

LETTER FROM THE CHAIRMAN OF THE COMPANY

Vast Resources plc

(Incorporated and registered in England and Wales with registered number 05414325)

Directors:

Brian Moritz (*Non-Executive Chairman*)
Andrew Prelea (*Chief Executive Officer*)
Roy Tucker (*Finance Director*)
Craig Harvey (*Chief Operating Officer*)
Eric Diack (*Non-Executive Director*)
Nick Hatch (*Non-Executive Director*)

Registered Office:

60 Gracechurch Street
London
EC3V 0HR

22 February 2019

To Shareholders of Vast Resources plc

Dear Shareholder

NOTICE OF GENERAL MEETING 2.30 p.m. Monday 11 March 2019

Authorities to issue shares

Since I wrote to shareholders on 15 January 2019 to explain the purpose of the Resolutions then to be put before the General Meeting to be held on 31 January 2019 there have been significant developments for the Company. Some of them had not been anticipated and took place before the meeting of 31 January 2019 had taken place and may have affected the authorities requested at the 31 January meeting had they been known or anticipated on 15 January.

The developments include:

- The totally unexpected non-receipt of US\$5.5 million Tranche B from Mercuria communicated on 18 January 2019 resulting in a substantial fall in our share price.
- As a consequence of the substantial fall in the Company's share price there was accordingly a reduction in the cash value of the authorities granted.
- A further consequence was that the Company was obliged to negotiate new terms with Sub-Sahara Goldia Investments (SSGI) in relation to the US\$3.4 million owing to SSGI. Discussions are still ongoing.
- Bergen Global Opportunity Fund, LP ("Bergen") had advanced the first of two tranches of funding under the Convertible Security Deed between the Company and Bergen, announced on 20 December 2019 (the "Investment Agreement"). The advance of the second tranche was paused as announced on 12 February 2019. The Company's obligations in relation to the first tranche were satisfied through a combination of conversion and a cash repayment of US\$675,000 on 18 February 2019.
- Subsequently, by mutual consent of the parties, the Investment Agreement was terminated, and the Company was released from any obligation to maintain authorities for there to be unissued shares available for conversion of Bergen's convertible instrument, as the second tranche of the Bergen facility will no longer take place, and the first tranche has been converted or repaid in full.
- Ongoing positive discussions on replacement off take finance and/or concerning a cornerstone investor who has interest in financing the entire company including the Zimbabwe diamond opportunity.
and
- Importantly confirmation by Government of Zimbabwe of the right to mine at the Heritage Concession as confirmed on 14 February 2019 upon completion of detailed contracts.

As demonstrated by the Corporate Presentation announced to the market on 29 January 2019 the Board is of the opinion that the Company holds two growth opportunity pivotal assets in the Baita Plai Polymetallic Mine in Romania and in – the now confirmed rights to– the Heritage Diamond Concession in Zimbabwe, both of which have the prospect of achieving significant value for the Company. These projects will be the main focus of any new share issues.

It is essential that the Company has – ahead of the receipt of replacement prepayment offtake finance or an agreement with a cornerstone investor – sufficient capital to exploit these opportunities, and reduce its liability to SSGI. The non-payment by Mercuria, the cancellation and repayment of respectively, Bergen's, second and first tranche, have reduced what the Company has available – at least in the short term – and the reduction in the share price has reduced what the Company is able to raise under its existing authorities from shareholders.

Accordingly the Board seeks through the passing of Resolutions at the General Meeting to broaden the existing authorities to issue shares to a nominal value of £1,000,000 which are at present limited to enabling the conversion rights of Bergen under its Convertible Security Deed so that the authorities can be used instead for Baita Plai and general working capital. Accordingly included with this letter is the notice convening the General Meeting for this purpose.

Action to be taken

Shareholders have been sent a Form of Proxy for use at the General Meeting. Whether or not shareholders intend to be present at the General Meeting they are requested to complete and return the form of Proxy in accordance with the instructions printed thereon. To be valid, completed Forms of Proxy must be received by the Registrar as soon as possible, and in any event not later than 2.30 p.m. on 7 March 2019. Completion of a form of proxy will not preclude shareholders from attending the meeting and voting in person if they so choose.

Recommendation

The Directors believe that the ability to obtain the necessary finance and therefore the passing of the Resolutions is important to the Company and Shareholders taken as a whole. The Directors unanimously recommend the shareholders to vote in favour of the Resolutions as they intend to do in respect of their own shareholdings amounting to 77,362,431 ordinary shares (approximately 1.11 per cent of the total issued shares).

Brian Moritz

Chairman

22 February 2019