



# *Mining a cleaner tomorrow*

Investor Presentation – March 2017

Mike Young, Managing Director and CEO  
Vimy Resources Limited



## ● ● Vimy's vision and mission

### ‘Mining a cleaner tomorrow’

Vimy aims to become a **reliable** and **respected** uranium producer.



# ● ● Vimy Resources – a uranium company



## Project

Mulga Rock – 31Mlbs Probable Reserve  
targeting 17 year mine life

## People

Proven track records in building mines  
and strong uranium experience

## Commodity

An undervalued new energy asset

## Financially sound

Strong balance sheet

## Stakeholders

RCF VI support from 2015  
FFI support from 2014



# ● ● People who deliver mines



## Hon. Cheryl Edwardes AM

Non-Executive Chairman

***Significant networks in Government and in Asia's business community***

Former WA State Government Minister holding Ministries of Environment, Labour Relations and Attorney General



## Mike Young

CEO and Managing Director

***Building mines***

Founding Managing Director of BC Iron Ltd  
Uranium experience in Canada and Australia



## Julian Tapp

Executive Director

***Expertise in regulatory approvals***

Previous Head of Government Relations and Director of Strategy at Fortescue Metals Group



## Tony Chamberlain

Chief Operating Officer

***Considerable experience with Australian uranium projects***

Extensive operational and capital delivery experience; has previously worked on several uranium projects globally



## Xavier Moreau

GM Geology

***Our in-house uranium encyclopedia***

French-born and trained with extensive experience with Areva



## Ron Chamberlain

CFO and Company Secretary

***Finance professional with uranium experience***

Significant experience in funding and development of uranium projects – CFO Paladin

# ● ● We deliver on time and on budget

## 2015

Scoping and proving

- ✓ Completion of Scoping Study
- ✓ Beneficiation works
- ✓ Pre-feasibility Study completed:
  - ~16 year mine life
  - Proven project economics at long-term contract prices
  - Total Resource Estimate 66.6Mt at 520ppm  $U_3O_8$  for 76.2Mlb  $U_3O_8$
- ✓ Low risk and low cost mining process

### Environmental

- ✓ Delivered Environmental Scoping Document

## 2016

Optimisation and de-risking

### Environmental approvals

- ✓ EPA recommendation of Project
- ✓ WA Ministerial approval

### Definitive Feasibility Study

- ✓ Infill drilling
- ✓ Resource updates
- ✓ Mine scheduling and Ore Reserves
- ✓ Test pits – bulk samples

### Metallurgical

- ✓ Beneficiation pilot plant
- ✓ Leach and U extraction pilot plant
- ✓ First yellowcake produced

## 2017 and 2018

Marketing and engineering

- ✓ Federal environmental approval

### U Marketing and project financing

- Early engagement with banks, secure offtake terms

### Engineering

- Plant design to produce 3Mlbs  $U_3O_8$
- Assessment of supporting infrastructure
- Capital and operating cost estimate

### Early works

- Project construction and infrastructure
  - Mine access road
  - Associated infrastructure

Targeting first production 2019



# ● ● Strong balance sheet and shareholder base

## Capital structure

**31 Jan 2017**

Shares on issue	317 million
Share price	\$ 0.24
Market capitalisation	\$ 76 million
Cash (31 December 2016)	\$ 8.2 million
Options (unlisted)	2.9 million @ 35c (June 2018)
	8.7 million @ 154c (Dec 2018)
	8.7 million @ 70c (Dec 2018)
	1.4 million @ 80c (Dec 2019)

## Significant shareholders

**24 Jan 2017**

Resource Capital Fund VI	29%
Forrest Family Investments	18%
Macquarie	14%
Acorn Capital	12%
Michael Fewster	11%
Directors and management	4%



### Resource Capital Fund VI (“RCF”)

is a group of private equity funds with a mining sector specific investment mandate.

### Forrest Family Investments (“FFI”)

is an entity within the Andrew Forrest backed Minderoo Group.

# ● ● Mulga Rock Project – simple, low risk



**Large deposit**

76.8 Mlb  $U_3O_8$  Ind & Inf Resource  
31.2 Mlb  $U_3O_8$  Prob Ore Reserve\*

**Simple geology**

Flat lying lignite-hosted;  
Supergene RedOx enrichment

**Simple mining**

Proven coal mining methods;  
free-dig, strip mining allows  
“real time” rehab

**Simple metallurgy**

Sand beneficiation and upgrade;  
Simple acid leach technology;  
in-pit tailings disposal

**Simple product  
Simple transport**

Yellowcake product  
shipping via Adelaide

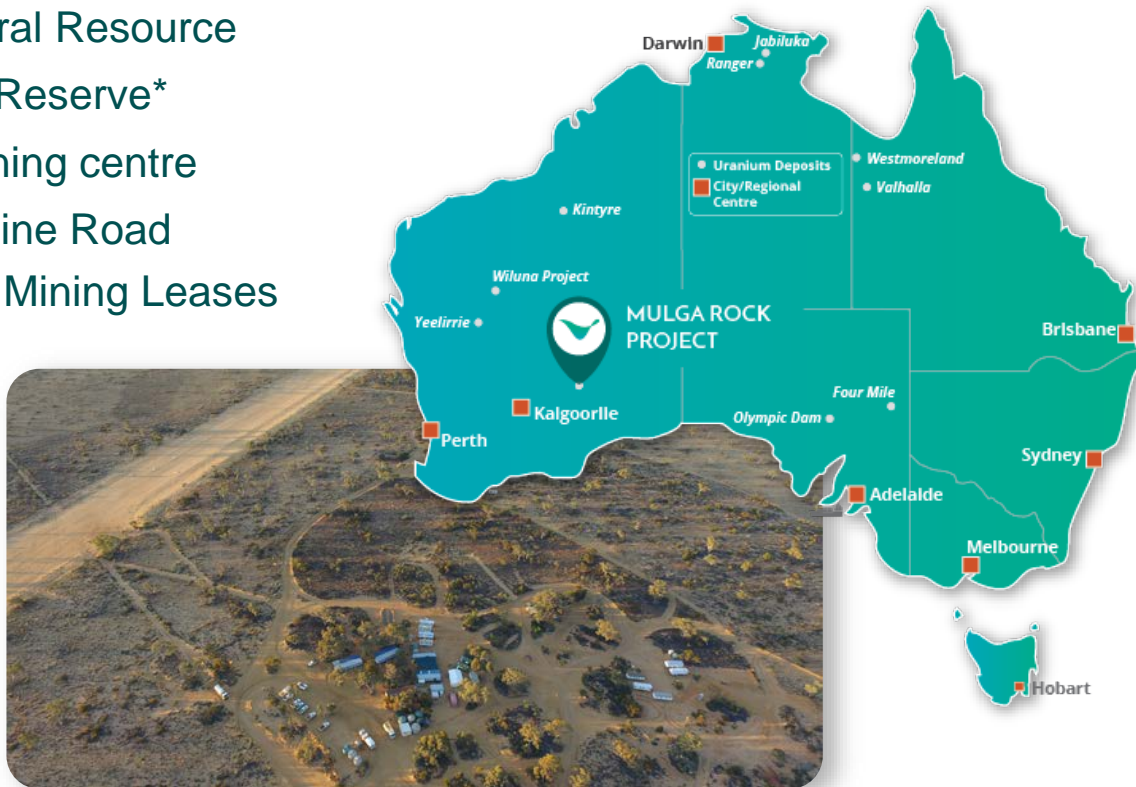


\*Ore Reserve is a subset of Resources, [see Appendix](#)

# Mulga Rock Project

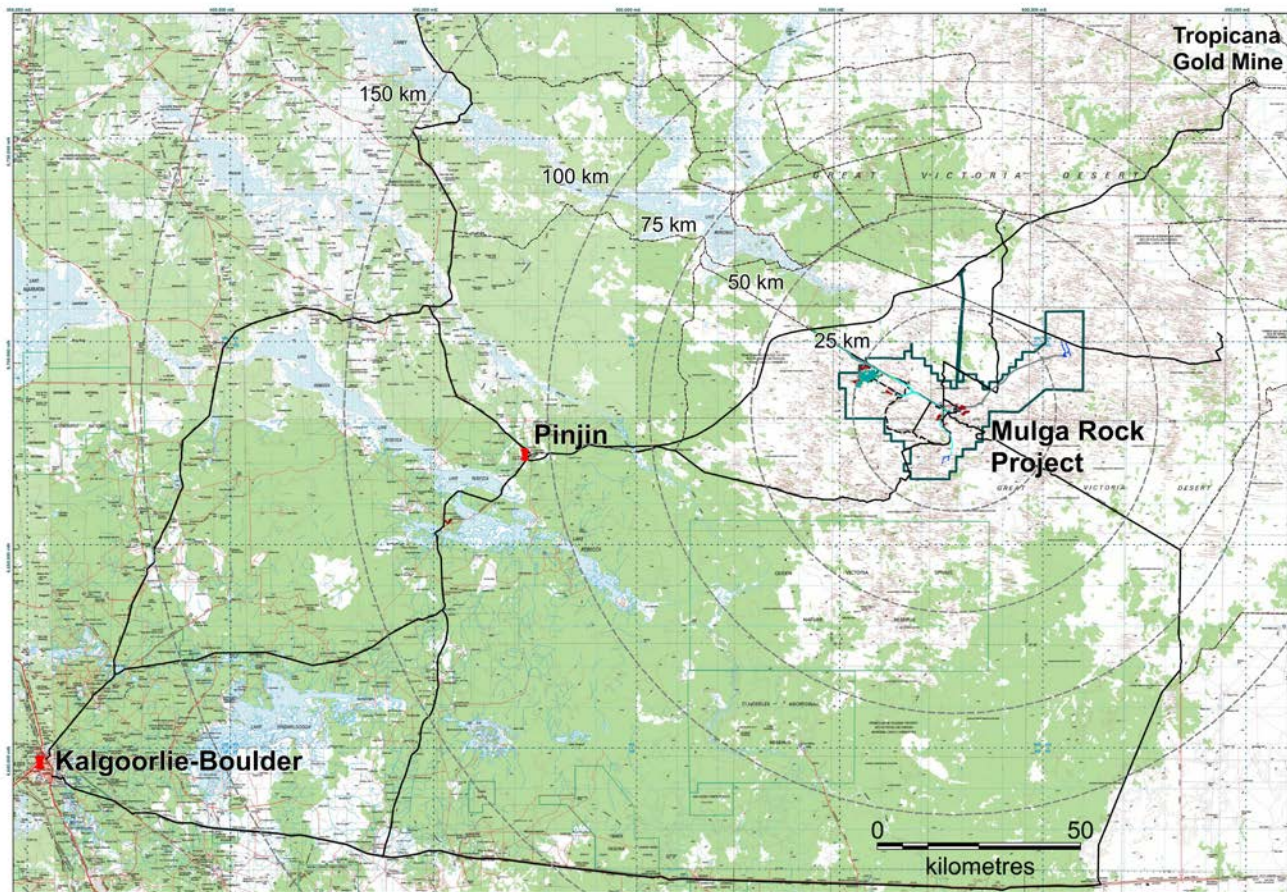
- Approved by WA and Federal Government
- 76.8 Mlb  $U_3O_8$  Ind & Inf Mineral Resource
- 31.2 Mlb  $U_3O_8$  Probable Ore Reserve\*
- 240 km east of Kalgoorlie mining centre
- Access via Tropicana Gold Mine Road
- Deposits covered by granted Mining Leases on unallocated Crown land
- Annual production rate of 3Mlb  $U_3O_8$  per year

\* Ore Reserve is a subset of Resources, [see Appendix](#)





## Project location



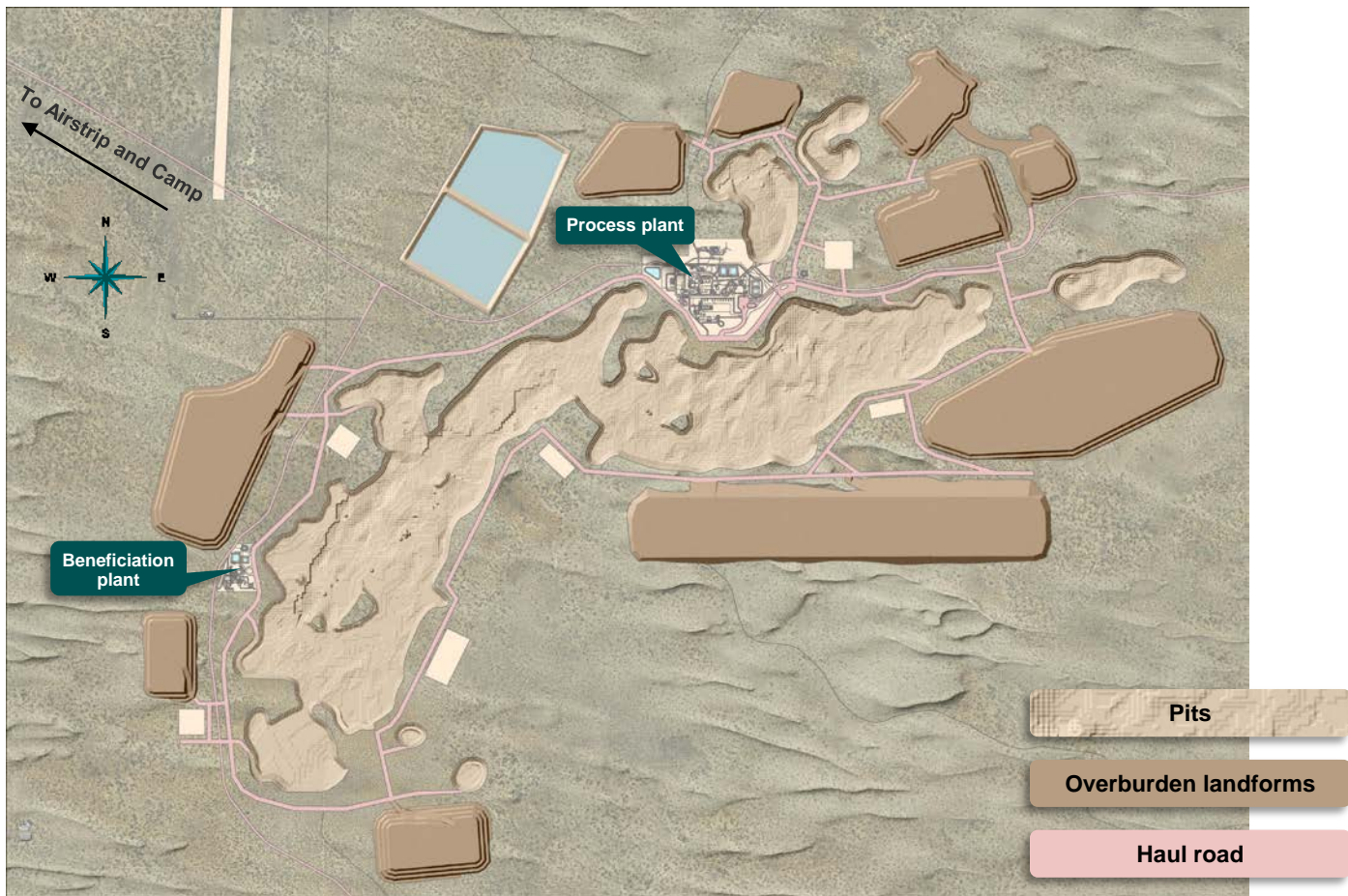
# Mulga Rock Probable Ore Reserve – November 2016

Deposit / Resource	Classification	Cut-off grade (ppm U <sub>3</sub> O <sub>8</sub> )	Tonnes (Mt)	U <sub>3</sub> O <sub>8</sub> (ppm)	Total metal U <sub>3</sub> O <sub>8</sub> (Mlb)
<b>Mulga Rock East</b>					
Princess	Probable	150	1.1	734	1.7
Ambassador	Probable	150	16.4	753	27.3
<b>Sub-total</b>		150	17.5	752	29.0
<b>Mulga Rock West</b>					
Shogun	Probable	150	1.2	808	2.2
<b>Sub-total</b>		150	1.2	808	2.2
<b>Total Reserve</b>			<b>18.7</b>	<b>755</b>	<b>31.2</b>

- 41% increase in contained metal from the Maiden Ore Reserve in March 2016
- 15% increase in uranium grade increases from 660ppm to 755ppm U<sub>3</sub>O<sub>8</sub>
- Ore Reserves underpin a +10 year mine life with additional six years mining inventory

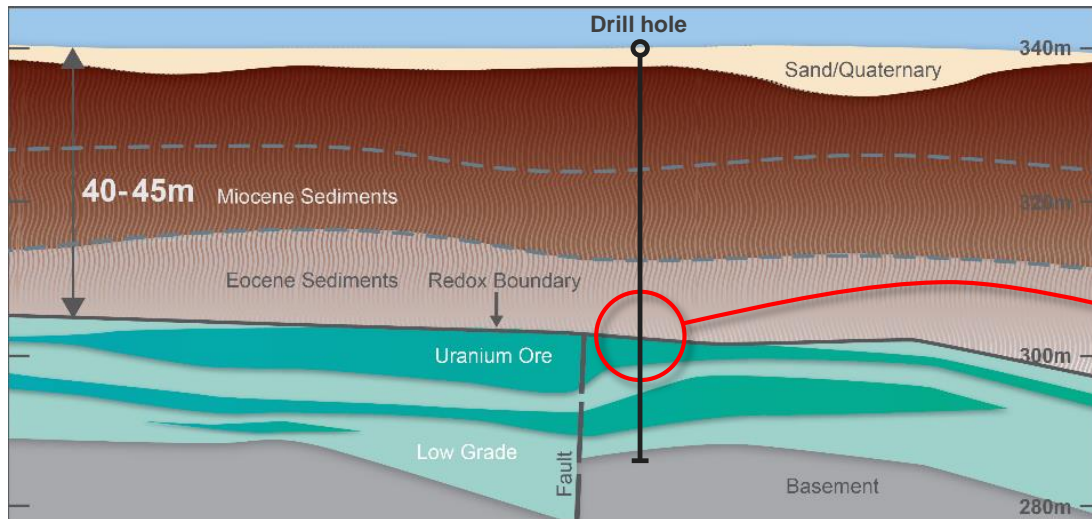
This Reserve estimate was released to the [ASX on 16 November 2016](#).

# Development plan – Ambassador and Princess pits





# Geology: carbon-rich sediment host rock



- Hosted within deeply weathered sediments comprising carbonaceous sandstone; silt; sandy lignites
- Significant supergene enrichment at Redox Zone
- Mostly **Uraninite ( $\text{UO}_2$ )** associated with carbonaceous material and lignite – no complex silicate minerals
- Deep weathering = *soft friable rock*

Typical aircore drill hole



Overburden –  
oxidised sediments

Redox boundary

Supergene  
enrichment

Uranium-bearing  
carbonaceous  
sandstone

# ● ● Mining: simple, established mining methods

- Geotechnical investigation trenches confirm:
  - Free digging nature of overburden and ore
  - Clear demarcation at upper ore contact
- Bulk mining methods for overburden excavation
- Strip mining method results in in-pit waste disposal and 'real time' rehabilitation – *key environmental factor*
- Pit voids to be used for tailings disposal and management – *key environmental factor*

Ambassador East pit  
February 2016



Close-up in Japanese test pit (1980s)  
showing carbon-rich ore  
and free dig nature of material



## ● ● Geotechnical investigation trenches



## ● ● Test pit: highly selective mining and an upgrade

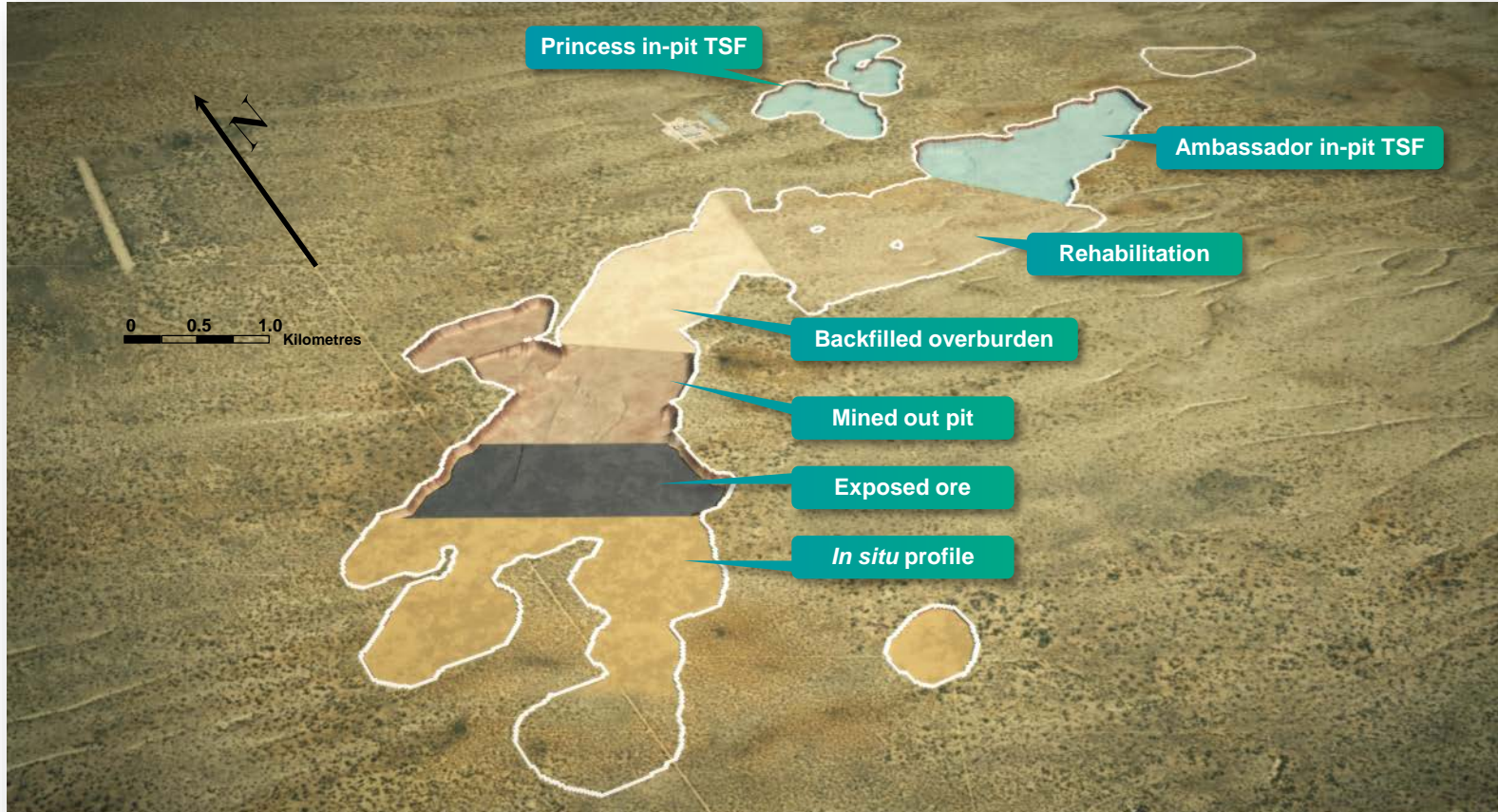


- Excavation of the ore zone showed a high degree of selectivity
- Allows selective mining of high grade ore
- Bulk sample of mineralised zone have 53% higher contained  $U_3O_8$  in bulk sample than estimated in resource model
- Under-estimation of metal is a result of cumulative conservative assumptions
- ~300 hole infill drill hole programme completed at Ambassador to follow-up the upgrade

Pit	Resource Model $U_3O_8$ (kg)	Test pit bulk sample results $U_3O_8$ (kg)	Change kg $U_3O_8$ (%)
East Test Pit	63	96	52%
West Test Pit	74	114	54%
<b>Total</b>	<b>137</b>	<b>210</b>	<b>53%</b>



## ● ● Mining: progressive, strip mining operation



# ● ● Process development – pilot test work

**Beneficiation**



**Leach circuit**



**Resin-in-Pulp circuit**



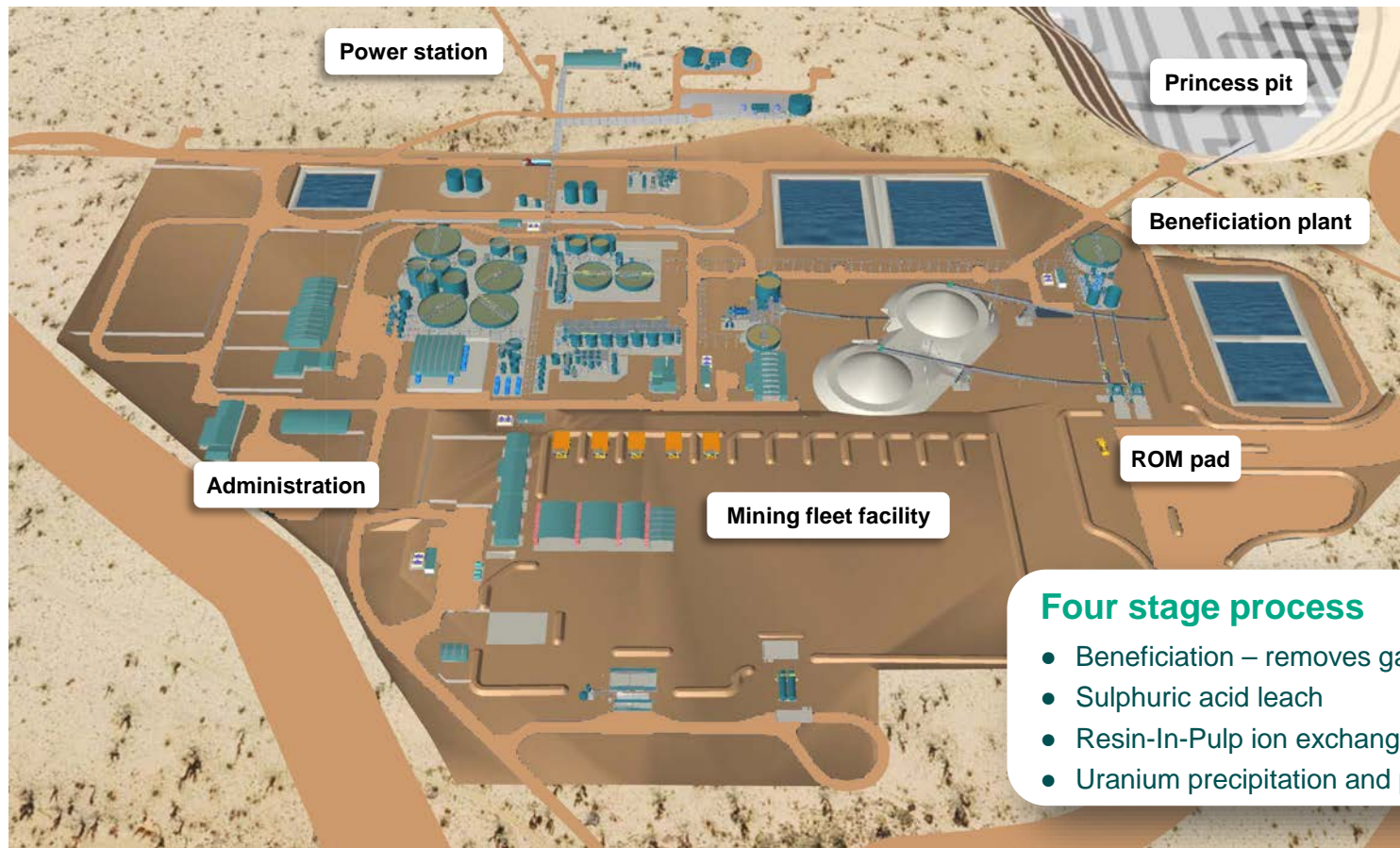
**Uranyl  
Peroxide  
product**



**U precipitation**



# Proposed plant layout



## Four stage process

- Beneficiation – removes gangue sands
- Sulphuric acid leach
- Resin-In-Pulp ion exchange
- Uranium precipitation and packaging



# ● ● Marketing and financing plan

## Key market and financing dynamics

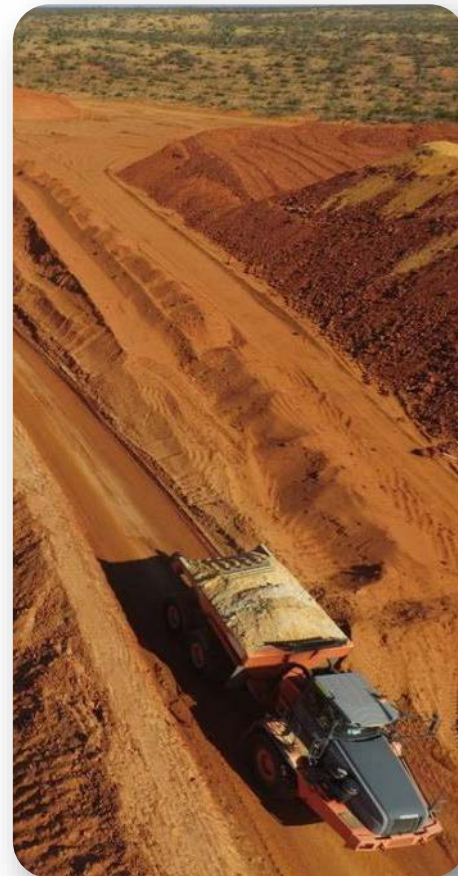
- ❑ Market-led model – USA, Europe, Middle East – bankable offtake contracts
- ❑ EPC-offtake model – Korea, China – combined EPC, offtake, finance

## Marketing-led finance plan

- ❑ Separate offtake, finance, marketing activities
- ❑ Retains corporate independence from financiers
- ❑ Allows flexibility in customer base – geography, companies
- ❑ Allows management and flexibility of E&C contracts

## Finance strategy

- ❑ DFS to establish adequate Reserves and cost base
- ❑ Early engagement with banks – establish bankable “Floor Price”
- ❑ Early engagement with utilities and converters (i.e. Areva)
- ❑ Mix debt equity – depends on counter parties, WACC, dilution
- ❑ Strong backing from existing shareholders

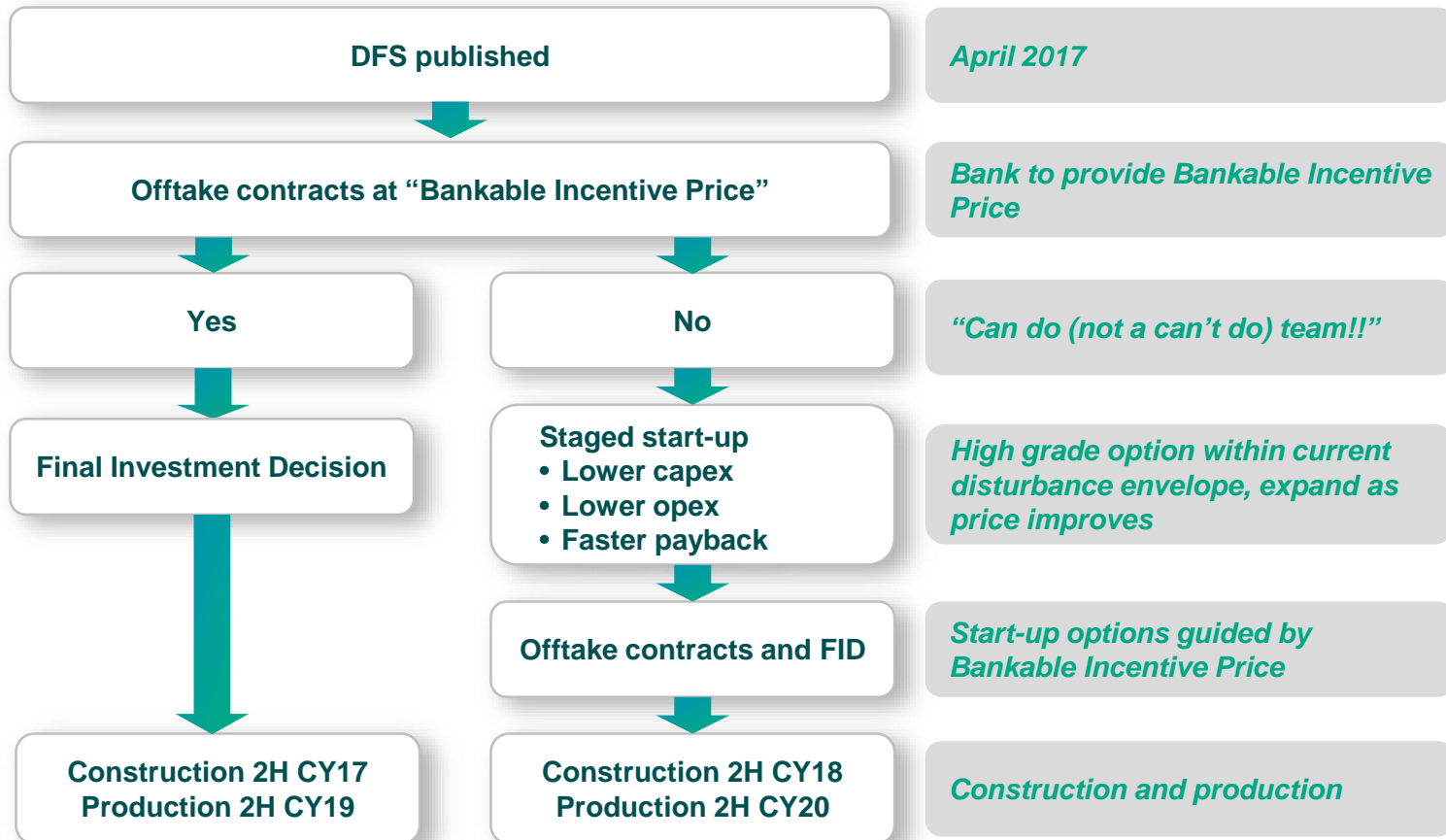


The diagram illustrates the process flow for a Final Investment Decision (FID). It features a central vertical bar with a dark teal header labeled "FID". The bar is divided into 12 horizontal segments. The top segment is dark teal, the second is light gray, the third is white, the fourth is green, the fifth is white, the sixth is white, the seventh is white, the eighth is white, the ninth is white, the tenth is blue, the eleventh is green, and the twelfth is blue. To the left of the bar, a large gray arrow points right, labeled "Board approval to proceed". To the right of the bar, a large gray arrow points down, labeled "Final Investment Decision (FID)".

- Final metallurgical testwork and uranium precipitation
- Engineering plant design to produce 3Mlbs  $U_3O_8$
- Mining studies and cost estimates
- Capital and operating cost estimates

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# Final Investment Decision



# ● ● Key achievements and catalysts

## Achievements

- **Environmental approvals** – received WA State approvals in December 2016 and Federal approval in March 2017
- **Pilot plant studies** – no surprises, “it all works!”
- **Test pit bulk sample results** – positive reconciliation, 53% higher contained  $U_3O_8$

## Catalysts

- **DFS** – on track to publish in April 2017
- **Infill drilling results** – possible metal upgrade
- **U market outlook** – positive



## ● ● Investment summary

Globally significant uranium deposit  
– **size and scale**

Excellent commodity opportunity  
– **undervalued asset class**

People with track record and vision  
– **can do attitude**

“Non-stop” development schedule  
– ***“It all works”***

Strong balance sheet and stakeholder support





# ● ● Disclaimer and statement of confirmation

The purpose of this presentation is to provide general information about Vimy Resource Limited (**Vimy**); it constitutes a professional opinion only and is given in good faith. It is not recommended that any person makes any investment decision in relation to Vimy based on this presentation. To the extent that this presentation contains "forward-looking statements" they are only subjective predictions and are subject to inherent risks and uncertainties which could cause outcomes to differ materially from those expressed, implied or projected in such forward-looking statements. No representation or warranty, express or implied, is made by Vimy that the material contained in this presentation is accurate, reliable, relevant or complete, or will be achieved or prove to be correct.

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## Pre-feasibility Study statement

The Company advises that the Pre-feasibility Study referred to in this presentation is based on lower-level technical and preliminary economic assessments, and does not yet support a statement of Ore Reserves or to provide assurance of an economic development case at this stage, or to provide certainty that the conclusions of the PFS will be realised. The Production Target referred to in this announcement is partly based on Inferred Mineral Resources (which comprise approximately 28% of the Inferred Resource mined during the project payback period of 7 years at the capital breakeven uranium price). There is a low level of geological confidence associated with the Inferred Mineral Resources and there is no certainty that further exploration work will result in the determination of Indicated or Measured Mineral Resources or that the production target or preliminary economic assessment will be realised.

## Statement of confirmation by Company

The Company confirms that all the material assumptions underpinning the information in the Pre-feasibility Study release of 17 November 2015 continue to apply and have not materially changed.

The Resource Estimate referred to above was announced to the market by the Company on 23 June 2016 and 7 November 2016. The Company is not aware of any new information, or data, that affects the information in that announcement and that all material assumptions and technical parameters underpinning the estimates continue to apply and have not materially changed.



# Appendix

Biographies – Board and management  
Resource Estimates and tables

# ● ● People: The Board



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

- Former WA State Government Minister holding Ministries of Environment, Labour Relations and Attorney General
- Providing statutory and approvals advice to Atlas Iron, Hancock Prospecting, FTI Consulting
- Significant networks in State and Federal Government and broad experience and networks in China's business community



## **Mike Young – Chief Executive Officer and Managing Director**

- Founding Managing Director of BC Iron Limited from 2006 – 2013. BC Iron went from first drill hole to first ore on ship in under four years
- Experienced mining consultant – Resource modelling and estimation – with Golder Associates
- Founding director of uranium developer Bannerman Resources and currently non-executive Chairman of Cassini Resources
- Studied at Queens University, Ontario and worked on uranium exploration projects and mines in Canada



## **Julian Tapp – Executive Director**

- Head of Government Relations and Director of Strategy at Fortescue Metals Group until 2012 with special responsibility for expediting approvals
- Trained as an economist in London, lectured at a number of universities including the London School of Economics
- Chief Economist for Ford Europe, BP and Rover Group before transitioning into role as Director, New Business Development



## **David Cornell – Non-Executive Director**

- Founding director of the Element Group with significant commercial and financial experience in the mining and oil and gas sectors
- Previously an associate director at the LinQ group which managed Australia's largest listed resource fund
- Specialist in providing corporate and professional services to both WA junior explorers and international mining companies



## **Andy Haslam – Non-Executive Director**

- Highly qualified mining executive, with significant experience in project development and operations for both miners and mining contractors
- Currently Non-Executive Director of BC Iron and industry representative on WA Quarry Managers' Board of Examiners
- Holds Diplomas in Mining and Extractive Industries Management from University of Ballarat, Victoria and SEM College in Western Australia



## **Mal James – Non-Executive Director**

- Resources company director with extensive background in finance and accounting
- Very strong focus on uranium, developed over ten years at Peninsula Energy as Executive Director responsible for daily operations through to finance
- Holds a Bachelor of Business (Accounting) from RMIT Melbourne, Fellow of Australian Institute of Company Directors and is a Member of AusIMM

# ● ● People: The Team



## **Ron Chamberlain – Chief Financial Officer and Company Secretary**

- Financial professional with over 25 years' experience in resources companies – exploration through to mine closure
- Significant experience with uranium companies as inaugural CFO for Paladin Energy and Extract Resources
- Bachelor of Commerce from UWA and Fellow of Chartered Accountants Australia and New Zealand



## **Tony Chamberlain – Chief Operating Officer**

- Involved in a number of uranium projects in Australia, Asia, Africa and Eurasia
- Extensive operational and process engineering experience with WMC and BHP Billiton projects
- Delivered pre-feasibility and feasibility studies and process design packages for Goldfields, Barrick, Paladin and Mega Uranium



## **Xavier Moreau – Geology and Exploration**

- General Manager of Geology and Exploration at Vimy since February 2010
- Valuable uranium project management experience with Areva and U3O8 Limited
- Extensive experience in uranium and gold exploration with Areva and Afmeco with significant time spent on Goldfields projects
- Educated in France and Canada and holds an Honours degree in Geology





# Mulga Rock Probable Ore Reserve – November 2016

Deposit / Resource	Classification	Cut-off grade (ppm U <sub>3</sub> O <sub>8</sub> )	Tonnes (Mt)	U <sub>3</sub> O <sub>8</sub> (ppm)	Total metal U <sub>3</sub> O <sub>8</sub> (Mlb)
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<b>Total Reserve</b>		150	18.7	755	31.2

- 41% increase in contained metal from the Maiden Ore Reserve in March 2016
- 15% increase in uranium grade increases from 660ppm to 755ppm U<sub>3</sub>O<sub>8</sub>
- Ore Reserves underpin the DFS and ongoing product offtake and financing discussions

This Reserve estimate was released to the ASX on 16 November 2016. <http://www.asx.com.au/asxpdf/20161116/pdf/43cyddqx564p21.pdf>



# Mulga Rock Mineral Resources

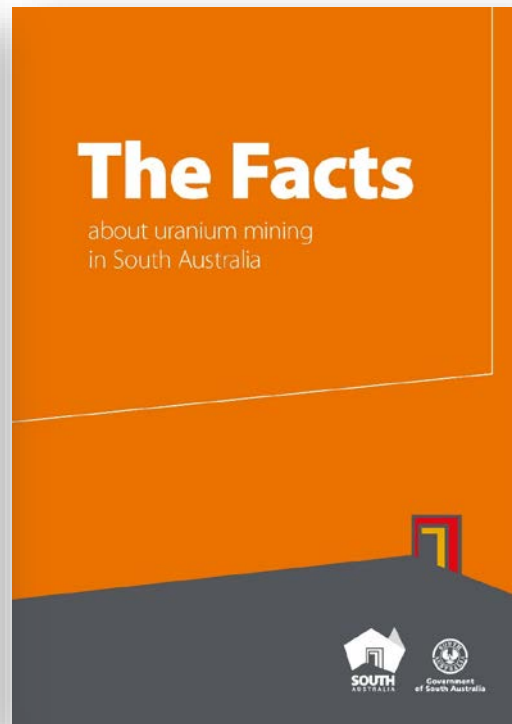
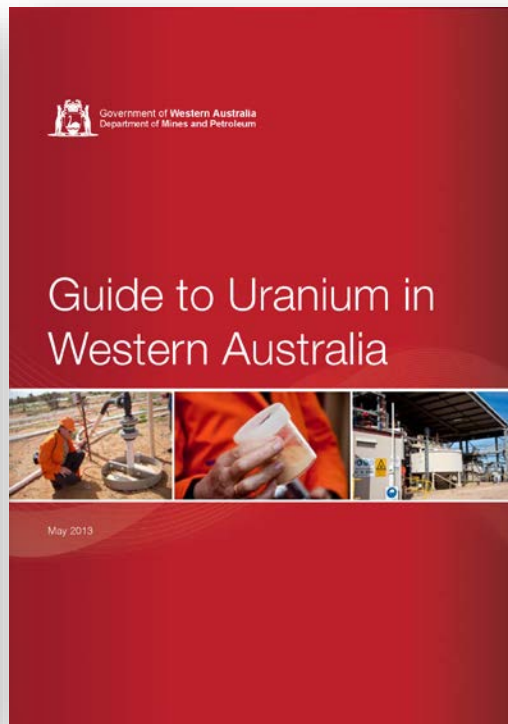
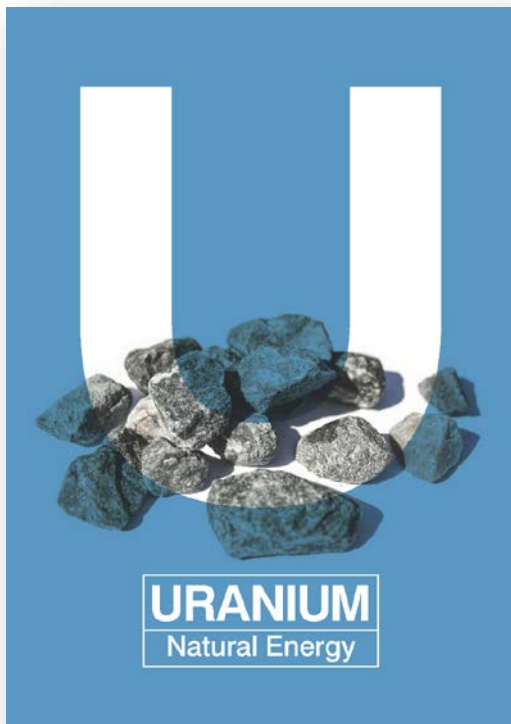
Resource Estimates as of 7 November 2016

Deposit	Resource Estimate Classification	Cut-off grade (ppm U <sub>3</sub> O <sub>8</sub> )	Tonnes (Mt)	U <sub>3</sub> O <sub>8</sub> (ppm)	Total metal U <sub>3</sub> O <sub>8</sub> (Mlb)
Mulga Rock East	Indicated	150	21.1	720	33.4
	Inferred	150	13.0	340	9.8
<b>Sub-total</b>			<b>34.1</b>	<b>580</b>	<b>43.2</b>
Mulga Rock West	Indicated	150	1.9	680	2.9
	Inferred	150	31.8	440	30.7
<b>Sub-total</b>			<b>33.8</b>	<b>450</b>	<b>33.6</b>
<b>Total Resource</b>			<b>67.8</b>	<b>510</b>	<b>76.8</b>

This Resource estimate was released to the ASX on 7 November 2016. <http://www.asx.com.au/asx/statistics/displayAnnouncement.do?display=pdf&idsId=01799630>



● ● For more information on the uranium industry



See Vimy Resources website – About Uranium  
<http://vimyresources.com.au/about-uranium>