

VAST Resources (VAST AIM)

02 November 2016

Stock Data

Share Price:	0.21p
Market Cap (M):	£7.8
EV (M):	£18.8

Price Chart

52 Week Range

0.14p	0.21p	1.425p
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Company Summary

Vast Resources was originally a Zimbabwean focused company called African Consolidated Resources. The opportunity to acquire some base metal assets in Romania changed the focus of the company and caused it to change its name to Vast Resources.

MAIN SHAREHOLDERS HOLDING

Toronto-Dominion Bank	7.69%
Hargreaves Lansdown	7.33%
Halifax Share Dealing	5.98%
St Annes Trustees LTD	5.87%
Sapi River Investments LTD	5.87%
Barclays PLC	5.41%

Source: Bloomberg

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Drilling Commences at 4.6Mt High-Grade Baita Plai Mine Tailings Dam

Event

Vast Resources ("Vast") has announced a drilling programme to confirm the mineral resource and provide material for metallurgical test work has commenced at its Faneata tailings dam located 7km from the Baita Plai Polymetallic Mine ("Baita Plai") in western Romania.

Comment

Drilling commenced this week at the 4.6Mt tailings dam at Faneata, which is comprised of approximately 40 years of tailings from the high grade Baita Plai mine. Historically, a sampling programme was undertaken by El Dore Mining Corporation Ltd in 2011 at the Faneata tailings dam, when 36 samples were submitted to ALS Chemex in Romania for independent assay. This resulted in an estimate that the tailings facility contained 4.6Mt containing 4,080 tonnes of copper, 6,640 tonnes of zinc, 3,100 tonnes of lead, 35 tonnes of silver and 309kg of gold in-situ.

The new sampling programme which commenced this week, consists of 33 auger drill holes of 25m each in length covering a total of 825m. Drilling is expected to take approximately six weeks, with samples to be sent to SGS United Kingdom Ltd in the UK for assaying. The results are expected to be returned to the Company in Q1 2017. The Board intends to announce a maiden JORC Compliant Resource Estimate in Q1 2017, whilst concurrently conducting independent flotation and recovery optimisation work, in order for the Board to develop a feasibility report in H1 2017.

Should all the results be favourable, it is the intention of the Vast Board to establish a low capex processing facility utilising the existing plant and infrastructure on site at Baita Plai.

This is possible, even if the Baita Plai licence is issued and the mine restarts. The current Baita Plai processing plant has a capacity of 15kt per month and the plan would be to operate the mine at 10kt per month leaving 5kt per month for the tailings. In addition, there are 2 spare grinding mills, currently uncoupled from the plant at Baita Plai that could be re-commissioned. Combined with the purchase of additional flotation capacity which is fairly inexpensive, the ability of the processing capacity to retreat tailings could easily be expanded.

The other major question is why the retreatment of the tailings will yield payable recoveries. The answer to this is that with a finer grind yielding better liberation and newer flotation reagents which improve recoveries, Vast are optimistic that the reprocessing route will be highly profitable.

Research Disclosures

Peter Rose

Peter has 60 years' experience in equities as a resources analyst; he has been at Brandon Hill Capital for 9 years, after having spent 11 years with Deutsche Bank in Australia. Prior to this he spent 2 years with Prudential Bache and 6 years with James Capel. Peter's industry experience includes 16 years as a metallurgist, 3 years with De Beers in South Africa and 9 years in the uranium industry, six of which were spent at the Ranger Uranium mine. Peter holds a BSc degree in Applied Mineral Science from Leeds University UK and a Bachelor of Commerce from the University of South Africa. Peter is also a member of the Institute of Materials, Mining & Metallurgy and a chartered engineer.

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Research Disclaimers

Research disclosure as of 02 November 2016

Company Name	Disclosure
Vast Resources (VAST AIM)	1, 2, 7, 8, 9

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