

MINING FLASHNOTE

# VAST Resources (VAST AIM)

16 October 2017

### Stock Data

Share Price:	0.345p
Market Cap (M):	£16.2
EV (M):	£30.6

### Price Chart



### 52 Week Range

0.105p	0.345p	0.71p
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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

Hargreaves Lansdown	11.21%
Barclays PLC	8.29%
Halifax Share Dealing	8.16%
Toronto-Dominion Bank	6.02%
Sapi River Investments LTD	4.96%
St Annes Trustees LTD	3.87%

Source: Bloomberg

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## Vast Announces September Quarterly Production Figures and Operational Update

### Event

Vast Resources ("Vast") has released the September quarterly production figures. The Manaila Mine in Romania treated 39,135t of ore grading 0.7% copper to produce 1,082t of copper concentrate grading 17.9% copper and a small amount of zinc concentrate. The Pickstone-Peerless mine processed 68,431t of ore grading 2.41g/t gold to produce 4,738 oz of gold.

### Comment

This was the best ever set of quarterly production figures from Manaila. The mine produced 40,462t of ore of which 39,135t grading 0.7% copper and 0.7% zinc were processed. This resulted in the production of 1,082t of copper concentrate grading 17.9% copper of which 1,079t were sold. The mine also produced 118t of zinc concentrate grading 42.3% zinc of which 92t were sold.

The production of a gravity gold concentrate was reported for the first time. In the SQ, 7t grading 31.4g/t were produced whilst in the JQ, 5t grading 45g/t were produced. These gold concentrates have not yet been sold, a situation that is expected to be remedied in the DQ. Importantly, the gold produced in these concentrates is not reducing the gold in the copper concentrate, it is additional gold.

The zinc recovery was low as the processing plant has only one filtration system and as the mine makes most of its money from copper, the copper concentrate received priority at the filtration plant. We anticipate that the backlog of zinc concentrate will be processed in the DQ.

A new crusher is in the process of being installed and this is expected to improve overall metallurgical results due to a finer feed being sent to the grinding mills.

At Pickstone-Peerless 71,533t of ore was mined and 71,533t grading 2.41g/t was processed to produce 4,738oz of gold. The construction of the sulphide plant is progressing ahead of targeted commissioning by the end of Q4 2017. This should boost processing capacity by 50% to around 35ktpm and with an increase in gold feed grade to the plant gold production is expected to increase significantly over a nine month period into 2018. The evaluation of the Giant Gold Project – located 28km from Pickstone-Peerless, which has a current JORC-compliant inferred resource of 500,000oz of gold, is ongoing.

## 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.

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<b>Sell</b>	Recommendation implies that expected total return expected over 12 months between current and analysts' target price is negative.

## Research Disclaimers

Research disclosure as of 16 October 2017

<u>Company Name</u>	<u>Disclosure</u>
Vast Resources (VAST AIM)	1, 2, 7, 8, 9

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