

MINING FLASHNOTE

VAST Resources (VAST AIM)

22 March 2018

Stock Data

Share Price:	0.685p
Market Cap (M):	£35.1
EV (M):	£33.6

Price Chart



52 Week Range

0.253p	0.685p
0.779p	

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

HSBC	5.14%
Kate Margaret	3.24%
NPlus1 Singer Advisory	2.62%
Halifax Share Dealing Ltd	2.12%

Source: Bloomberg

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Vast Announces a Pre-payment Agreement with Mercuria Energy Trading

Event

Vast Resources ("Vast") has announced that a Pre-payment Agreement with Mercuria Energy Trading SA ("Mercuria") based on the Term Sheet announced on 25 January 2018 has been duly executed and drawdown of Tranche A for US\$4M effected. As planned, US\$1.68M out of the drawdown has been applied in repayment of the bridging loan from Sub-Sahara Goldia Investments announced on 13 September 2017.

Comment

Simultaneously with the Pre-payment Agreement, an Off-take Agreement has been signed with Mercuria for the period to April 2022 for up to 100% of the copper and zinc concentrate produced at the Company's Manaila Polymetallic Mine and Baita Plai Polymetallic Mine in Romania on the same terms as the Offtake Offer announced on 25 January 2018.

Mercuria has undertaken an extensive due diligence process and the completion of this transaction is a great endorsement for the Company and its assets. There is now expected to be a significant cost saving resulting from the repayment of the bridging loan, although we note that the terms and conditions for the drawdown of Tranche B for US\$5.5M remain as per the term sheet. The Company's financial position now looks stable for perhaps the first time since we initiated coverage.

Also, another positive is that the Manaila mine has recommenced production, following its closure for winter when an extensive stripping campaign was conducted. We understand that the plant is now performing really well, with feed grades at the top end of expectations yielding excellent recoveries and concentrate grades.

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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Research disclosure as of 22 March 2018

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

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