21 February 2017

Vast Resources plc
("Vast" or the "Company")

Quarterly Production Summary & Operations Update

Vast Resources plc, the AIM listed mining company with operations in Romania and Zimbabwe, is pleased to report an operational update and production summary for the three months ended 31 December 2016.

Overview:

<u>Manaila Polymetallic Mine ("Manaila") in Romania</u>

(commissioned on 14 August 2015, Vast Ownership 50.1%.):

- Significant improvement in the production profile of Manaila despite the challenges associated with the severe weather conditions of the winter quarter:
  - **44% increase in copper concentrate** produced to 889 tonnes at an average 19.5% Cu (September 2016: 616 tonnes)
  - **371% increase in zinc concentrate** produced to 165 tonnes at an average 30% Zn (September 2016: 35 tonnes)
  - **23% increase in copper-only concentrate sales price** to US$1,237 per tonne (September 2016 US$1,003 per tonne)
  - **12% increase in combined copper and zinc concentrate sales price** to US$1,120 per tonne (September 2016: US$1,003 per tonne)
  - **40% decrease in operating costs per tonne of concentrate** produced to US$901 (September 2016: US$1,504 per tonne)
  - **3% decrease in operating costs per tonne milled** to US$32 (September 2016: US$33)
  - **9% decrease in ore mined** to 25,269 tonnes (September 2016: 27,848 tonnes) due to a temporary cessation of operations occasioned by extreme weather
  - **8% increase in ore milled** to 29,435 tonnes (September 2016: 27,274 tonnes)
- **Ongoing activities to improve operational efficiency and enhance Manaila's production profile underway**

<u>Baita Plai Polymetallic Mine ("Baita Plai") and Faneata Tailings Facility ("Faneata") in Romania</u>

(Vast Ownership 80%):

- Prospecting licence granted in May 2016 over the estimated **4.6Mt Faneata tailings dam** located 7km from Baita Plai
- **Completed 825m drill programme** at Faneata in November 2016 – results to support a maiden JORC Compliant Resource Estimate due to be finalised by the end of Q1 2017
- A **feasibility study** to recover the contained metals is planned for H2 2017
- **Continued progress** towards obtaining the mining sub-licence for Baita Plai in accordance with Romanian due process has been made – the granting of this mining-licence will allow for commissioning of the Company's third mine

Pickstone-Peerless Gold Mine ("Pickstone-Peerless") in Zimbabwe

(commissioned on 20 August 2015, Vast ownership 50% (25.01% when SSCG Africa Holdings Ltd financing conditions precedent are fulfilled as per announcement on 30 January 2017):

- **14% decrease in operating cost per tonne milled** to US$44 (September 2016: US$51)
- **10% decrease in operating cost per ounce produced** to US$619 (September 2016: US$686)
- **6% decrease in ore milled** to 61,355 tonnes (September 2016: 65,573 tonnes)
- **11% decrease in gold production** to 4,356 ounces (September 2016: 4,910 ounces) – high rainfall restricted mining and milling in December
- **US$2.5 million on deposit** with banks and institutions at end of period – cash will be retained in Zimbabwe to fund expenditure on the sulphide plant expansion and the development of the Giant Gold Mine
- Construction of the sulphide processing plant required for the next phase of mining has commenced – **first sulphide production is scheduled for Q3 2017**
- Evaluation of the nearby Giant Gold Mine ("Giant Mine"), which has a current **JORC-compliant inferred resource of 500,000oz** of gold, is on-going
- A Joint Venture agreement for a **toll treatment plant** to recover gold from nearby artisanal mining activities has been concluded and construction has commenced

Roy Pitchford, Chief Executive of Vast, commented:

"I am delighted to report that the turnaround of operations at Manaila has continued, despite the extreme weather conditions experienced at site. With this in mind, the achievements of the period are even more notable, however we are not resting on our laurels and are introducing systems by which to alleviate these problems in future years. In particular, heating systems are being installed in the flotation circuits in order to enhance recoveries from now on. These initiatives, in addition to the utilisation of spare processing capacity at the Iacobeni Metallurgical Complex, should improve operations throughout the rest of the current quarter.

"A primary focus in this and future quarters will be the continued ramping up of zinc production and grade. We are currently producing approximatley 80 tonnes per month of zinc concentrate, however our objective is to increase this by up to 85% and to achieve a grade of over45%, which would greatly enhance revenue per tonne moving forward.

"The period also saw severe weather impact our operations in Zimbabwe, where unusually high rainfall in December and January resulted in lower milling and production at the Pickstone-Peerless Gold Mine. Despite the operational challenges experienced during the period, the mine still delivered production of 4,356 ounces of gold at an impressively low cost of US$619/oz versus an average sales price of US$1,231/oz.

"The Pickstone-Peerless mine has now returned to normal production levels and we remain optimistic about future production, which is being conducted in conjunction with the construction of the sulphide processing plant. This will enable production from the high-grade sulphide pit in addition to the oxide pit."

Quarterly Conference Call

Roy Pitchford, Chief Executive of Vast, will host a conference call for shareholders at 10.00 a.m. today in conjunction with this Quarterly Production Summary & Operations Update.

To participate in this conference call, please dial 0808 109 0701, or +44 (0) 20 3003 2701 if you are calling from outside of the UK, and enter participant code 8163920# when prompted to do so. Please note that all lines will be muted with the exception of Vast's management, however the Company invites shareholders to submit questions to its public relations adviser, St Brides Partners Ltd, ahead of the call via email to shareholderenquiries@stbridespartners.co.uk or through the online chat function.

To access the online chat function, please use the link below and log in as a participant using the event number 952 745 377 followed by the password, 'vast':

https://sbmf.webex.com/sbmf/onstage/g.php?MTID=e8c3f37aaf4d187aaf13e63c0181b7cce

On the right-hand side of the screen you will find an option to submit questions during the call. The Q&A function will only be made live once the call has commenced.

The management team will strive to answer as many questions as possible during the course of the call. A recording of the call will also be made available on the Company's website.

If you have any problems accessing the call, please contact St Brides Partners Ltd on shareholderenquiries@stbridespartners.co.uk or call +44 (0) 20 7236 1177.

A copy of the presentation will also be uploaded to the Research, Media & Presentations page of the website at www.vastresourcesplc.com shortly before the call commences.

Further Information

Manaila Polymetallic Mine

The Manaila Mine performed encouragingly during the quarter despite extreme cold weather, which necessitated the cessation of operations in December. Normal operations resumed at the end of January and it is anticipated that the utilisation of spare processing capacity at the Iacobeni Metallurgical Complex should allow for the decreased January production to be recovered in February and March.

The following production and sales figures were achieved during the quarter ended 31 December 2016:

- 9% decrease in ore mined to 25,269 tonnes (September 2016: 27,848 tonnes) – the decrease was due to a cessation of operations in December occasioned by extremely cold weather. Normal mining operations resumed at the end of January and heating systems for the flotation circuits are to be installed in order to reduce or eliminate future stoppages caused by the extreme cold weather.
- 8% increase in ore milled to 29,435 tonnes (September 2016: 27,274 tonnes). The increase in milled tonnages was achieved notwithstanding extremely cold conditions at the Iacobeni Metallurgical Complex.
- 44% increase in copper concentrate produced to 889 tonnes (September 2016: 616 tonnes) due to a greatly improved throughput in the copper float line. Production was also augmented by 165 tonnes of zinc concentrate produced in the quarter equating to a 371% increase (September 2016: 35 tonnes).
- 12% increase in sales price of US$1,120 per tonne achieved for combined copper and zinc sales (September 2016: US$1003 per tonne); copper only concentrate sales price of US$1,237 reflected a sustained improvement in concentrate grades produced rising 23% in sales per tonne achieved (September 2016 $1,003 per tonne). Average monthly copper sales prices of US$1,204 per tonne at a grade of 19.8%, US$1,254 per tonne at a grade of 19.2% and US$1,218 per tonne at a grade of 19.6% were realised in October, November and December respectively. A zinc concentrate grade of circa 30% was achieved on zinc sales in December.

- Operating costs decreased by 3% to US$32 per tonne milled (September 2016: US$33), but declined by 40% to US$901 per tonne of concentrate produced (September 2016: US$1,504 per tonne).
- The decrease in cost per tonne milled was due to the higher throughput at the plant.
- The decline in concentrate cost per tonne as compared to the September quarter was due to the greatly increased production levels. Production from the separate zinc concentrate line, commissioned during the previous quarter, also enabled an improved recovery of processing overheads.
- Processing specialists Minxcon Group is currently engaged to further enhance the quantity and quality of the zinc concentrate and reduce operational costs. The planned heating of the flotation circuits should assist in achieving this.
- Currently approximately 80 tonnes per month zinc concentrate is being produced. The Company's immediate objective is to increase zinc production by up to 85% by June 2017 and to increase zinc concentrate grades to >45%.
    - An increase in zinc grades will favourably impact sales revenue per tonne for zinc concentrate in future quarters.
- A gravity recovery circuit is being installed to increase gold and silver recoveries.

Quarterly Production Figures

December 2016 Quarterly Production Summary

Manaila	Units	Dec'16 Quarter	Sept'16 Quarter	% Change
Ore mined	**Tonnes**	25,269	27,848	-9%
Waste mined	**Tonnes**	38,538	117,558	-67%
Stripping ratio	**Times**	1.5	4.2	
Ore milled	**Tonnes**	29,435	27,274	8%
Concentrate produced - Cu	**Dry tonnes**	889	616	44%
Concentrate produced - Zn	**Dry tonnes**	165	35	371%
Concentrate sold - Cu	**Dry tonnes**	889	960	-7%
Concentrate sold - Zn	**Dry tonnes**	200	0	
Concentrate in stock at period end - Zn	**Dry tonnes**	0	35	
Cash costs**	**(US$/t milled)**	32	33	-3%
Cash costs**	**(US$/t of conc)**	901	1,504	-40%
Average Cu sales price achieved*	**(US$/t of conc)**	1,237	1,003	23%
Average Zn sales price achieved*	**(US$/t of conc)**	600	-	-
Average sales price achieved*	**(US$/t of conc)**	1,120	1,003	12%

Average gross sales price achieved* Cu + Zn: excludes a royalty of 4%

Cash costs **: represent the cash costs of production

Operational data:

Pickstone-Peerless	Units	Dec'16	Sept'16	%

		Quarter	Quarter	Change
Ore mined	**Tonnes**	70,930	69,500	2%
Waste and low-grade ore mined	**Tonnes**	435,083	497,840	-13%
Stripping ratio	**Times**	6.1	7.2	
Ore milled	**Tonnes**	61,356	65,573	-6%
Gold produced	**Ounces**	4,352	4,910	-11%
Gold sold	**Ounces**	4,706	5,025	-6%
Gold in stock at period end	**Ounces**	609	962	
Cash costs**	**(US$/t milled)**	44	51	-14%
Cash costs**	**(US$/oz Au)**	619	686	-10%
Average sales price achieved*	**(US$/oz Au)**	1,231	1,338	-8%

Average gross sales price achieved*: excludes fidelity charges and royalty of 5%
Cash costs **: represent the cash costs of production

Competent Person's Review:
This announcement has been reviewed by Mr. Craig Harvey, Group Chief Geologist at Vast, and a member of the Geological Society of South Africa and the Australian Institute of Geoscientists. Mr Harvey meets the definition of a "qualified person" as defined in the AIM Note for Mining, Oil and Gas Companies.

****ENDS****

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The information contained within this announcement is deemed by the Company to constitute inside information as stipulated under the Market Abuse Regulations (EU) No. 596/2014 ("MAR").