

MINING FLASHNOTE

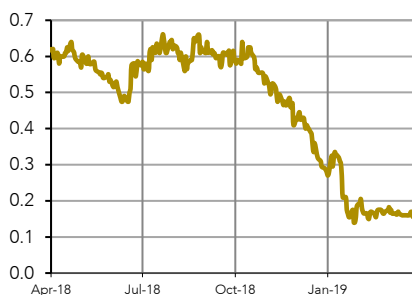
# VAST Resources (VAST AIM)

01 April 2019

### Stock Data

Share Price:	0.155p
Market Cap (M):	£11.6
EV (M):	£55.8

### Price Chart



### 52 Week Range

0.125p		0.155p
0.69p		

### 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 PLC	11.09%
Interactive Investor Trading	8.50%
Lloyds Bank Group	7.80%
Barclays Bank	4.31%

Source: VAST Resources & Bloomberg

## Vast Announces the Manaila Mine Re-Opening Deferred and a Corporate Update

### Event

Vast Resource ("Vast") has announced that its wholly owned Manaila Polymetallic Mine (the Mine) that has been on care and maintenance since mid-December 2018 due to weather conditions (as previously notified Romanian mines close for the December, January and February months for general repairs and maintenance and the Company has readopted this philosophy) will not now be re-opening this month despite improved weather conditions, and will now only be reopened after a corporate restructuring, that is currently being prepared, is finalised.

### Comment

The company states that "the board and management have decided to continue to keep the Mine on care and maintenance temporarily in order to reduce costs, and to reopen once the refinancing of the group is completed and an effective mine plan that will achieve profitability, can be implemented".

The sad reality of life is that currently Vast have only a 25% interest in the Pickstone-Peerless mine that is operating. This mine is in Zimbabwe and it is very difficult to get money derived from gold mining out of Zimbabwe. Whilst Pickstone-Peerless is profitable and cashflow positive, the monies generated by the mine are being used to develop its sulphide circuit and other assets in Zimbabwe.

According to published financial statements by Vast, the Manaila mine has not been cashflow positive for the past 18 months and having been on care and maintenance for the past 4 months, the current 6 monthly period is not expected to be any different. It is also very disappointing to see that that Vast has made the decision to stop quarterly reporting.

The next problem surrounds Baita Plai. It was originally due to commence production in the September quarter this year, but the current corporate restructuring is likely to cause a delay to this schedule.

At the last reporting date, the 2019 interim results released on the twenty fourth of December, for the six months ending 30 September 2018, Vast had a total of US\$44.93M of debt and long term creditors.

The proposed restructuring, when revealed in detail will be very interesting and we hope that the company will be able to move forward constructively.

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## Research Disclosures

### **Peter Rose**

Peter has 33 years' experience in equities as a resources analyst; he has been at Brandon Hill Capital for 12 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 01 April 2019

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

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