

24 October 2019

Vast Resources plc
("Vast" or the "Company")

Documentation signed for US\$15,000,000 (US\$13,500,000 net) facility

Vast Resources plc, the AIM-listed mining company, is pleased to announce that the Company has signed a binding conditional Bond Issue Deed (the "Deed") for a facility of up to US\$15,000,000 through an issuance of secured convertible bonds (the "Bonds") to a UK based fund, Atlas Capital Markets Limited ("Atlas"). The Deed is subject to customary conditions plus further specific conditions as detailed below. Further information on Atlas is disclosed at the end of the announcement.

Vast has been advised on the terms of the Bonds by Carlingford, a division of GFI Group.

The Directors believe the facility with Atlas offers full funding to reach production at the Company's Baita Plai Polymetallic Mine in Romania ("Baita Plai") and at the Chiadzwa Community Diamond concession in Zimbabwe (the "Diamond Concession"), and subsequently to generate positive cash flow for the Company. This facility does not affect the Company's continuing process with the Swiss Bank or other funders, and the Company's intention is to continue its efforts in securing a long-term financing facility for Baita Plai and its other Romanian assets.

Details of the Bonds:

- The Bonds are issued at 90 per cent of their par value, bear a coupon of five per cent per annum and have a maturity date of two years from the date of each issuance providing net proceeds to Vast of up to \$13.5 million.
- The proceeds will be used for bringing Baita Plai and the Diamond Concession into production, and also US\$1 million in repayment to Mercuria under an intercreditor agreement and up to US\$1 million in repayment of Sub-Sahara Goldia Investments.
- The Bonds will be issued in four tranches in accordance with cashflow requirements and subject to specific conditions precedent including and not limited to the Company holding a General Meeting to grant authority for the issue of sufficient share capital for securing the facility.
- The amount of each tranche is as follows:

<u>Tranche</u>	<u>Par amount</u>
First	US\$7,101,947 in Bonds
Second	US\$4,467,354 in Bonds
Third	US\$2,061,856 in Bonds
Fourth	US\$1,368,843 in Bonds

- As stated the Deed is subject to certain specific conditions which include shareholder approval; the execution of an intercreditor and standstill agreement with Mercuria; completion of due diligence relative to each tranche; and over time completion of formalities on the Diamond Concession following grant of mining licence; and thereafter specific practical milestones on the development of the Diamond Concession up to cold commissioning of the plant.
- Subject to the Company fulfilling its obligations under the Deed, the Deed has been structured to give the Company the ability to repay the facility in cash with no conversion, on account of ongoing refinancing discussions with the Swiss Bank and others. The Bonds have a non-conversion period of six calendar months from the First Issuance Date or, if Atlas so elects (the "Election"), 12 calendar months from the Second Issuance Date (as explained below). In the event that the Election is not made the Company may, during the non-conversion period, prepay the Bonds together with accrued unpaid interest at their par value or, if greater, at a premium reflecting the excess of the share price at the time of prepayment over 0.24p.
- At any time prior to the Second Issuance Date, Atlas may elect in respect of the Bonds to be issued on the Second, Third and Fourth Issuance Dates (the "Zimbabwe Bonds") that the non-conversion period in respect of the Zimbabwe Bonds be extended to 12 months from the Second issuance Date. Atlas has already given the Company their intent to make the Election. Once the Election is made the Zimbabwe Bonds will be repayable at a price equal to 200 per cent of the principal amount of the Bonds so redeemed together with any accrued and unpaid interest (the "Premium Amount") at any time up to the anniversary of the Second Issuance Date. If the Zimbabwe Bonds are not repaid at the Premium Amount by the anniversary of the Second Issuance Date then Atlas may thereafter exercise the conversion rights in respect of the Zimbabwe Bonds. Further in the event of the Election, provided the Company's targets are met the Company will be able to avoid shareholder dilution by electing to settle the Premium Amount from cashflow projected to be generated from the Diamond Concession.
- If a conversion right as explained below is exercised the Company can elect to cash settle the conversion notice with the result that no additional Ordinary Shares would be required to be issued.

In the event the Company does not cash settle when a conversion right is exercised, the Bonds which are eligible for conversion, together with any accrued but unpaid interest, shall be convertible at their par value into free trading ordinary shares of the Company ("Ordinary Shares") at a fixed price of 0.24p/share (a 20 per cent premium to the share price at which the most recent equity raise was carried out) or at a price per Ordinary Share equal to 90 per cent of the Volume Weighted Average Price of the Ordinary Shares on each of the previous 20 trading days. If the Election is not made, Atlas is restricted, subject to certain conditions, in exercising its conversion rights following the end of the non-conversion period to the exercise of up to a maximum of 10 per cent of the nominal value of the Bonds outstanding at the end of the non-conversion period in each month.

- The Bonds shall be senior secured and shall rank *pari passu* with all other senior obligations of the Company. Atlas will have security over Baita Plai and the shares of the Company's subsidiary holding the Diamond Concession.
- Attached to the Bonds are warrants ("Warrants") giving the warrant holder the right to purchase in aggregate US\$3,750,000 worth of Ordinary Shares at a fixed price of 0.26p per share (a 30 per cent premium to the share price at which the most recent equity raise was carried out). The Warrants will be issued on each Issuance Date and will be issued pro rata to each Bond issuance. The rights to exercise each Warrant will expire on the third anniversary of each relevant Issuance Date.

Andrew Prelea, CEO of Vast Resources PLC, commented:

"The Bonds provide the required capital to enable the Company to bring its two core assets, Baita Plai in Romania and the Diamond Concession in Zimbabwe, into production. The agreed non conversion period, the early redemption and cash settlement options give us flexibility and enable us to limit dilution.

"The Atlas facility will accelerate the start of production at Baita Plai while we continue to work on the establishment of a long term finance facility for Baita Plai and other assets in Romania, whether with the Swiss bank or otherwise.

"We are pleased to have established a new relationship with Atlas Capital Markets and look forward to working together."

****ENDS****

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The information contained within this announcement is deemed by the Company to constitute inside information as stipulated under the Market Abuse Regulations (EU) No. 596/2014 ("MAR").

ABOUT VAST RESOURCES PLC

Vast Resources plc, is an AIM listed mining company with mines in Romania and Zimbabwe focused on the rapid advancement of high quality brownfield projects by recommencing production at previously producing mines in Romania and commencement of the joint venture mining agreement on the Community Concession Block of the Chiadzwa Diamond Fields in Zimbabwe.

The Company's portfolio includes an 80 per cent interest in the Baita Plai Polymetallic Mine in Romania, where work is currently underway towards developing and recommissioning the mine on completion of funding and the commencement of the of the Community Concession Block in Chiadzwa, Zimbabwe

Vast Resources owns the Manaila Polymetallic Mine in Romania, which was commissioned in 2015, currently on care and maintenance, and is focused on its expansion through the development of a second open pit operation and new metallurgical complex at the Carlibaba Extension Area.

ABOUT ATLAS CAPITAL MARKETS LIMITED

[Atlas Capital Markets Limited](#) is based in London and has a joint venture company, Atlas special opportunities LLC, with [Arena Investors LP](#), an investment fund based in New York.

Arena is managed by a team of experienced professionals that has originated, structured and managed over \$10bn in special situation financing and asset-orientated investments globally.

Founded by Mustapha Raddi in 2012 and co-managed with Charles Ofori, ACM takes pride in the relationship fostered with each portfolio company and the added value we bring in expertise and strategic introductions in addition to our invested capital. ACM's management has over a decade of experience and has executed numerous deals across Europe successfully.