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Vast Resources plc

("Vast" or the "Company")

Quarterly Production Summary and 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 March 2016.

Overview:

- **<u>The Pickstone-Peerless Gold Mine ("PPGM") in Zimbabwe</u>**
  (commissioned on 20 August 2015, Vast ownership 50 per cent.):

    - 17 per cent. increase in ore milled, to 54,237 tonnes, and 8 per cent. increase in gold production, to 2,808 ounces, compared to the previous quarter
    - In March 2016 the plant exceeded 20,000 tonnes per month for the first time and in April 2016 (following the end of the quarter) more than 40kg of gold was produced
    - Zimbabwean bank overdraft reducing satisfactorily from approximately US$2.0 million as at 1 January 2016 to approximately US$1.2 million at 31 March 2016
    - Expansion opportunities now being evaluated including:
        - Design and installation of the PPGM sulphide processing plant that will be required for the next phase of mining once oxide resources are depleted
        - Potential development of a satellite open pit mine at the nearby Giant Gold Mine which has a current JORC-compliant inferred resource of 500,000oz of gold

- **<u>The Manaila Polymetallic Mine ("MPM") in Romania</u>**
  (commissioned on 14 August 2015, Vast ownership 50.1 per cent.):

    - Focus during the quarter was on enhancing future production capacity, including mill relining and refurbishment, flotation circuit upgrade and associated mine preparation
    - Production ramp-up targeting up to 20,000 tonnes per month by commissioning the second mill and float line which occurred in April 2016
    - Separate lead/zinc line almost completed and commissioning is scheduled for Q2 2016

- Optimisation work together with extreme weather conditions in January & February negatively impacted production, resulting in a 15 per cent. reduction in ore milled and a 9 per cent. reduction in concentrate produced, compared to the previous quarter

- **Baita Plai Polymetallic Mine ("BPPM")**

  (Vast ownership 80 per cent.)

  - Continued progress towards obtaining the relevant permissions to start developing BBPM in accordance with Romanian due process post-merger (announced 30 November 2015) which will allow for the commissioning of the Company's third mine

- **Funding Update**

  Post the Company's rejection of Crede Tranche 2, in addition to the on-going concentrate and gold sales, the Company has been seeking alternative and/or replacement financing including:

  1. Short-term bridging finance, repayable from future Crede cash injections; and
  2. Crede Tranche 3, provided the share price is at an acceptable level prior to Crede Tranche 3 (GBP 1.25 million receivable on 4 July 2016).

As the MPM expansion capital has been invested, the above financing will be utilised to fund the ongoing working capital requirements at MPM during the upcoming ramp-up period and also for the settlement of creditor obligations upon receipt of the BPPM sub-licence (expected to be approximately US$630,000 at current exchange rates).

Roy Pitchford, Chief Executive of Vast, commented:

"Vast continues to make solid progress transforming into a production company with two operating mines under its control. PPGM has been the standout front-runner during the quarter – with ore mined, milled and gold produced all increasing encouragingly. The mining currently underway represents only the first phase of production at PPGM, and we are busy planning and laying the foundations for the subsequent phases of development to ensure PPGM generates long-term sustainable cash flow for the group.

"Our dual focus this quarter has been to upgrade operations at MPM to increase capacity and enhance operational and financial performance in subsequent quarters. Whilst this process has been successful, with mill relining and refurbishment, flotation circuit upgrade and associated mine preparation completed, this work, together with the extreme weather conditions experienced in January and February, has resulted in lower production this quarter. However the Vast team is confident that the work completed during the last few months, together with the separate lead/zinc line which should be completed in the coming

weeks, stands MPM in a strong position to deliver increased mining capacity, increased concentrate production and enhanced financial performance over the next quarter and in subsequent periods.

"Looking at our pipeline of additional mining projects, the sub-licence for the Baita Plai Polymetallic Mine continues to be a primary objective for us. We understand that the grant of the sub-licence, which has been more protracted than originally thought, has caused consternation for some of our investors, however we have been counselled by the relevant authorities in Romania that the process is nearing completion and hope that this provides shareholders with some comfort. As soon as there is further news regarding this, we will update the market without delay."

PPGM March 2016 Quarterly Production Summary & Operations Update

At PPGM the plant milled 54,237 tonnes during the quarter, well in excess of its initial design capacity of 10,000 tonnes per month. A total of 2,475 ounces of gold were delivered to the Reserve Bank of Zimbabwe, with 556 ounces being on hand at quarter end that were delivered to the Reserve Bank of Zimbabwe early in April 2016. Operational efficiencies have started bearing fruit with production costs decreasing in line with increased gold production. Head grades averaged within a range of 1.9 – 2.1 grammes/tonne during the current quarter and are expected to increase in future as the open pits are developed to deeper levels.

The improved production profile has continued into the current quarter with the milling tonnage again exceeding 20,000 tonnes in April 2016, which along with higher grades enabled the monthly production to exceed 40kg of gold for the first time.

The domestic bank overdraft has been reduced from approximately $2.0 million at the commencement of operations to approximately $1.2 million in early April 2016.

Attention is now being focussed on the design and installation of the PPGM sulphide processing plant that will be required when the oxide resources are depleted in the open pits.

In addition, development at the nearby Giant Gold Mine is being considered. Further exploration work is required to increase the current inferred resource of approximately 500,000 ounces.

Operational data: Pickstone-Peerless	Unit	Mar'16 Quarter	Dec'15 Quarter	% Change
Ore mined	Tonnes	63,825	46,285	38%

Waste and low-grade ore mined	Tonnes	244,855	188,245	30%
Stripping ratio	Times	3.8x	4.1x	
Ore milled	Tonnes	54,237	46,291	17%
Gold produced	Ounces	2,808	2,598	8%
Gold sold	Ounces	2,475	2,375	4%
Gold in stock at period end	*Ounces*	*556*	*223*	

Cash costs*	($/t milled)	47.1	48.5	(3%)
Cash costs*	($/oz Au)	910	864	5%
Average sales price achieved*	($/oz Au)	1,139	1,080	5%

** excluding government royalty of 5 per cent.*

MPM March 2016 Quarterly Production Summary

During the past quarter Vast has undertaken a number of capital projects to improve operational efficiency at MPM, including some maintenance work, which had been neglected by the previous owner. As a result of this work, some plant downtime was incurred during the quarter. Furthermore, the severe cold weather experienced during January and some of February negatively impacted flotation recoveries, resulting in a reduced concentrate quality. Additional mining areas were also exposed in anticipation of the increased plant throughput, resulting in an increase in waste tonnage mined, whilst the single, mainly copper concentrate produced during the quarter contained high levels of zinc that resulted in the mine incurring penalties when selling this concentrate.

In order to reduce the quantity of zinc in the copper concentrate, a second flotation circuit has been constructed during the quarter and is now being tested, along with new reagents identified by flotation test work. Additional capital projects undertaken include the relining of the new primary mill, which was completed towards the end of the quarter allowing for higher milling tonnage through put and improved grind and recoveries. The refurbishment and relining of an older second mill also commenced during the quarter and was commissioned in April 2016. This mill is being tested as a regrind mill, which combined with the second aforementioned zinc float line will enable separate copper and zinc concentrates to be produced. In addition to now having the ability to produce two saleable concentrates, the grade of the copper concentrate is expected to improve and with the production of a separate zinc concentrate, the penalties of zinc in the copper concentrate will decline. With both mills operational, MPM will have an installed milling capacity of 20,000 tonnes per month from May 2016 onwards.

More intensive metallurgical test work has been commissioned for MPM with two objectives in mind. The first is to provide data for the design of the new milling and flotation circuit that Vast wishes to construct at the open cast mine site to avoid the extensive ore and waste transport costs associated with using the concentrator 34 kilometres away at Iacobeni. Secondly, the data will be used to determine the optimal process flow at Iacobeni using the existing concentrator until the new unit is constructed at the Manaila open cast mine.

Operational data: Manaila	Unit	Mar'16 Quarter	Dec'15 Quarter	% Change
Ore mined	Tonnes	20,362	33,756	(40%)
Waste mined	Tonnes	130,925	121,690	8%
Stripping ratio	Times	6.4x	3.6x	
Ore milled	Tonnes	22,510	26,375	(15%)
Concentrate produced	Dry tonnes	677	745	(9%)
Concentrate sold	Dry tonnes	866	550	57%
Concentrate in stock at period end	*Dry tonnes*	*77*	*266*	
Cash costs*	($/t milled)	46.4	30.1	54%
Cash costs*	($/t of conc)	1,542	1,065	45%
Average sales price achieved*	($/t of conc)	949	1,033	(8%)

** excluding government royalty of 4 per cent.*

Update on Baita Plai Polymetallic Mine (BPPM)

The BPPM licence process is nearing completion. All the legal work to facilitate the merger of S.C Mineral Mining S.A. (in administration) and S.C, African Consolidated Resources Romania S.R.L. (AFCRR) has been completed. Numerous legal proceedings by parties opposing the merger have been successfully concluded. Meetings between the Ministry of the Economy, S.C Baita S.A., a state mining company, and AFCRR are to be convened shortly to arrange the granting of an associate mining licence to AFCRR.

In anticipation of the issuing of the licence, certain capex to comply with underground mining safety has been undertaken. This includes new man-carrying cages, hoist ropes, and making safe areas that will be accessed in the initial stages of reopening the mine.

Metallurgical test work will be undertaken during the rehabilitation of the mine and processing facilities to confirm that the current processing layout is appropriate.

****ENDS****

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