# *Mulga Rock Project*

## World Nuclear Fuel Cycle Conference, Toronto

Mike Young, Managing Director and CEO
Vimy Resources Limited

**27 April 2017**

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**Cautionary statements:** The information regarding the Pre-feasibility Study (PFS) was released to the ASX on 17 November 2015. The Company advises that the PFS is based on lower-level technical and preliminary economic assessments, and does not 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 the PFS 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.

**No new information:** Vimy confirms that all the material assumptions underpinning the information in the PFS continue to apply and have not materially changed.

The Resource Estimate referred to in this presentation was released to the ASX on 23 June 2016 and 7 November 2016. Vimy 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.

The Reserve Estimate referred to in this presentation was released to the ASX on 30 March 2016 and 16 November 2016. Vimy 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.

# Vimy's vision and mission

**'Mining a cleaner tomorrow'**

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

# Vimy Resources - a uranium company

| | |
|---|---|
| **Mulga Rock Uranium Project** | Target production of 3Mlbs $U_3O_8$ pa for 17 years |
| **People** | Proven track record in building mines; Strong uranium experience |
| **Commodity** | An undervalued energy asset |
| **Financially sound** | Strong balance sheet |
| **Supportive Shareholders** | Major Shareholders: Resource Capital Funds and Andrew Forrest |

# People who deliver mines

## Hon. Cheryl Edwardes AM

Non-Executive Chairman

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

Former 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.
First drillhole to first ore on ship in under 4 years

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.
Experience with several global uranium projects

## Xavier Moreau

General Manager – Geology and Exploration

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

French-born and trained with extensive experience with Areva, $U_3O_8$ Limited, and Vimy Resources

## Ron Chamberlain

CFO and Company Secretary

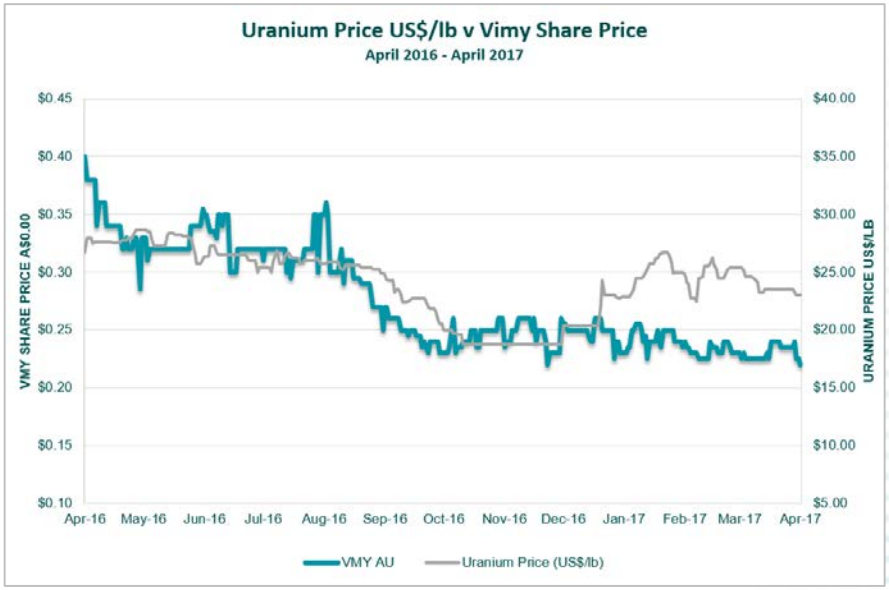
***Finance professional with uranium experience***

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

# Strong balance sheet and shareholder base

## Capital structure

| | 31 March 2017 |
|---|---|
| Shares on issue | 317 million |
| Share price | $ 0.225 |
| Market capitalisation | $ 71.3 million |
| Cash (31 March 2017) | $ 8.1 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 $U_3O_8$ Indicated and Inferred Resource<br>31.2 Mlb $U_3O_8$ Probable 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*

# Rapid project development

## 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
- Environmental Scoping Document submitted

## 2016
Optimisation and de-risking

### Environmental
- State Environmental Approvel
- Federal Environmental Approval

### Definitive Feasibility Study
- Infill drilling
- Resource updates
- Mining, mine scheduling and Ore Reserves
- Test pits – bulk samples show positive reconcilliation

### Metallurgical
- Beneficiation pilot plant
- Leach and U extraction pilot plant
- First yellowcake produced

## 2017 and 2018
Marketing and engineering

- Approval of Project confirmed by new State Labor Government

### U Marketing and project financing
- Early engagement with banks
- Secure offtake terms

### DFS & Final Engineering
- DFS delivery mid-2017
- Plant design to produce 3Mlbs $U_3O_8$
- Optimisation and high-grade, staged start up options to be examined

### Early works
- Project infrastructure and access
  - Mine access road
  - Airfield upgrade
  - Water and associated infrastructure

Targeting first production 2019

# Mulga Rock Project

- Primary approvals by State and Federal Government
- WA Labor Government confirms that “projects approved by the previous government will be able to proceed”
- Annual production rate of 3Mlb $U_3O_8$ per year
- 76.8 Mlb $U_3O_8$ Ind and Inf Mineral Resource
- 31.2 Mlb $U_3O_8$ Probable Ore Reserve*
- 240 km east of Kalgoorlie mining centre
- Deposits covered by granted Mining Leases on unallocated Crown land

** Ore Reserve is a subset of Resources, see Appendix*

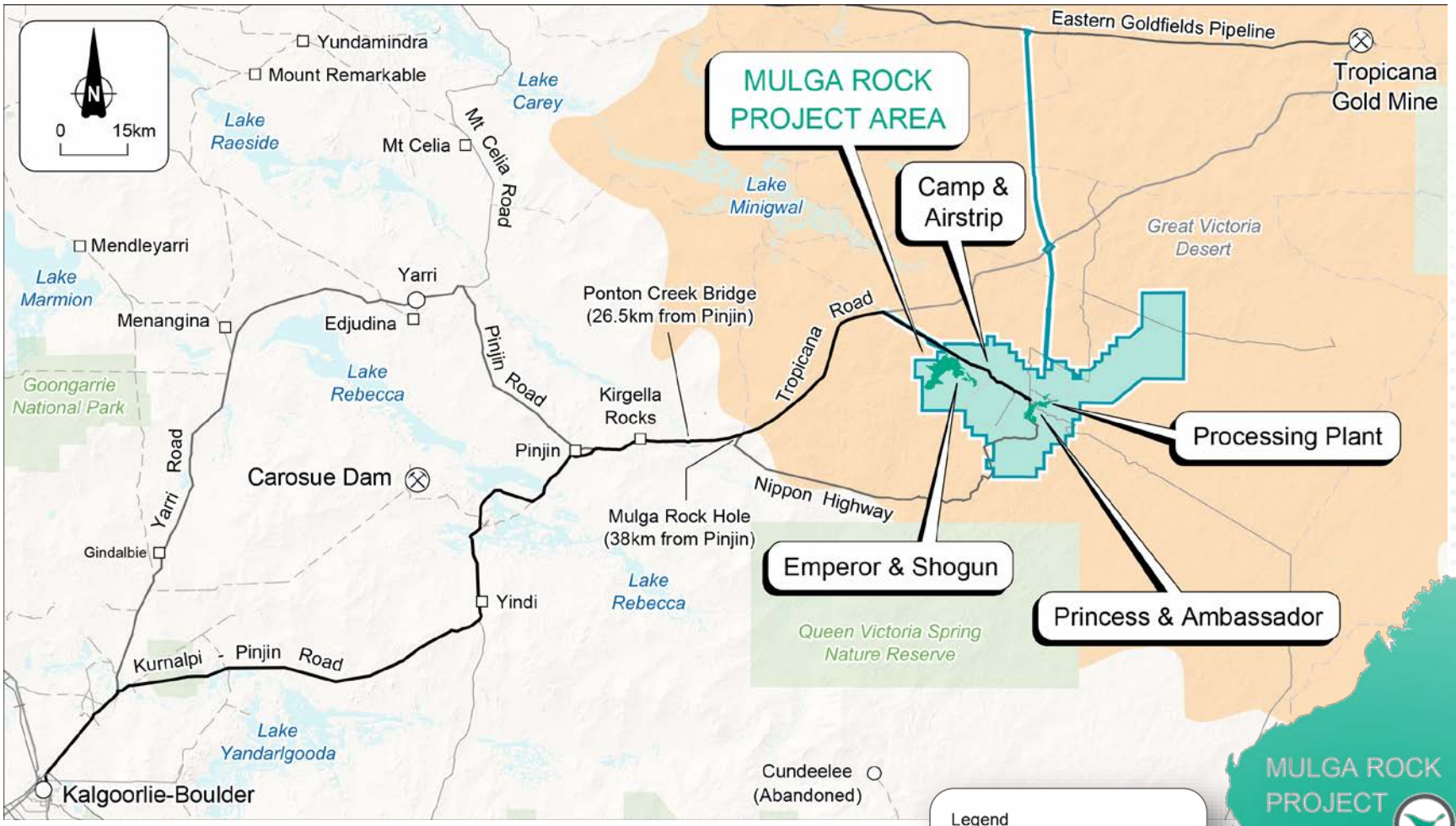
# Mulga Rock Probable Ore Reserve – November 2016

| Deposit / Resource | Classification | Cut-off grade (ppm $U_3O_8$) | Tonnes (Mt) | $U_3O_8$ (ppm) | Total metal $U_3O_8$ (Mlb) |
|---|---|---|---|---|---|
| ***Mulga Rock East*** | | | | | |
| **Princess** | Probable | 150 | 1.1 | 734 | 1.7 |
| **Ambassador** | Probable | 150 | 16.4 | 753 | 27.3 |
| ***Sub-total*** | | 150 | 17.5 | 752 | 29.0 |
| ***Mulga Rock West*** | | | | | |
| **Shogun** | Probable | 150 | 1.2 | 808 | 2.2 |
| ***Sub-total*** | | 150 | 1.2 | 808 | 2.2 |
| **Total Reserve** | | | **18.7** | **755** | **31.2** |

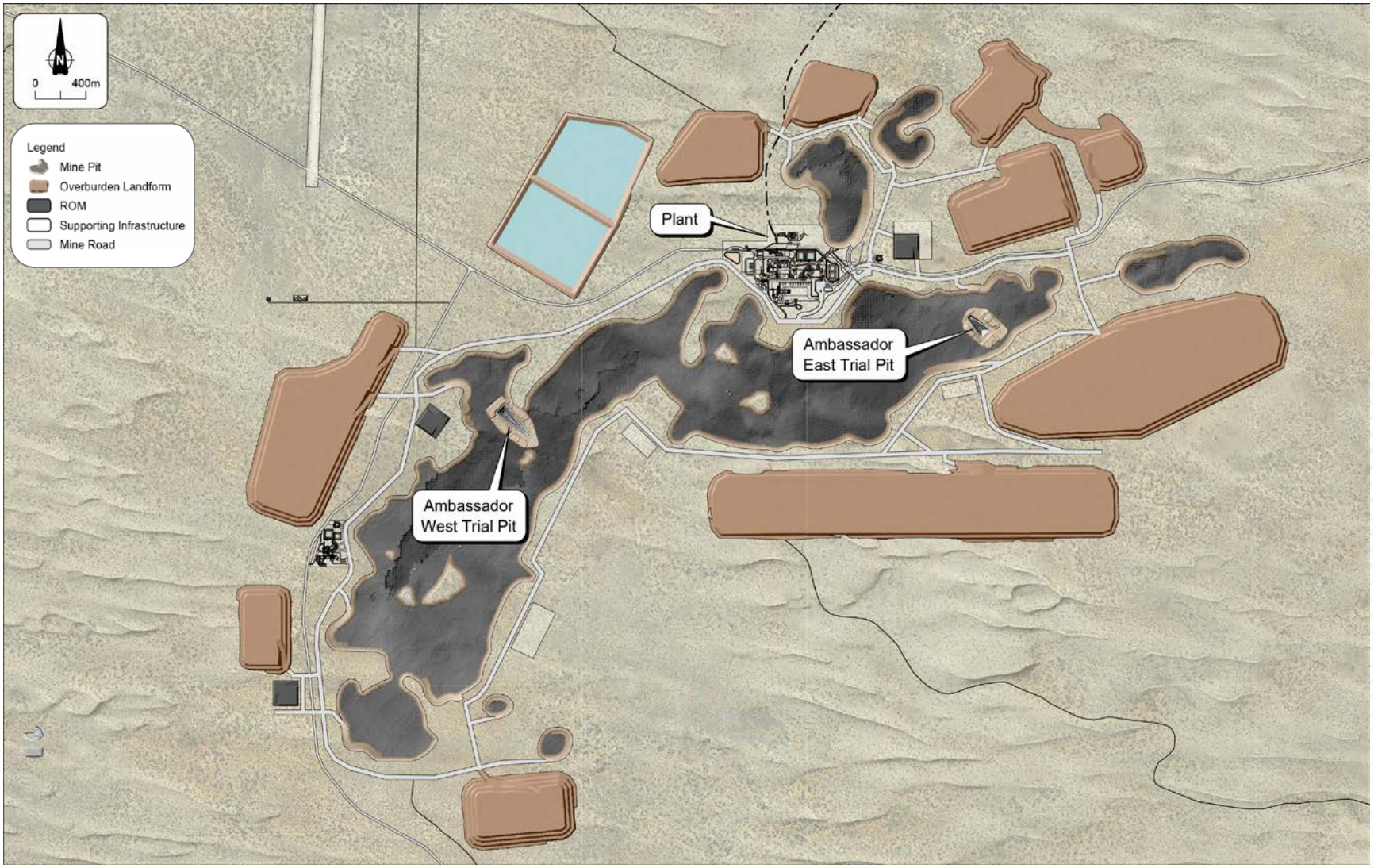
- 41% increase in contained metal from the Maiden Ore Reserve in March 2016
- 15% increase in uranium grade increases from 660ppm to 755ppm $U_3O_8$
- Ore Reserves underpin a +10 year mine life with additional six years mining inventory

*This Reserve estimate was released to the ASX on 16 November 2016.*

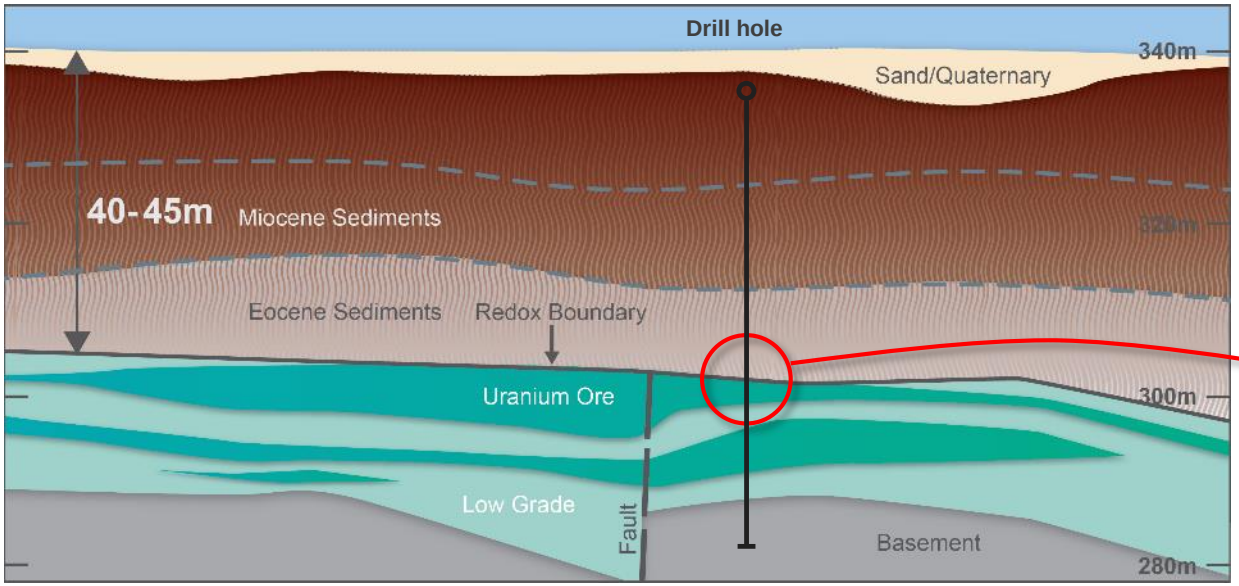
# Project location



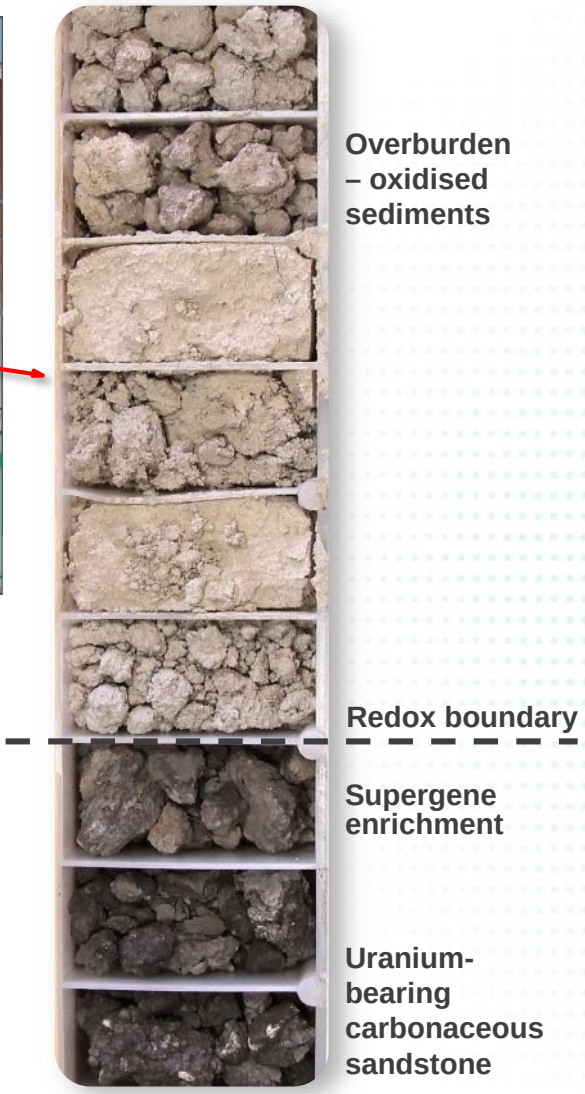
# Development plan – Ambassador and Princess pits



# Geology: carbon-rich sediment host rock




Typical aircore drill hole




- Hosted within deeply weathered sediments comprising carbonaceous sandstone; silt; sandy lignites
- Significant supergene enrichment at Redox Zone
- Mostly **Uraninite ($UO_2$)** associated with carbonaceous material and lignite – no complex silicate minerals
- Deep weathering = *soft friable rock*

# 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*

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

**Ambassador East pit – February 2016**

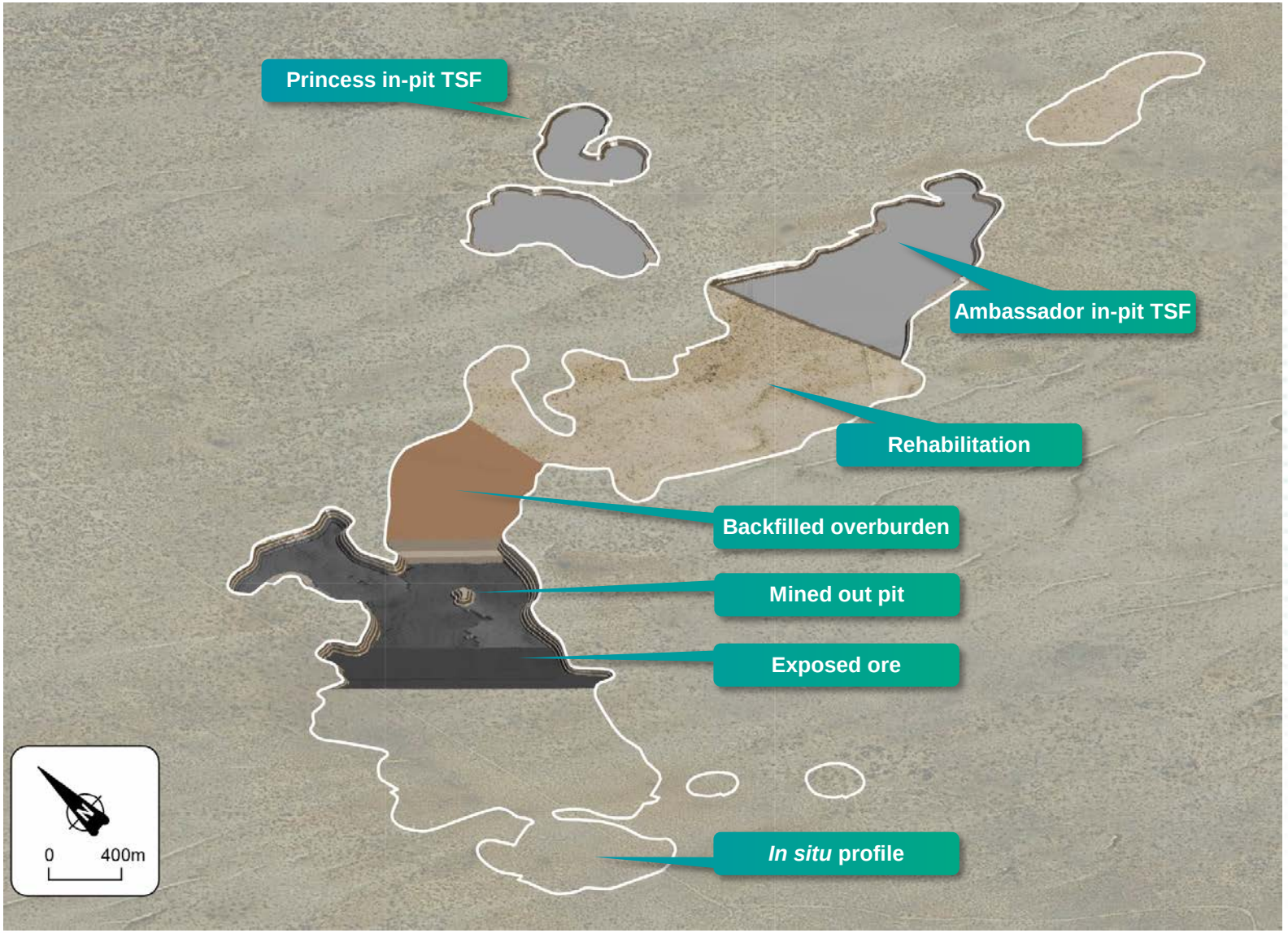
# Geotechnical investigation trenches


# Test pits: 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% |
| **Total** | **137** | **210** | **53%** |

# Mining: progressive, strip mining operation



# Process development – pilot test work

**Beneficiation**

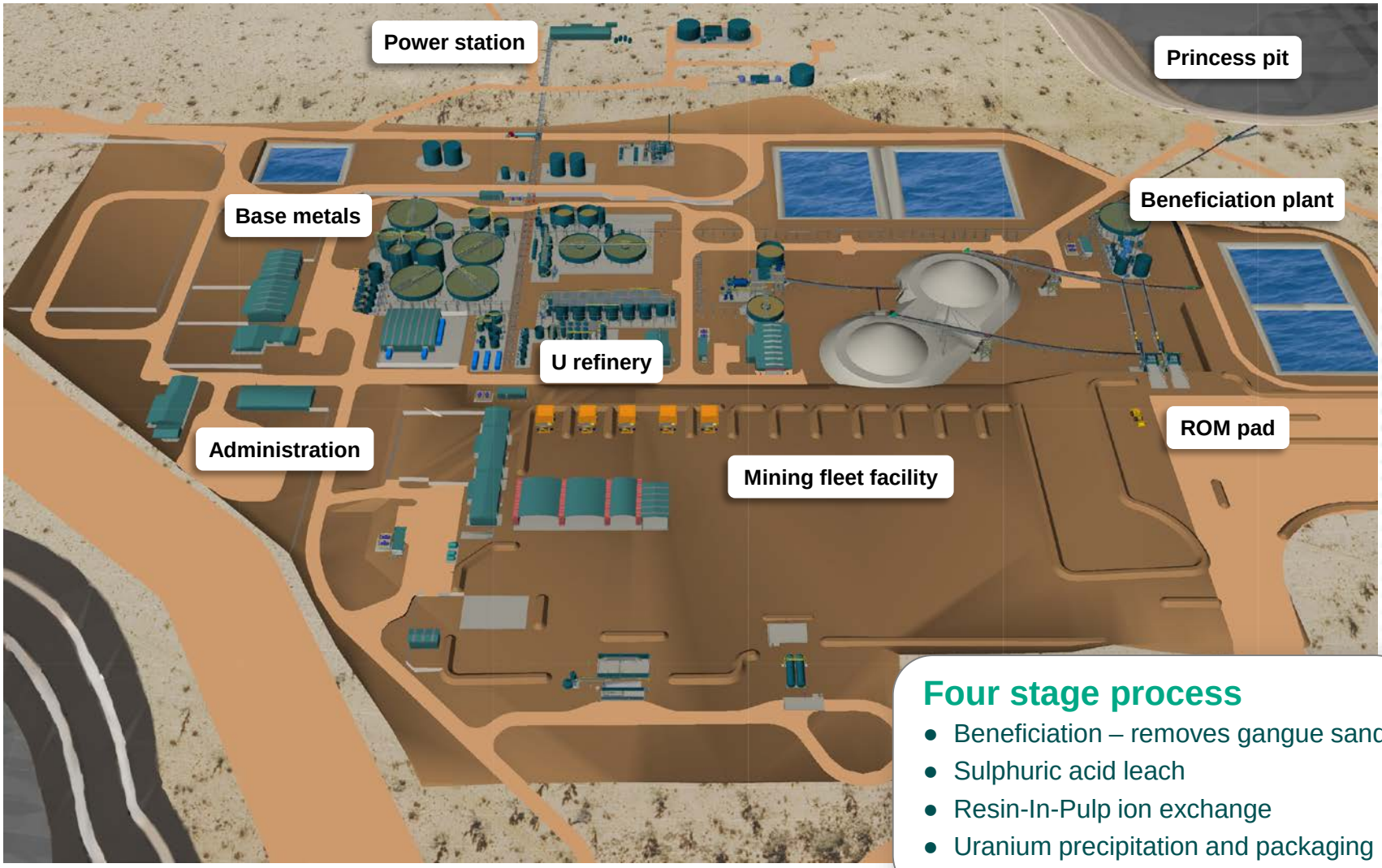
**Leach circuit**

**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 EPC contract

## Finance strategy

- ❑ DFS to establish adequate Reserves and cost base
- ❑ Mandate with Société Générale
- ❑ Establish bankable “Floor Price” for contract negotiations
- ❑ Early engagement with utilities and converters
- ❑ Mix debt equity – depends on counter parties, WACC, dilution
- ❑ Strong backing from existing shareholders

# Mulga Rock Project timeline to first uranium

| Activity | 2016 Q4 | 2017 Q1 | 2017 Q2 | 2017 Q3 |
|---|---|---|---|---|
| State environmental approval | ✓ | | | |
| Federal environmental approval | | ✓ | | |
| Definitive Feasibility Study | | | | |
| FID optimisation | | | | |
| Resource and Ore Reserve update | | | | |
| Uranium marketing | | | | |
| Project construction financing | | | | |
| Final Investment Decision (FID) | | | | |

**Board approval to proceed**

**FID**

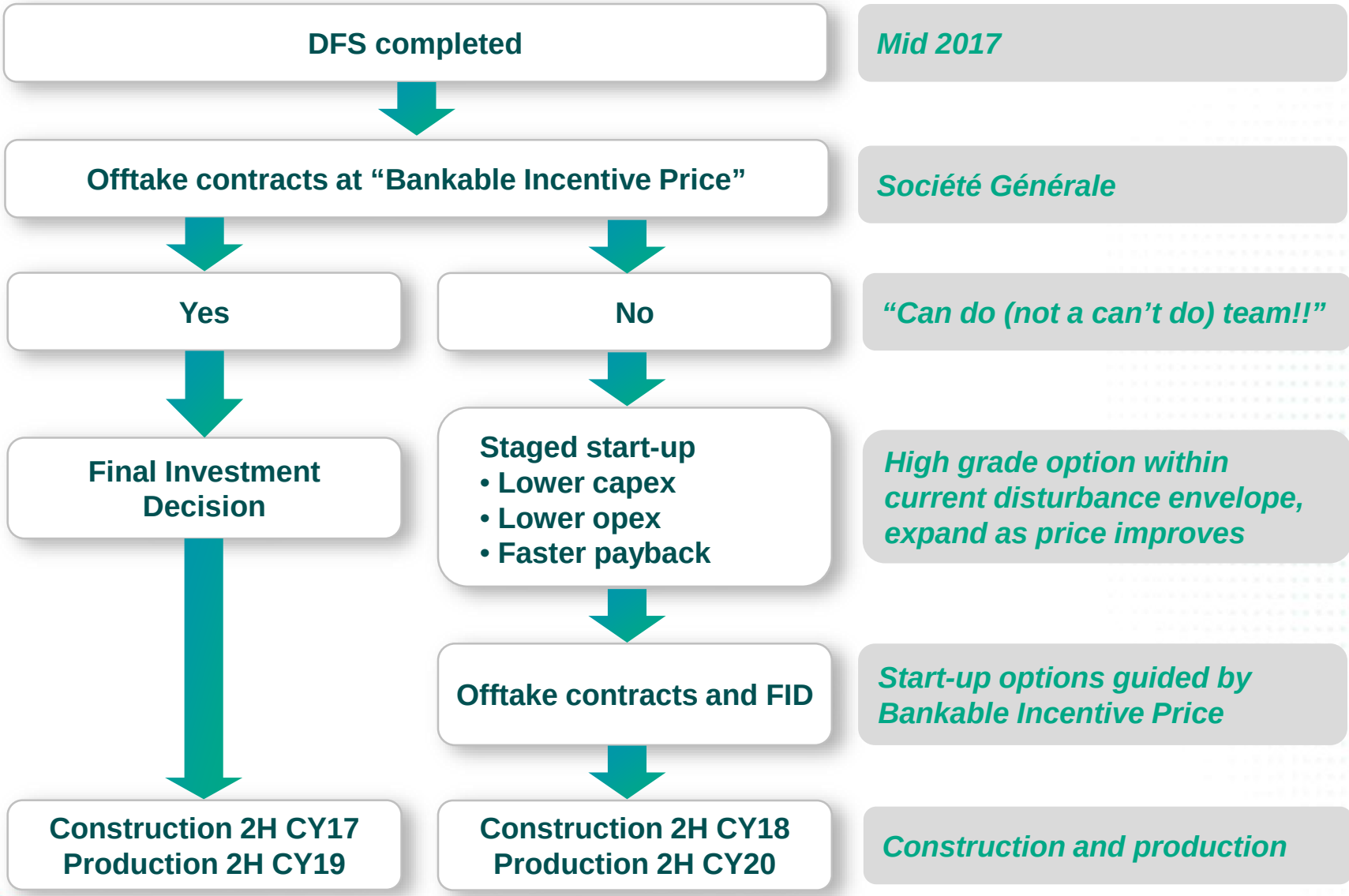
**Final Investment Decision (FID)**

## Definitive Feasibility Study

- 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

| Project construction | Q1 | Q2 | Q3 | Q4 | Q5 | Q6 | Q7 | Q8 |
|---|---|---|---|---|---|---|---|---|
| Engineering and procurement | | | | | | | | |
| Civils and site infrastructure | | | | | | | | |
| Plant fabrication | | | | | | | | |
| Pre-strip and ore mining | | | | | | | | |
| Commissioning | | | | | | | | |
| Hand-over and first $U_3O_8$ | | | | | | | | |

# Final Investment Decision



# Key achievements and analysis

## Achievements

- **State and Federal Primary Approvals**
- **WA State Labor Government confirms Project is approved**
- **Definitive Feasibility Study underway** – confirming low technical risk

## Catalysts

- **DFS** – nearing completion
- **Infill optimisation drilling** – possible upside to DFS results
- **High grade staged start-up option**
- **U market outlook** – slowly building

# Project 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”***

Further advanced than our peers –
***“mine ready”***

Strong balance sheet and stakeholder support

# 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 $U_3O_8$) | Tonnes (Mt) | $U_3O_8$ (ppm) | Total metal $U_3O_8$ (Mlb) |
|---|---|---|---|---|---|
| ***Mulga Rock East*** | | | | | |
| **Princess** | Probable | 150 | 1.1 | 734 | 1.7 |
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| ***Sub-total*** | | 150 | 17.5 | 752 | 29.0 |
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| **Total Reserve** | | 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 $U_3O_8$
- 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

# PFS optimised diluted mineral inventory – November 2015

| Deposit / pits | Ore tonnes (Mt) | Waste tonnes (Mt) | $U_3O_8$ (ppm) | Cu (ppm) | Zn (ppm) | Ni (ppm) | Co (ppm) |
|---|---|---|---|---|---|---|---|
| ***Mulga Rock East*** | | | | | | | |
| Princess | 3.7 | 54 | 450 | 460 | 815 | 330 | 175 |
| Ambassador | 28.0 | 378 | 550 | 245 | 890 | 475 | 220 |
| ***Sub-total*** | **31.7** | **432** | **535** | **270** | **885** | **460** | **215** |
| ***Mulga Rock West*** | | | | | | | |
| Emperor | 14.3 | 319 | 500 | - | - | - | - |
| Shogun | 5.8 | 69 | 445 | - | - | - | - |
| ***Sub-total*** | **20.1** | **388** | **485** | **-** | **-** | **-** | **-** |
| **Total inventory** | **51.8** | **820** | **515** | **270** | **885** | **460** | **215** |

*The Pre-feasibility Study was released to the ASX on 17 November 2015. http://www.asx.com.au/asx/statistics/displayAnnouncement.do?display=pdf&idsId=01685657*

# Mulga Rock Mineral Resources

## Resource Estimate as of 7 November 2016

| Deposit | Resource Estimate Classification | Cut-off grade (ppm $U_3O_8$) | Tonnes (Mt) | $U_3O_8$ (ppm) | Total metal $U_3O_8$ (Mlb) |
|---|---|---|---|---|---|
| **Mulga Rock East** | Indicated | 150 | 21.1 | 720 | 33.4 |
| | Inferred | 150 | 13.0 | 340 | 9.8 |
| ***Sub-total*** | | | **34.1** | **580** | **43.2** |
| **Mulga Rock West** | Indicated | 150 | 1.9 | 680 | 2.9 |
| | Inferred | 150 | 31.8 | 440 | 30.7 |
| ***Sub-total*** | | | **33.8** | **450** | **33.6** |
| **Total Resource** | | | **67.8** | **510** | **76.8** |

*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*

# Mulga Rock Project

Regional landscape – December 2015

# Mulga Rock Project

Mulga Rock camp and airstrip – November 2016

# Mulga Rock Project


Earthworks – February 2017

# Mulga Rock Project

Drilling – November 2016

# Mulga Rock Project

Drilling – November 2016 – Geological Investigation Trench (GIT) in background

# Mulga Rock Project

# Mulga Rock Project

# Mulga Rock Project


East GIT – January 2016

# Mulga Rock Project


**East GIT – January 2016**

# Mulga Rock Project

Core drilling – October 2015