

MINING FLASHNOTE

# VAST Resources (VAST AIM)

26 April 2017

### Stock Data

Share Price:	0.47p
Market Cap (M):	£22.2
EV (M):	£32.6

### Price Chart



### 52 Week Range

0.105p	0.47p
0.71p	

### 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

MAIN SHAREHOLDERS	HOLDING
Hargreaves Lansdown	10.89%
St Annes Trustees LTD	7.82%
Barclays PLC	7.56%
Sapi River Investments LTD	7.45%
Halifax Share Dealing	6.75%
Toronto-Dominion Bank	5.38%

Source: Bloomberg

Peter Rose

Tel: +44 (0)20 3463 5034

Peter.Rose@brandonhillcapital.com

www.brandonhillcapital.com

## Vast Commences Test Production of Gold and Silver Concentrates at Manaila

### Event

Vast Resources ("Vast") has announced that gold and silver test production has commenced ahead of schedule at its Manaila Polymetallic Mine in Romania, providing the Company with a third revenue stream, in addition to copper and zinc concentrates.

### Comment

The initial commissioning of the Knelson concentrator commenced today. The Knelson concentrator has been installed between the grinding circuit and the copper flotation circuit and is designed to extract the free gold and silver. It is targeting, once steady state conditions in the mill are reached, 30 tonnes of concentrate a month from May 2017. This concentrate is expected to grade 80g/t gold and 114g/t silver. To put this into context, it will add around 77oz of gold and 110oz of silver to the monthly production and increases revenues by around US\$100,000.

This is expected to result in an overall improvement in recoveries of gold and silver, as it is believed from the test work, that this will not result in a lower precious metal content in the copper concentrate, and as such should be a major positive for Vast.

Another important question is who will buy this new concentrate? Whilst we understand that Vast has a buyer lined up, if the quantities of gravity concentrate are large, it may actually be better for Vast to install a batch carbon-in-leach plant and produce dore bars for sale. Whilst this would cost a bit, the bars would be readily saleable, and with no treatment charges and cash flow would improve.

## Research Disclosures

### Peter Rose

Peter has 31 years' experience in equities as a resources analyst; he has been at Brandon Hill Capital for 10 years, after having spent 11 years with Deutsche Bank in Australia. Prior to this he spent 2 years with Prudential Bache and 6 years with James Capel. Peter's industry experience includes 16 years as a metallurgist, 3 years with De Beers in South Africa and 9 years in the uranium industry, six of which were spent at the Ranger Uranium mine. Peter holds a BSc degree in Applied Mineral Science from Leeds University UK and a Bachelor of Commerce from the University of South Africa. Peter is also a member of the Institute of Materials, Mining & Metallurgy and a chartered engineer.

**Tel: +44 (0)20 3463 5034**

**Peter.Rose@brandonhillcapital.com**

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<b>Hold</b>	Recommendation implies that expected total return of between 15% and zero is expected over 12 months between current and analysts' target price.
<b>Trading Sell</b>	Recommendation implies that the analysts' expected total return over the short term compared against the target price is negative.
<b>Sell</b>	Recommendation implies that expected total return expected over 12 months between current and analysts' target price is negative.

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Research disclosure as of 26 April 2017

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

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## Brandon Hill Contact List

### International Sales

**Oliver Stansfield**

Tel: +44 20 3463 5061

Email: oliver.stansfield@brandonhillcapital.com

**Alex Walker**

Tel: +44 20 3463 5018

Email: alex.walker@brandonhillcapital.com

**Pierre Iseux**

Tel: +44 20 3463 5024

Email: pierre.iseux@brandonhillcapital.com

### Research

**Peter Rose**

Tel: +44 20 3463 5034

Email: peter.rose@brandonhillcapital.com

**William Arnstein**

Tel: +44 20 3463 5020

Email: william.arnstein@brandonhillcapital.com

### Corporate Finance & Broking

**Jonathan Evans**

Tel: +44 20 3463 5016

Email: jonathan.evans@brandonhillcapital.com

**Wei Jiao**

Tel: +44 20 3463 5019

Email: wei.jiao@brandonhillcapital.com

**Robert Beenstock**

Tel: +44 20 3463 5023

Email: robert.beenstock@brandonhillcapital.com