



# Quarterly Activities Report

December 2021



## Highlights

- **Mulga Rock – excavation of the Ambassador North pit and construction of water pipeline commenced**
- **Substantial Commencement confirmed and approvals received for Mining Proposal, Mine Closure Plan and Operational Radiation Management Plan**
- **Fieldwork commenced at Alligator River (NT) and Kingston Project (WA)**
- **Uranium market – record spot sales in 2021 of ~100m lbs**
- **Corporate – unsolicited acquisition proposal received and Strategic Review commenced**
- **Cash at Quarter end – \$16.2 million**
- **Post Quarter end – board and management team enhanced with appointment of Managing Director and Chief Operating Officer**

Vimy's Executive Director and CEO, Steven Michael commented:

*"The December Quarter was a momentous period for Vimy and the Mulga Rock Uranium Project.*

*Following receipt of several key project approvals, development of the Ambassador North pit commenced with surface clearing and excavation of the pit ramp. In mid-December, Vimy received confirmation from DWER that 'Substantial Commencement' had been achieved in accordance with the conditions of Ministerial Statement 1046. Mulga Rock is the only uranium project in Western Australia to have met this condition.*

*At the Company's AGM in November, our long-serving Chair, The Hon. Cheryl Edwardes AM, announced her intention to retire from the Vimy Board in early 2022. Under Cheryl's stewardship Vimy has emerged as the vanguard of a new Western Australian industry and a significant future participant in the global uranium sector. The Board and management thank Cheryl for her contribution to Vimy over the past seven years."*



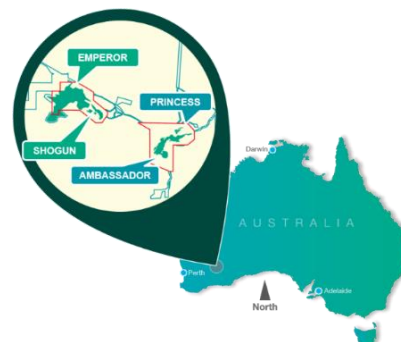
Figure 1 – Ambassador North pit ramp excavation





## Mulga Rock Project

The Mulga Rock Project is one of Australia's largest undeveloped uranium resources and will produce 3.5 million pounds of uranium concentrate annually. Mulga Rock is Vimy's flagship project and is located 290km by road ENE of Kalgoorlie in the Great Victoria Desert of Western Australia. The Project comprises four Mineral Resources – Ambassador and Princess (Mulga Rock East), and Shogun and Emperor (Mulga Rock West).



### Early Works Program and Commencement of Mining

During the Quarter, Vimy received approval from the Western Australian Department of Mines, Industry Regulation and Safety (DMIRS) for the Mulga Rock Mining Proposal, Mine Closure Plan and the Mulga Rock Project Operational Radiation Management Plan.

These approvals, along with the earlier approvals of the Mulga Rock Project Management Plan and Conditional Environmental Management Plans, allowed Vimy to continue the Early Works Program and undertake activities including:

- Clearing of vegetation, topsoil and subsoil at the Ambassador North and Princess pits;
- Excavation of the Ambassador North pit ramp; and
- Construction of the water pipeline to the Kakarook North bore field.

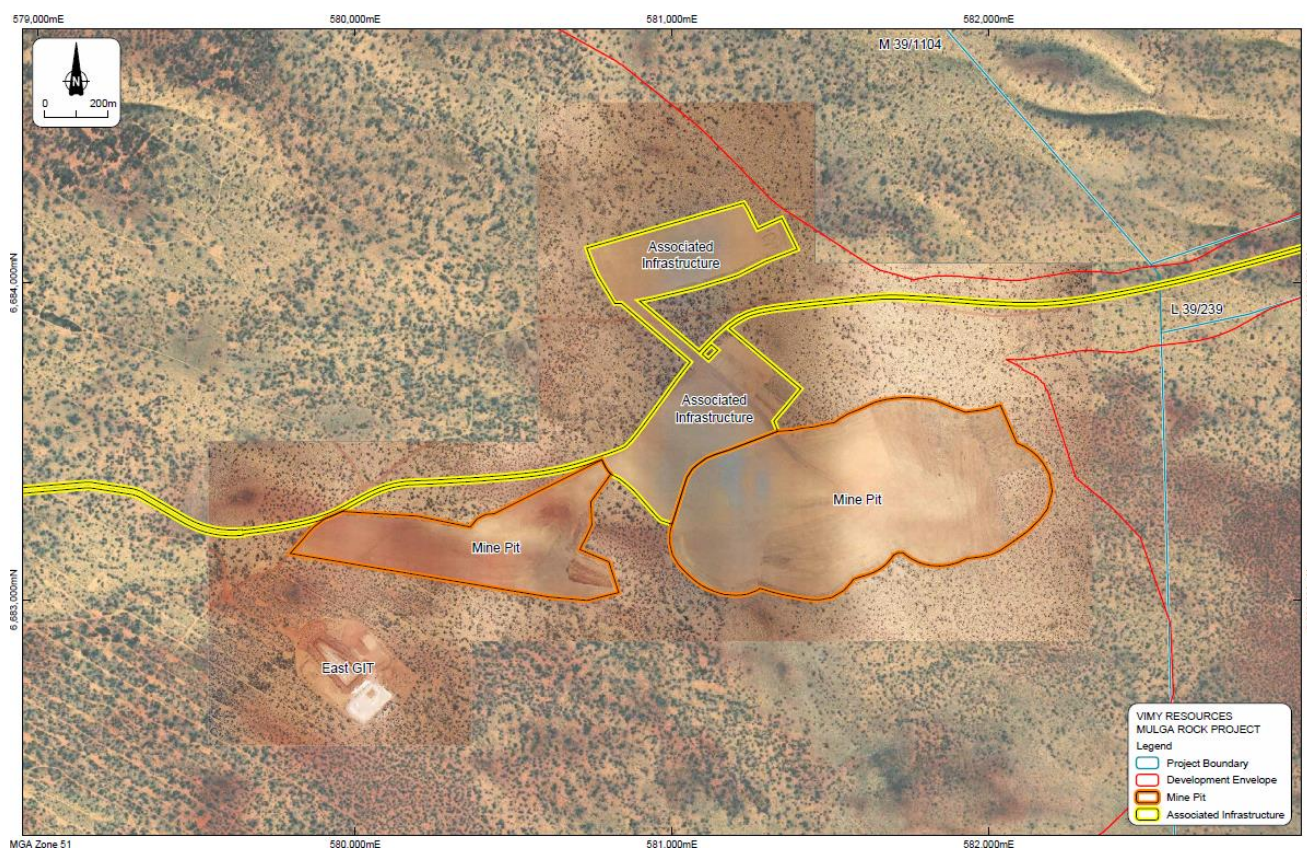


Figure 2 – Mulga Rock East (18 November 2021)





**Figure 3 – Breaking ground at Ambassador North pit (11 December 2021)**

### Substantial Commencement

In December 2016, Mulga Rock was one of only four projects in Western Australia to receive State Ministerial approval to progress with the mining of uranium. A condition of Ministerial Consent 1046 was the requirement to substantially commence implementation of the project within five years and provide notification and supporting evidence.

Vimy provided notification of substantial commencement to the Western Australian Department of Water and Environmental Regulation (DWER) on 26 November 2021 and received formal confirmation of this status on 16 December 2021. Vimy is the only uranium project in Western Australia to have met the Ministerial Consent condition of substantial commencement within five years.

### Kakarook North Bore Field HDPE Pipe Extrusion

In December 2021, Polyline Pipe Solutions (PPS) mobilised its unique mobile HDPE pipe extruding system to Mulga Rock. PPS's technology removes the need to haul large quantities of pipe to site and instead manufactures directly from its mobile MPX630 pipe extruding system, minimising welding requirements, associated loss of efficiency and potential failure points. In addition, by recycling water and heat, reducing trucks on the road and double handling of pipe sections, PPS's MPX technology has the potential to deliver a more sustainable solution and lower environmental footprint.

PPS will initially produce and lay ~8.5 kilometres of black DN400 PN10 HDPE pipe in 500m lengths, representing stage-one of a total pipeline length of 32.5 kilometres from the future processing plant site to the Kakarook North bore field.



**Figure 4 – PPS Extruder First HDPE pipe extruded at Ambassador (8 December 2021)**





## Sandhill Dunnart Conservation Plan

Vimy is implementing a Sandhill Dunnart Conservation Plan (SDCP) designed to reduce the threat posed by feral animals to the Sandhill Dunnart, a small marsupial that inhabits isolated sandy arid and semi-arid areas. In accordance with Vimy's approval process under the Commonwealth Environment Protection and Biodiversity Conservation Act 1999 (EPBC), Vimy has engaged GHD Group to prepare the required SDCP.

The Sandhill Dunnart monitoring program comprises a network of fifty motion-triggered cameras deployed within the SDCP defined area to monitor the presence of sandhill dunnarts, similar critical weight range mammals and feral animals – it represents an extension of the extensive camera trapping programs and associated trapping protocol for small mammals for which Vimy was short-listed for a Golden Gecko environmental award.

Remote motion-triggered cameras are a cost effective, fauna friendly and efficient means of collecting presence/absence data over an extended timeframe. Data gained from this monitoring program will be used in conjunction with the SDCP to manage predators or threats to the Sandhill Dunnart within the defined area.

Vimy expects the SDCP to be submitted to the Commonwealth for approval in the March Quarter 2022.

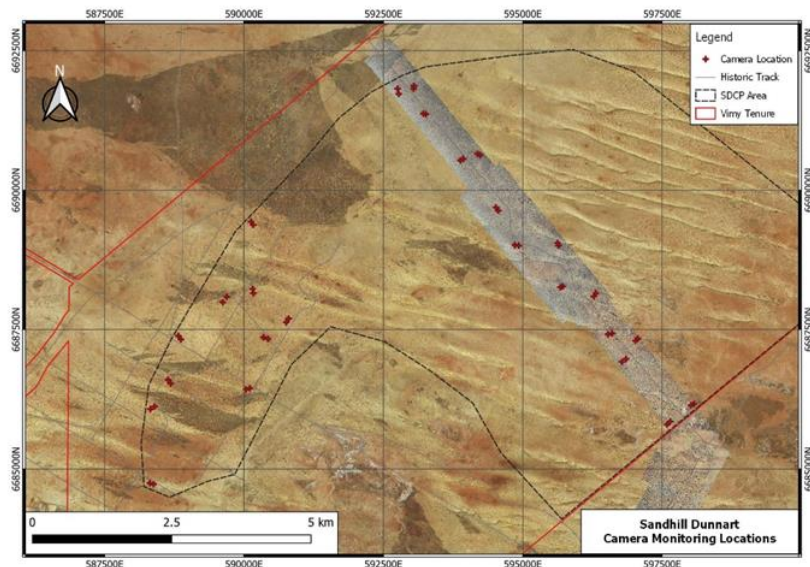


Figure 5 – Location map of the SDCP camera sites



Figure 6 – Example of camera trap layout (November 2021, photographs courtesy of GHD Group)





## Process Optimisation - Ion Exchange (IX) Testwork

As part of the Company's commitment to process optimisation, the IX testwork underway at ANSTO Minerals facilities has delivered results above expectation with regards to loading and stripping (elution) of uranium on the Strong Base Anion resin being tested.

A bulk loading test completed in the current test program compares favourably with previously reported batch tests.

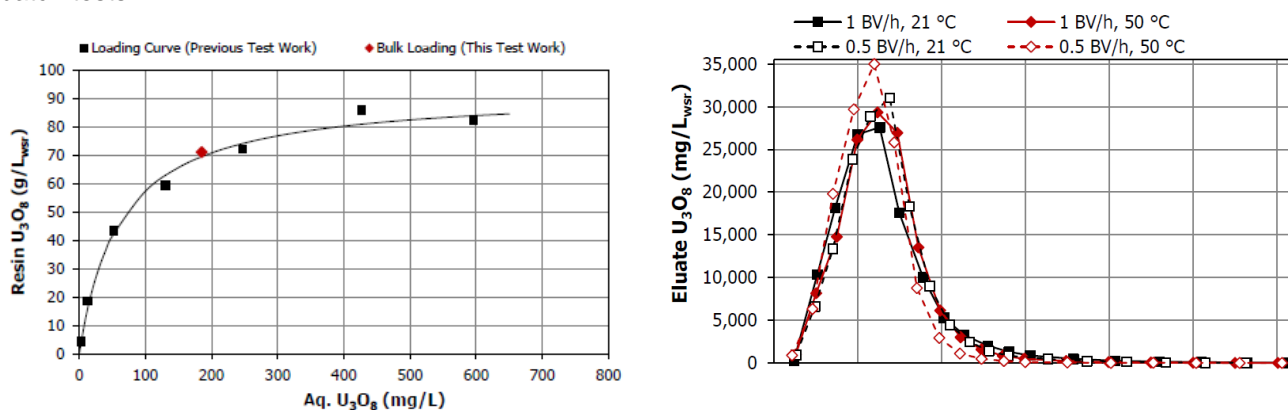


Figure 7 – Bulk loading and elution optimisation tests (ANSTO Minerals)

A separate set of elution tests using ANSTO Minerals elution technology has shown further improvements with 99.7% elution of uranium achieved in 10 Bed Volumes (BV) and residual resin loading of ~0.2 g/Lwsr, under base conditions. Test conditions of 0.5 BV/hr flow rate and 50°C delivered an average eluate concentration of 16 g/L  $U_3O_8$ , a circa eight-fold improvement on the 2018 DFS process design criteria.

These results will inform the elution plant design and a pilot plant program planned to commence in 1Q 2022 at ANSTO Minerals facility in New South Wales.

## Alligator River Project

Vimy's 100%-owned Alligator River Project is the largest granted uranium exploration package in the world-class Alligator River uranium district in the Northern Territory. The potential of the Alligator River Project is demonstrated by the proven track record of the nearby Jabiluka and Ranger deposits providing over 750Mlbs of  $U_3O_8$  in mineral endowment (current resources and mined).

The Alligator River Project covers a total area of 3,865km<sup>2</sup> and comprises three projects:

- King River-Wellington Range - 1,600km<sup>2</sup> of granted tenure;
- Algodó-Beatrice Project - a group of tenement applications to the east of the Ranger and Jabiluka deposits; and
- Mt Gilruth Project - a group of tenement applications to the southeast of the Ranger and Jabiluka deposits.





## Field Work Activities

Field work at the Alligator River Project comprised a soil sampling program at the Angularli North, Bandogge, Such Wow North and Southern Flank prospects (King River-Wellington Range Project). Results of analysis of the ultrafine fraction (<2 µm) by ICP-MS and NIR spectroscopy are pending.

A new composite has been generated from historical drill core for an ore sorting trial to be carried out at Steinert's facilities in Western Australia. Following the ore sorting, the barren and concentrate fractions will be subjected to leach testwork at ANSTO in the first half of 2022.

## Kingston Project (previously Great Victoria Desert Project)

A high-resolution airborne magnetic-radiometric survey has been completed over the Kingston Project (previously Great Victoria Desert Project). The raw data acquired has now been processed by Thomson Airborne, with post-processing and interpretation to commence in February.

The resulting geoscientific dataset will be used for target definition later in the year.

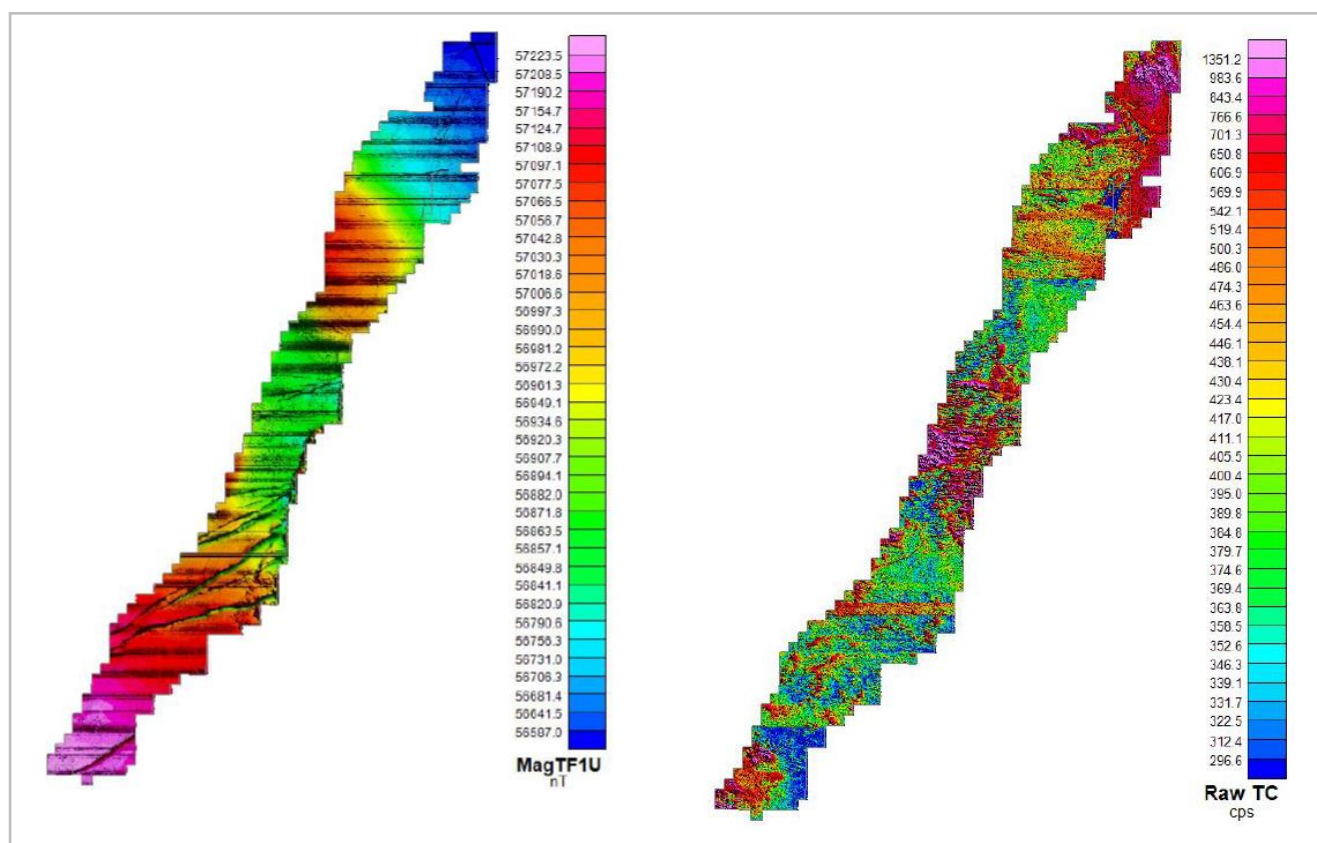


Figure 8 – Kingston Project high-resolution airborne survey. Total magnetic field (left) and total radiometric counts (right)





## Uranium Market Overview and Outlook

As we entered the final quarter of 2021, the uranium spot market continued to exhibit signs of price and volume volatility. During the quarter, the price per pound indicators fluctuated between a low of just over \$39 to a high of mid-\$47 before settling at \$42 for year end. As for volume, transacted totals for the quarter remained robust until leveling off in the latter half of December. Market participants primarily included a mix of traders, financial entities, and hedge funds although some utilities sought to fill relatively small, short term supply gaps with opportunistic purchases.

For the 2021 calendar year, the spot market established a new all-time record approaching 100 million pounds, surpassing the previous high set in 2020. Overall, much of the increased activity remains attributable to the ongoing rise of equity investments available to financial entities and hedge funds including Sprott Physical Uranium Trust (SPUT) and Yellow Cake, amongst others. This trend will likely carry forward into 2022 and perhaps even increase with the anticipated addition of a new Kazak based fund (ANU).

As for the long-term market, the average monthly reported price remained mostly static throughout the quarter. However, the strengthening spot price combined with various global events such as anticipated supply deficiencies, ongoing COVID impacts, and increased geo-political risks may result in utility action to re-evaluate long-term contract coverage as well as re-assess supply and supplier diversity within their portfolios. Globally, longer term contract requirements remain largely open and the gap between contracted uranium and forecasted annual requirements continues to widen out in time.

Lastly, the quarter saw at least a brief return to some sense of business normalcy with one of the first in-person nuclear fuel conferences taking place in almost two years due to COVID restrictions. The Nuclear Energy Institute hosted the International Uranium Fuel Seminar with company attendee representatives from across the industry including Vimy's US-based Scott Hyman.

## Corporate

### Corporate Activity and Strategic Review

During the Quarter, Vimy announced that after receiving unsolicited approaches from several parties it had initiated a process to review project de-risking and corporate value enhancing opportunities (Strategic Review Process). This process will also consider the value that may be achieved through potential corporate transactions with recognised industry participants. The Strategic Review Process will run in parallel with Vimy advancing the stand-alone development of the Mulga Rock Project on a 100% Vimy basis. Vimy has appointed Macquarie Capital Australia Limited as financial adviser and MinterEllison as legal adviser to assist the Board in this process.

### Annual General Meeting

The AGM was held on 26 November 2021 with all resolutions passed.

### Retirement of The Hon. Cheryl Edwardes AM

At the Company's 2021 AGM, The Hon. Cheryl Edwardes AM advised of her intention to retire from the Board on or around 1 March 2022. Ms Edwardes has served as the Company's Independent Non-Executive Chairman since 2014 and has tirelessly navigated Vimy through the project development process that has culminated in Mulga Rock achieving the critical substantial commencement milestone.



### Appointment of Managing Director

During the Quarter, the Company's Interim Chief Executive Officer, Mr Steven Michael joined the Board as an Executive Director. Subsequent to the Quarter, Vimy announced that Mr Michael has been appointed as Vimy's Managing Director and Chief Executive Officer from 1 March 2022.

Mr Michael has over 25 years' experience in the global resources sector, specialising in corporate finance and equity capital markets and was a Managing Director at FTI Consulting, an independent global business advisory firm, where he specialised in business transformation for mining companies.

Prior to joining FTI Consulting, Mr Michael spent nine years as Managing Director of an ASX-listed exploration company with a portfolio of assets in Australia and Africa. He has previously worked in the natural resources divisions of Macquarie Bank, Rothschild & Co, and Royal Bank of Canada, in global mining equities research and sales, corporate finance and investment banking.

Mr Michael is a Member of the Institute of Chartered Accountants and is a member of the Australian Institute of Company Directors.

### Appointment of Non-executive Director

Mr Wayne Bramwell joined the Board of Vimy as Non-executive Director in October 2021. Mr Bramwell is an experienced mining executive and company director with over 30 years of international and Australian project evaluation, development and operations expertise across the base metals, precious metals and bulk commodity sectors. He holds a Bachelor of Science Degree in Extractive Metallurgy (Murdoch), a Graduate Diploma in Business Studies (Curtin), a Master of Science Degree in Mineral Economics (Curtin/WASM) and is a graduate of the Australian Institute of Company Directors.

Mr Bramwell is currently Executive Director of ASX-listed gold producer Westgold Resources Limited and was previously Group Business Manager at the Creasy Group.

### Appointment of Chief Operating Officer

Subsequent to the Quarter, Vimy announced the appointment of Dr Tony Chamberlain as Chief Operating Officer (COO). Dr Chamberlain first joined Vimy as an executive in 2014, where he successfully took the Mulga Rock Project from concept to a Definitive Feasibility Study in under four years. During this time, he led the overall management of environmental approvals for the Mulga Rock Project and was instrumental in the acquisition of the Alligator River Project in March 2018. Dr Chamberlain joined the Vimy Board as a Non-Executive Director in February 2019.

Dr Chamberlain holds a PhD in Metallurgy and has over a decade of uranium experience and brings a wealth of project experience in guiding the Mulga Rock Project into operation.

Dr Chamberlain will commence his executive role at the start of February 2022. He will step down from the Board once a suitable replacement is found.

### Change of Chief Financial Officer

In November 2021, Vimy advised that Matthew Owen of Qlarity Corporate Services had been engaged to provide Chief Financial Officer (CFO) services to the Company following the resignation of the previous CFO, Mr Marcel Hilmer. Mr Owen brings extensive prior experience across diverse industry sectors including renewable energy, resources, treasury, governance and audit, and manufacturing. Mr Owen is a member of the Institute of Chartered Accountants and is a member of the Governance Institute of Australia.





### Appointment of Company Secretary

Ms Shannon Coates was appointed as Company Secretary in October 2021. Ms Coates is a qualified lawyer, Chartered Secretary and graduate of the AICD's Company Directors course. She has more than twenty-five years' experience in corporate law and compliance, is Managing Director of Perth-based corporate advisory firm Evolution Corporate Services and is currently company secretary to a number of ASX-listed companies, with a strong focus on resources.

### Cash at Bank

Cash at 31 December 2021 amounted to \$16.2 million.

### Expenditure

Cash spent on operating activities including development, exploration and evaluation, staff costs, administration and corporate costs and uranium marketing activities in the December 2021 Quarter amounted to \$5.7 million, including \$4.3 million on the Early Works Program at the Mulga Rock Project and exploration at the Alligator River and Kingston Projects.

Pursuant to ASX Listing Rule 5.3.5, the Company notes that during the December quarter, \$432k was paid to FTI Consulting, an associate of Ms Edwardes and Mr Michael, for providing CEO, COO and advisory services.

### Tenements

Tenement details for the Mulga Rock Project (Narnoo Mining Pty Ltd), Alligator River Project (Viva Resources Pty Ltd) and Kingston Project (Vélo Resources Pty Ltd) are shown in Table 1.

**Steven Michael**  
**Interim CEO**

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

31 January 2022





**Table 1: Tenement details at 31 December 2021**

Tenement	Nature of Interest	Interest at Beginning of Quarter	Interest at End of Quarter
<b>Mulga Rock Project (Mt Margaret Mineral Field, Western Australia)</b>			
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%
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%
<b>Alligator River Project (Northern Territory)</b>			
EL22430	Granted	100%	100%
EL24920	Granted	100%	100%
EL26089	Granted	100%	100%
EL24017	Granted	100%	100%
EL25064	Granted	100%	100%
EL25065	Granted	100%	100%
EL27059	Granted	100%	100%
EL5893	Granted	100%	100%
<b>Kingston Project (Mt Margaret Mineral Field, Western Australia)</b>			
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%





## 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 (100%), 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 wholly owns 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.

Vimy acknowledges the Traditional Custodians of the country on which we work and travel, throughout Australia, and respects their associated connections.

### Directors and Management

The Hon. Cheryl Edwardes AM  
*Non-Executive Chairman*

Wayne Bramwell  
*Non-Executive Director*

Steven Michael  
*Executive Director & CEO*

Dr Tony Chamberlain  
*Executive Director & COO*

Paula Arthur  
*Manager Approvals and ESG*

Shannon Coates  
*Company Secretary*

Scott Hyman  
*Vice President Sales and Marketing*

Xavier Moreau  
*General Manager, Geology and Exploration*

Matthew Owen  
*Chief Financial Officer*

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](http://asx.com.au) and [vimyresources.com.au](http://vimyresources.com.au), respectively.

#### Principal Place of Business

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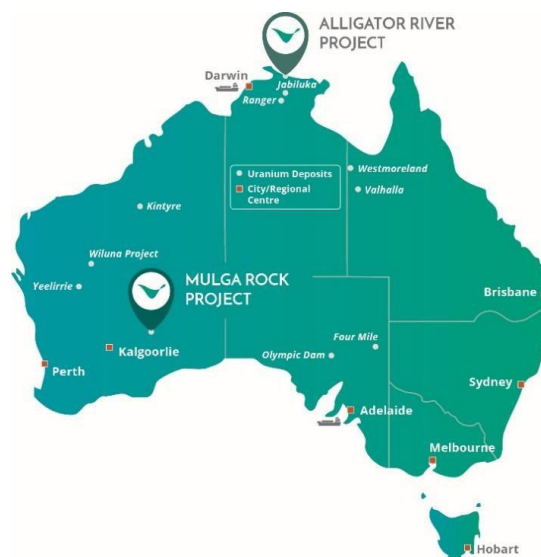
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E: [info@vimyresources.com.au](mailto:info@vimyresources.com.au)

ABN: 56 120 178 949

#### Share Registry

Automic Group

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+61 2 9698 5414 (outside Australia)  
W: [investor.automic.com.au](http://investor.automic.com.au)  
E: [hello@automicgroup.com.au](mailto:hello@automicgroup.com.au)



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:

**ESG**

The amount of natural uranium  
produced from Mulga Rock  
(3.5Mlbs pa U<sub>3</sub>O<sub>8</sub>)  
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