Reg. office note | Group Interest | | Nature of business |
|---|-------------------------|------------------|----------------|------|--------------------|
| | | | 2021 | 2020 | |
| Sinarom Mining Group SRL | Romania | 2 | 100% | 100% | Mining production |
| Vast Baita Plai SA* | Romania | 1 | 100% | 80% | Mining development |
| AP Mining Group Ltd | UK | 3 | 100% | nil | Dormant |
| Vast Resources Enterprises Limited | UK | 3 | 100% | nil | Mining investment |
| Vast Resources Nominees Limited ** | UK | 3 | 100% | 100% | Nominee company |
| Vast Resources Romania Limited | UK | 3 | 100% | 100% | Mining investment |
| Accufin Investments (Private) Limited | Zimbabwe | 5 | 100% | 100% | Dormant |
| Aeromags (Private) Limited | Zimbabwe | 5 | 100% | 100% | Dormant |
| Cadex Investments (Private) Limited | Zimbabwe | 4 | 100% | 100% | Claim holding |
| Campstar Mining (Private) Limited | Zimbabwe | 5 | 100% | 100% | Dormant |
| Central Asia Investments Ltd | United Kingdom | 3 | 100% | 100% | Holding company |
| Chaperon Manufacturing (Private) Limited | Zimbabwe | 5 | 100% | 100% | Dormant |
| Charmed Technical Mining (Private) Limited | Zimbabwe | 5 | 100% | 100% | Dormant |
| Chianty Mining Services (Private) Limited | Zimbabwe | 5 | 100% | 100% | Dormant |
| Conneire Mining (Private) Limited | Zimbabwe | 5 | 100% | 100% | Claim holding |
| Corampian Technical Mining (Private) Limited | Zimbabwe | 5 | 100% | 100% | Dormant |
| Dashaloo Investments (Private) Limited | Zimbabwe | 5 | 100% | 100% | Claim holding |
| Deep Burg Mining Services (Private) Limited | Zimbabwe | 5 | 100% | 100% | Dormant |
| Deft Mining Services (Private) Limited | Zimbabwe | 5 | 100% | 100% | Dormant |
| Exchequer Mining Services (Private) Limited | Zimbabwe | 5 | 100% | 100% | Claim holding |
| Febrim Investments (Private) Limited | Zimbabwe | 5 | 100% | 100% | Dormant |
| Heavystuff Investment Company (Private) Limited | Zimbabwe | 5 | 100% | 100% | Claim holding |
| Hemihelp Investments (Private) Limited | Zimbabwe | 5 | 100% | 100% | Dormant |
| Isiyala Mining (Private) Limited | Zimbabwe | 5 | 100% | 100% | Dormant |

| | | | | | |
|--|----------|---|------|------|-------------------|
| Katanga Mining (Private) Limited | Zimbabwe | 5 | 100% | 100% | Dormant |
| Kengen Trading (Private) Limited | Zimbabwe | 5 | 100% | 100% | Dormant |
| Kielty Investments (Private) Limited | Zimbabwe | 5 | 100% | 100% | Dormant |
| Lafton Investments (Private) Limited | Zimbabwe | 4 | 100% | 100% | Claim holding |
| Lomite Investments (Private) Limited | Zimbabwe | 4 | 100% | 100% | Claim holding |
| Lucciola Investment Services (Private) Limited | Zimbabwe | 5 | 100% | 100% | Dormant |
| Malaghan Investments (Private) Limited | Zimbabwe | 5 | 100% | 100% | Dormant |
| Methven Investment Company (Private) Limited | Zimbabwe | 5 | 100% | 100% | Dormant |
| Mimic Mining (Private) Limited | Zimbabwe | 5 | 100% | 100% | Dormant |
| Monteiro Investments (Private) Limited | Zimbabwe | 5 | 100% | 100% | Dormant |
| Mystical Mining (Private) Limited | Zimbabwe | 5 | 100% | 100% | Claim holding |
| Naxten Investments (Private) Limited | Zimbabwe | 5 | 100% | 100% | Asset holding |
| Nedziwe Mining (Private) Limited | Zimbabwe | 5 | 100% | 100% | Dormant |
| Notebridge Investments (Private) Limited | Zimbabwe | 5 | 100% | 100% | Dormant |
| Olebile Investments (Private) Limited | Zimbabwe | 5 | 100% | 100% | Claim holding |
| Perkinson Investments (Private) Limited | Zimbabwe | 5 | 100% | 100% | Claim holding |
| Pickstone-Peerless Mining (Private) Limited | Zimbabwe | 5 | 100% | 100% | Dormant |
| Possession Investment Services (Private) Limited | Zimbabwe | 5 | 100% | 100% | Claim holding |
| Prudent Mining (Private) Limited | Zimbabwe | 5 | 100% | 100% | Dormant |
| Rania Haulage (Private) Limited | Zimbabwe | 5 | 100% | 100% | Dormant |
| Regsite Mining Services (Private) Limited | Zimbabwe | 5 | 100% | 100% | Dormant |
| Riberio Mining Services (Private) Limited | Zimbabwe | 5 | 100% | 100% | Dormant |
| Sackler Investments (Private) Limited | Zimbabwe | 5 | 100% | 100% | Claim holding |
| Schont Mining Services (Private) Limited | Zimbabwe | 5 | 100% | 100% | Claim holding |
| Swadini Miners (Private) Limited | Zimbabwe | 5 | 100% | 100% | Dormant |
| Tamahine Investments (Private) Limited | Zimbabwe | 5 | 100% | 100% | Dormant |
| The Salon Investments (Private) Limited | Zimbabwe | 5 | 100% | 100% | Dormant |
| Vast Resources Zimbabwe (Private) Limited | Zimbabwe | 5 | 100% | 100% | Mining investment |
| Vono Trading (Private) Limited | Zimbabwe | 5 | 100% | 100% | Dormant |
| Wynton Investment Company (Private) Limited | Zimbabwe | 5 | 100% | 100% | Dormant |
| Zimchew Investments (Private) Limited | Zimbabwe | 5 | 100% | 100% | Dormant |

* Formerly African Consolidated Resources SRL

**Formerly ACR Nominees Ltd

Notes - Addresses of Registered offices:

- 1 Sat Iacobeni, Str. Minelor Nr.20, Jud. Suceava, Romania
- 2 Str.9 Mai, Nr.20, Baia Mare, Jud.Maramures, 430274 Romania
- 3 Nettlestead Place, Nettlestead, Maidstone, Kent ME18 6HE, United Kingdom
- 4 121 Borrowdale Road, Gun Hill, Harare, Zimbabwe
- 5 6, John Plagis Avenue, Alexandra Park, Harare, Zimbabwe

Company information

| | | |
|---------------------------------|---|--|
| Directors | Brian Moritz Richard Prelea Andrew Hall Craig Harvey Paul Fletcher Roy Tucker Nicholas Hatch Nigel Wyatt | Non-Executive Chairman Chief Executive Officer Commercial Director Chief Operations Officer Finance Director Non-Executive Director Non-Executive Director Non-Executive Director |
| Secretary and registered office | Ben Harber 60 Gracechurch Street, London, EC3V 0HR | |
| Country of incorporation | United Kingdom | |
| Legal form | Public Limited Company | |
| Website | www.vastplc.com | |
| Auditors | Crowe U.K. LLP 55 Ludgate Hill London EC4M ZJW | |
| Nominated & Financial Adviser | Beaumont Cornish Limited Building 3 566 Chiswick High Road London W4 5YA | |
| Joint Corporate Brokers | Shore Capital Stockbrokers Limited Cassini House 57 St James's Street, London, SW1A 1LD Axis Capital Markets Ltd St Clements House 27 Clements Lane London EC4N 7AE | |
| Registrars | Share Registrars Limited 27-28 Eastcastle Street London, W1W 8DH | |
| Registered number | 5414325 | |