

# Quarterly Activities Report March 2021



# **Highlights**

- Successful A\$18.5M Equity Raise and Share Purchase Plan announced
- Vimy selected for the North Shore Global Uranium ETF Index and Solactive Global Uranium Pure-Play Index
- Vimy commenced trading on the OTCQB Venture Market. Amvest Capital appointed as NY-based USA investor relations advisor
- Final Environmental Management Plan for the Mulga Rock Project approved and early works to commence in H2 21
- Further assessment of the Mulga Rock base metal circuit (Ni, Co, Cu, Zn) warranted with potential economic benefits due to improving commodity prices
- Vimy acquiring the balance of equity in the Alligator River Project
- Vimy reinforces commitment to ESG by adopting Towards Sustainable Mining Accountability Framework

Vimy Resources Chief Executive Officer, Mike Young, said "It's been a very busy quarter for Vimy as we continue to advance the Mulga Rock and Alligator River Projects just as the world is waking up to nuclear power and uranium. The quarter saw a significant and sustained shift towards uranium equities, with Vimy trading up 250% since mid-October.

"We were very pleased to receive the final approval for all Conditional Environmental Management Plans for the Mulga Rock Project, which is a significant milestone as we move towards early works in the second half of 2021. We are also very pleased to have doubled down on our commitment to ESG by adopting the Minerals Council of Australia's Towards Sustainable Mining® accountability framework. As an MCA board member, this is a source of pride on many levels.

"We also announced that we've executed a binding term sheet with Rio Tinto Exploration Pty Limited to acquire their remaining interest in the Wellington Range and King River Joint Venture at the Alligator River Project. This project is very important to Vimy as it contains many exciting targets which provide Vimy with an impressive project pipeline, which is considered very highly by the US utilities.

"On the corporate front, the excellent response to the equity raising and the interest we've seen so far in the Share Purchase Plan indicates that many investors share our view that Vimy is the most leveraged uranium play in the market. Welcome to all new shareholders and thank you to those who have followed, or increased, their holding.

"Vimy's inclusion in the North Shore Global Uranium ETF and Solactive Global Uranium Pure-Play Index has also been a highlight of this Quarter. The influx of funds into these indices allows for greater portfolio exposure and recognises Vimy's ongoing achievements."



# **Mulga Rock Project**

## **Final Conditional Environmental Management Plan Approved**

On <u>8 April 2021</u>, the Company announced that the Above Ground Tailings Storage Facility Monitoring and Management Plan had been approved by WA's Department of Water and Environmental Regulation (DWER). This is the final approval of all Condition Environmental Management Plans (CEMP) required by Ministerial Statement 1046 (MS1046). The approval of the CEMPs is the final stage and completes all the approvals associated with Part IV of the Environmental Protection Act 1986.

Since MS1046 was published on 16 December 2016, Vimy has revised its plans to exclude any above ground tailings storage. All tailings will be placed within mining voids below ground level which is world's best practice and the absolute best environmental outcome for the Mulga Rock Project.

#### **Early Works**

Vimy is moving towards project readiness and is preparing for early works on the Mulga Rock Project in 2H CY2021. There are three WA Government departmental approvals under assessment that are a prerequisite to these activities: the Mining Proposal, Project Management Plan (including Radiation Management Plan), and the Mine Closure Plan. Vimy expects these to be approved before end of June 2021 with site-based works to commence shortly thereafter.

The proposed site-based works include, but are not limited to:

- Access road upgrade
- Commencing bulk earthworks and ancillary facilities
- Main communications tower, communications hut and access road
- Construction of Kakarook North Borefield
- Initial cutback of the Ambassador North pit
- Operational airstrip (requires completion of Sandhill Dunnart Conservation Plan [EPBC Act 1999])

The activities are part of the Mulga Rock implementation plan as described in the 2018 DFS (See ASX Release 30 January 2018) and are integral to the development of the Project.

Commencement of these site-based activities will also satisfy Condition 3 of the State Ministerial Approval (Ministerial Statement 1046) that was granted on 16 December 2016. Clause 3 stipulates that substantial commencement must be achieved no later than five years after approval is granted, i.e. by 16 December 2021.

#### **Base Metals Review**

On <u>4 February 2021</u>, the Company announced further assessment of a battery metals plant at Mulga Rock. Battery minerals, comprising nickel, copper, cobalt and zinc, occur in material quantities in the Princess and Ambassador deposits which provide feed to the plant in the first eleven years of operations (ASX announcement <u>23 June 2016</u>).

At current long-term consensus base metal prices, Vimy estimates a Life-of-Mine base metals by-product credit of circa US\$4.0 to \$4.5 per pound of U<sub>3</sub>O<sub>8</sub> produced. Importantly, base metals do not report to the uranium concentrate, as the base metal circuit is treating the uranium circuit tailings stream.

The base metal plant was assessed during the PFS (ASX announcement <u>17 November 2015</u>) and pilot plant testwork on base metal precipitates was successfully conducted during the DFS (ASX announcement <u>30 January 2018</u>). However, at the time of the DFS, base metal prices resulted in a marginal outcome and so the plant was put on hold.

However, given the pressing global emphasis on decarbonisation of energy systems, battery mineral prices have increased significantly so Vimy has resumed the assessment of the base metal plant.



## **Alligator River Project**

On <u>10 March 2021</u>, Vimy announced that it had executed a binding term sheet with Rio Tinto Exploration Pty Limited (RTX) to acquire RTX's interest (20.89%) in the Wellington Range and King River Joint Venture at the Alligator River Project in the Northern Territory.

The key terms of the transaction are:

- Acquisition price of \$2 million to be fully satisfied by the issue of fully paid shares in Vimy
- Subject to certain future events, a further on-sale payment and/or uranium upside payment may be payable to RTX
- The term sheet is subject to customary terms and conditions precedent

This transaction will result in Vimy holding 100% of the Alligator River Project on settlement through its wholly-owned subsidiary Viva Resources Pty Ltd.

## **Equity Raising completed and Share Purchase Plan announced**

On <u>19 April 2021</u>, the Company announced a well-supported A\$18.5 million placement to institutional and sophisticated investors. The Placement was well supported by a number of new high-quality domestic and offshore institutions, in addition to existing shareholders.

The Company has since issued approximately 168.2 million fully paid ordinary shares at an issue price of A\$0.11 per share, representing approximately 21.6% of the shares on issue (on a pre-Placement basis) at a:

- 18.5% discount to the last close price of A\$0.135 on 14 April 2021
- 21.9% discount to the 5-day volume weighted average price of A\$0.141 as at 14 April 2021

New shares were issued pursuant to the Company's placement capacity under ASX Listing Rule 7.1 (~92.0 million shares) and 7.1A (~76.2 million shares). All new shares will rank pari passu with existing shares.

Canaccord Genuity (Australia) Limited and Morgans Corporate Limited acted as Joint Lead Managers and bookrunners to the Placement, with Shaw and Partners Limited acting as Co-Manager.

#### **Use of Funds**

The funds raised from the Placement will be used to progress the Mulga Rock Project in Western Australia and the Alligator River Project in the Northern Territory, as well as for working capital purposes.

- **Mulga Rock Project:** For early works at the project in 2021/22, including site-based works comprising: access road upgrade, ground clearing for village and ancillary facilities, main communications tower development, communications hut and access road, construction of Kakarook North borefield, clearing and grubbing vegetation, and stripping and stockpiling topsoil for Ambassador North and operational airstrip.
- Alligator River Project: The 2021 field season to explore advanced exploration targets including Such Wow and Southern Flank. The proceeds will be used to complete additional field work including geochemical analysis, mapping and airborne electromagnetics.
- Working Capital, Uranium Marketing, and final Cameco instalment: General working capital to strengthen the balance sheet and enhance financial flexibility to support the Company's Mulga Rock and Alligator River projects, the final Cameco instalment for the Alligator River Project acquisition, and to consider other business development opportunities if and when they arise. Vimy has no intention of buying physical uranium with these raised funds.



#### **Share Purchase Plan**

On <u>21 April 2021</u> the Company also announced details of a Share Purchase Plan (**SPP**) to provide eligible shareholders with an opportunity to apply for up to \$30,000 in new fully paid ordinary shares, irrespective of the number of shares they owned at the record date and without incurring brokerage fees, commissions or other transaction costs. SPP offer booklets and personalised application forms were despatched to eligible shareholders on 21 April.

The issue price of shares under the SPP is \$0.11 per share, which is equal to the issue price under the Placement.

Participation in the SPP is entirely voluntary and all shares issued under the SPP will rank equally with existing shares and will carry the same voting rights and entitlement to receive distributions.

The SPP will close at 2.00pm (Perth time) on 11 May 2021.

# Inclusion in North Shore Global Uranium ETF and Solactive Global Uranium Pure-Play Index

On <u>1 April 2021</u>, the Company announced that it was one of eight uranium companies to be added to the North Shore Global Uranium Mining Index following the completion of its reconstitution and rebalance for Q1 2021. The Index is designed to track the performance of companies that are involved in the mining, exploration, development, and production of uranium, as well as companies that hold physical uranium or other non-mining assets. The Index provides the composition for the North Shore Global Uranium Mining ETF (NYSEArca: URNM).

In the <u>December 2020 Quarterly Report</u>, Vimy announced its inclusion in the Solactive Global Uranium Pure-Play Index which provides the composition for the Horizons Global Uranium Index ETF (TSX:HURA).

#### **Trading on OTCQB Venture Market and Appointment of Amvest Capital**

In December 2020 Vimy joined the US-based OTCQB Venture Market under the ticker symbol VMRSF (OTCQB:VMRSF). Trading commenced in the US on 14 January 2021.

The OTCQB is a well-established trading platform operated by OTC Markets Group in New York that provides live-market trading in developing companies which hold primary listings in other markets.

During the Quarter, the Company also announced the appointment of Amvest Capital to provide investor relations support, marketing and webinars in the USA. Amvest is a New-York based specialist investment management and corporate finance firm dedicated to the natural resources sector and has a strong relationship with OTC.

OTC trading has enhanced Vimy's visibility and accessibility to North American shareholders and media partners and Vimy participated in the first live webinar with Amvest on 15 April.

# Adoption of Towards Sustainable Mining ® Accountability Framework

On <u>17 March 2021</u>, Vimy announced the adoption of Towards Sustainable Mining ® (TSM), an award-winning accountability framework which helps minerals companies evaluate, manage and communicate their sustainability performance. Adopting the independently verified system will reinforce Vimy's commitment to continuous improvement in safety, environmental and social governance (ESG).

Understanding and communicating this performance consistently and transparently benefits local communities, government, investors, companies and customers, supporting trust and enhancing confidence in industry performance, project readiness and early works at the Mulga Rock Project.



The framework's guiding principles and protocols cover three core areas:

- Communities and People: Indigenous and Community relationships, Safety and Health,
   Crisis Management and Communication Planning, Preventing Child and Forced Labour
- **Environmental Stewardship:** Biodiversity Conservation Management, Tailings Management, Water Stewardship
- Climate Change: Site-level Targets and Management

TSM in Australia will be administered by the Minerals Council of Australia. The first phase of a five-year implementation plan will adapt TSM for Australian requirements, establish governance arrangements and complete industry training and testing. From 2025, Vimy will be required to assess and publicly report on its performance against TSM indicators.

# **Expenditure**

Cash spend on operating activities including exploration and evaluation, staff costs, administration and corporate costs and uranium marketing activities in the March 2021 Quarter amounted to \$0.9 million. This was less than the \$1.5 million spent in the previous quarter due to exploration being limited by the COVID-19 restrictions.

#### **Cash at Bank**

Cash at 31 March 2021 amounted to \$2.0 million and increased to \$19.9 million at 30 April 2021 due to the completion of the share placement on 26 April 2021.

#### **Tenements**

Tenement details for Mulga Rock (Narnoo Mining Pty Ltd) and Alligator River Projects (Viva Resources Pty Ltd) and the tenements held by Vélo Resources Pty Ltd are shown in Table 1.

Table 1: Tenement details at 31 March 2021

| Tenement  | Nature of Interest | Interest at<br>Beginning of Quarter | Interest at<br>End of Quarter |  |
|---|--------------------|-------------------------------------|-------------------------------|--|
| Mulga Rock Project (Mt Margaret Mineral Field, Western Australia) |                    |                                     |                               |  |
| M39/1104  | Granted            | 100%                                | 100%                          |  |
| M39/1105  | Granted            | 100%                                | 100%                          |  |
| E39/2049  | Granted            | 100%                                | 100%                          |  |
| L39/193   | Granted            | 100%                                | 100%                          |  |
| L39/219   | Granted            | 100%                                | 100%                          |  |
| L39/239   | Granted            | 100%                                | 100%                          |  |
| L39/240   | Granted            | 100%                                | 100%                          |  |
| L39/241   | Granted            | 100%                                | 100%                          |  |
| L39/242   | Granted            | 100%                                | 100%                          |  |
| L39/243   | Granted            | 100%                                | 100%                          |  |
| L39/251   | Granted            | 100%                                | 100%                          |  |
| L39/252   | Granted            | 100%                                | 100%                          |  |
| L39/253   | Granted            | 100%                                | 100%                          |  |
| L39/254   | Granted            | 100%                                | 100%                          |  |



| Tenement                    | Nature of Interest           | Interest at<br>Beginning of Quarter | Interest at<br>End of Quarter |
|-----------------------------|------------------------------|-------------------------------------|-------------------------------|
| L39/279                     | Granted                      | 100%                                | 100%                          |
| L39/280                     | Granted                      | 100%                                | 100%                          |
| L39/287                     | Granted                      | 100%                                | 100%                          |
| L39/288                     | Granted                      | 100%                                | 100%                          |
| L39/289                     | Granted                      | 100%                                | 100%                          |
| P39/5844                    | Granted                      | 100%                                | 100%                          |
| P39/5853                    | Granted                      | 100%                                | 100%                          |
| R39/0002                    | Granted                      | 100%                                | 100%                          |
| Alligator River Project (No | orthern Territory)           |                                     |                               |
| EL22430                     | Granted                      | 100%                                | 100%                          |
| EL24920                     | Granted                      | 100%                                | 100%                          |
| EL26089                     | Granted                      | 100%                                | 100%                          |
| EL24017                     | Granted                      | 79%                                 | 79%                           |
| EL25064                     | Granted                      | 79%                                 | 79%                           |
| EL25065                     | Granted                      | 79%                                 | 79%                           |
| EL27059                     | Granted                      | 79%                                 | 79%                           |
| EL5893                      | Granted                      | 79%                                 | 79%                           |
| Vélo Resources Pty Ltd (M   | It Margaret Mineral Field, W | estern Australia)                   |                               |
| E38/3203                    | Granted                      | 100%                                | 100%                          |
| E39/2012                    | Granted                      | 100%                                | 100%                          |
| E39/2013                    | Granted                      | 100%                                | 100%                          |
| E39/2115                    | Granted                      | 100%                                | 100%                          |
| E39/2149                    | Granted                      | 100%                                | 100%                          |

Mike Young

**Managing Director and CEO** 

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Released for and on behalf of the Board of Vimy Resources Limited

30 April 2021



# **About Vimy Resources**

Vimy Resources Limited (ASX: VMY, OTCQB: VMRSF) is a Perth-based resource development company. Vimy's flagship project is the Mulga Rock Project, one of Australia's largest undeveloped uranium resources, which is located 290km by road ENE of Kalgoorlie in the Great Victoria Desert of Western Australia.

Vimy also owns (79%) and operates the largest granted uranium exploration package in the world-class Alligator River uranium district, located in the Northern Territory. Vimy is exploring for large high-grade uranium unconformity deposits identical to those found in the Athabasca Basin in Canada.

# **Directors and Management**

The Hon. Cheryl Edwardes AM Non-Executive Chairman

Mike Young

**CEO** and Managing Director

David Cornell

Non-Executive Director

Dr Tony Chamberlain

Non-Executive Director

Luca Giacovazzi

Non-Executive Director

Marcel Hilmer

Chief Financial Officer

and Company Secretary

Julian Tapp

Chief Sustainability Officer

Scott Hyman

Vice President Sales and Marketing

Xavier Moreau

General Manager, Geology and Exploration

For a comprehensive view of information that has been lodged on the ASX online lodgement system and the Company website please visit asx.com.au and vimyresources.com.au respectively.

# **Principal Place of Business**

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#### **Share Registry**

Automic Group

1300 288 664 (within Australia) +61 2 9698 5414 (outside Australia)

ALLIGATOR RIVER ROIECT

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Vimy has adopted

#### Towards Sustainable Mining ®

an award-winning accountability framework which helps minerals companies evaluate, manage and communicate their sustainability performance.

Adopting the independently verified system will reinforce Vimy's commitment to continuous improvement in safety, environmental and social governance (ESG).

#### Committed to:



The amount of natural uranium produced from Mulga Rock  $(3.5 \text{Mlbs pa U}_3 \text{O}_8)$ if utilised in nuclear reactors which displaced coal-fired electricity would reduce carbon dioxide equivalent emissions by approximately

## 64 million tonnes



That is equivalent to about 12% of Australia's greenhouse gas emissions and 70% of Western Australia's