

# *Mining a cleaner tomorrow*

Investor Presentation May 2017

Mike Young, Managing Director and CEO

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# ● ● Disclaimer and statement of confirmation

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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:** Other than in respect of the matters outlined in the In-fill Drilling Announcement (discussed below), 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. Other than in respect of the matters outlined in the In-fill Drilling Announcement (discussed below), 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. Other than in respect of the matters outlined in the In-fill Drilling Announcement (discussed below), 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.

On 26 April 2017, Vimy released an announcement to ASX entitled "Results of In-fill Drilling Improve Economics at Mulga Rock" (In-fill Drilling Announcement) disclosing Vimy's expectations of improved economics of the Mulga Rock Project arising from expected increases in contained uranium metal.



# ● ● Vimy's Vision and Mission

## 'Mining a cleaner tomorrow'

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



# ● ● Nuclear power – the best solution to global emissions

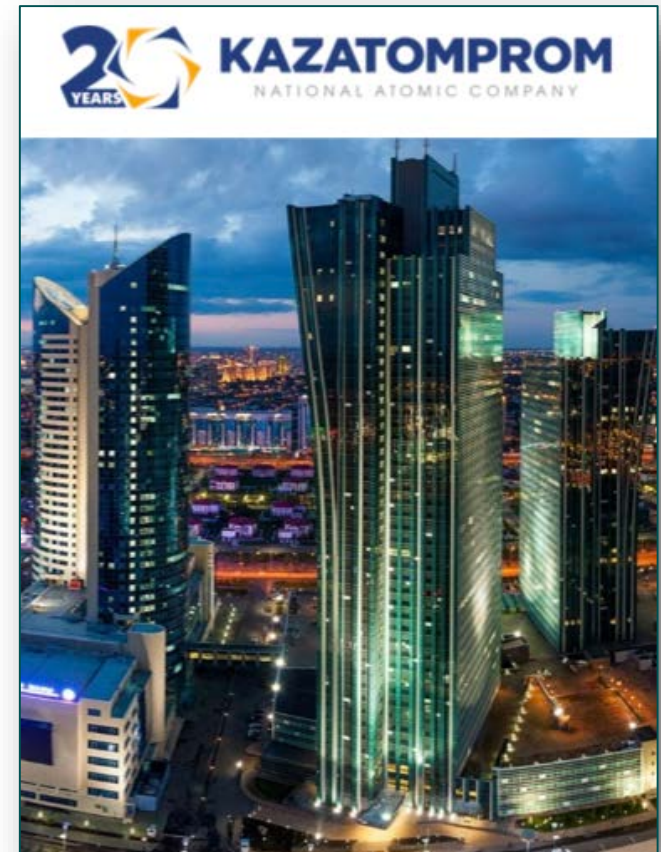
- 1.2 billion people lack access to electricity
- 7 million people die prematurely from air pollution annually
- Nuclear power provides non-polluting, baseload power 24:7
- Zero carbon emissions, safe, clean, reliable and affordable (Darlington, Ontario \$0.08 per kWh)
- Over 445 existing nuclear plants, focused in Europe, North America, Russia, South Korea and Japan
- China build continues with 5 reactors completed in 2017 and 8 to start construction
- Emerging economies are ramping up nuclear – *India just announces 10 new PHWR reactors (7,000MW)*



Nanjing, China – February 2017 – taken by Mike Young

# ● ● Uranium supply and demand

- Kazatomprom main player supply side
  - Rapid growth 2006-2016 now at 40% but recently announced 10% production cuts
  - Moving to value over volume model
  - Setting up trading arm
  - *“Want to be the OPEC of Uranium”*
- Cameco announces summer production cuts ~12%
- US DoE – Inventory barbers reducing
- Supply side difficulties resulting in closures or reduced supplies
- Estimates of new supply timing are optimistic (i.e. Kintyre, Yeelirrie, etc)





## ● ● Uranium supply

### World Nuclear Fuel Conference, Toronto, April 2017

#### Vimy's observations:

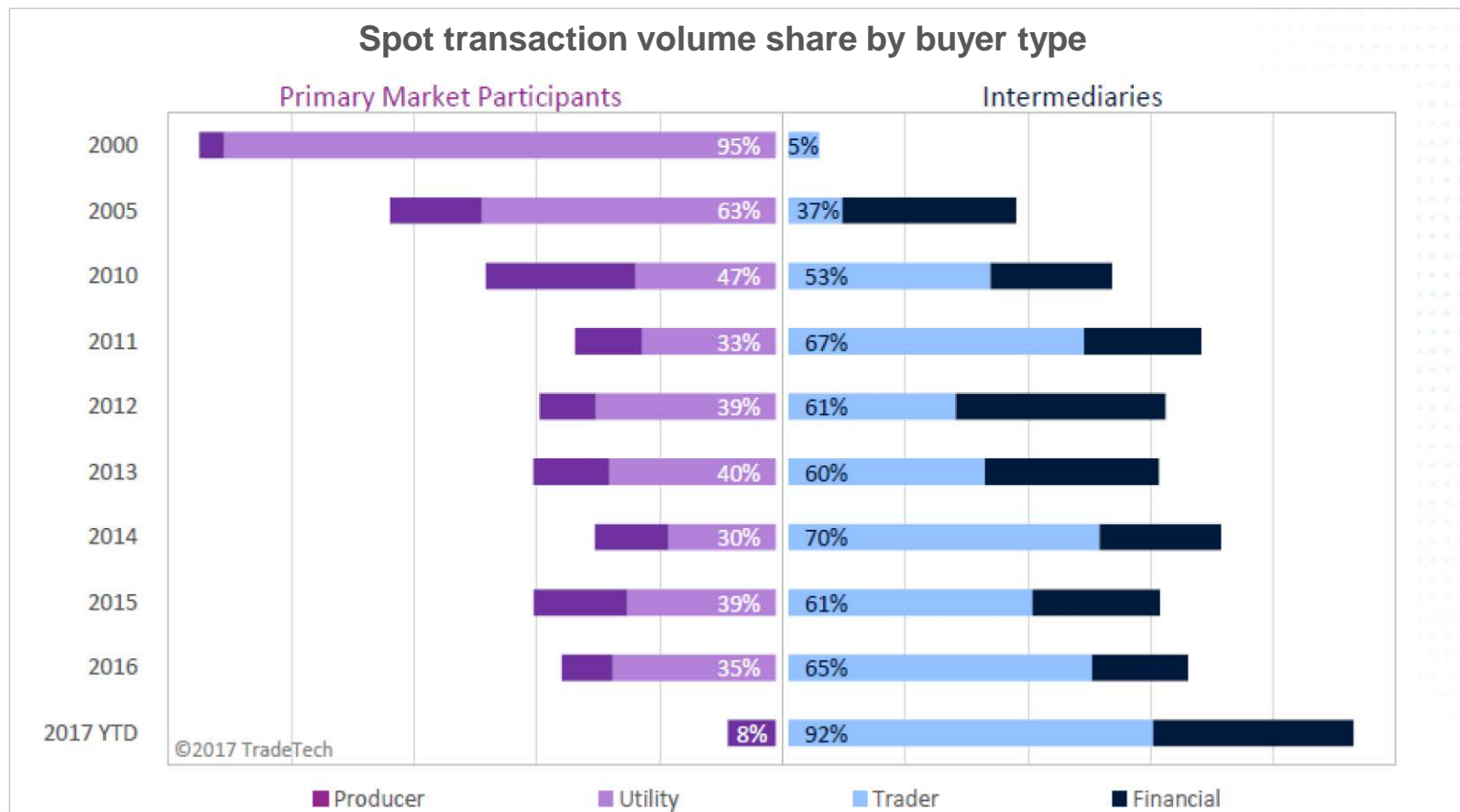
- Everyone knows there's a shortage coming (even the pessimists)
- No one knows when it'll happen
- Kazatomprom has decided to be the OPEC of uranium
- The utilities aren't writing contracts now
- *THEREFORE – panic buying is inevitable.....again!*

***Vimy plans to be 'mine ready' and at the front of the queue of the new crop of producers***



# ● ● Role of financial players

- Spot market used to be Producers and Utilities ~ 95%
- That changed during the '2005-7 bubble' ~ 1/2
- Post Fukushima – fell to ~ 1/3
- Price goes below production costs ~ 8% (Producers buying)



# ● ● Vimy Resources – a uranium company



## Mulga Rock Uranium Project

Target production of  
3Mlb  $U_3O_8$  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  
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<sub>3</sub>O<sub>8</sub> 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

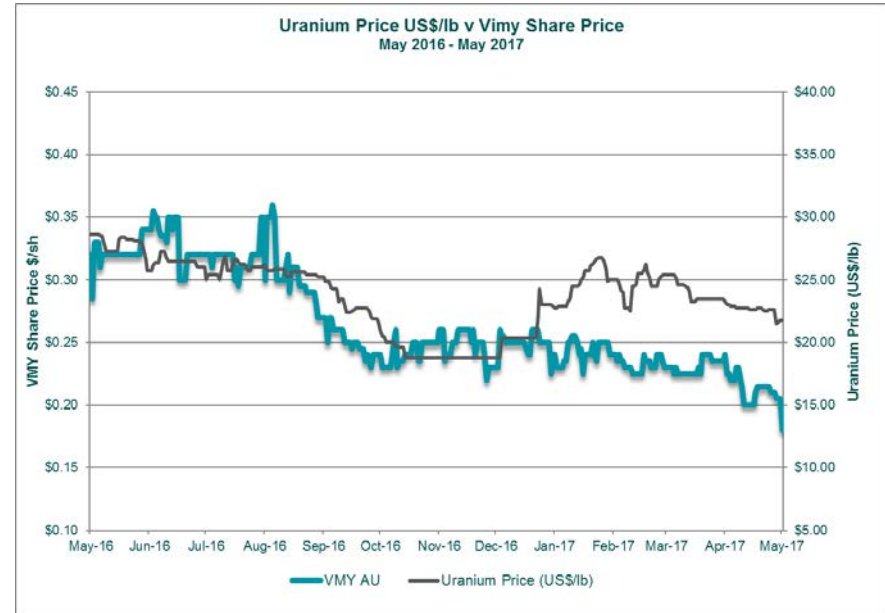
**17 May 2017**

Shares on issue	317 million
Share price	\$ 0.205
Market capitalisation	\$ 65 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**

76.8Mlb  $U_3O_8$   
Indicated and Inferred Resource  
31.2Mlb  $U_3O_8$   
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**

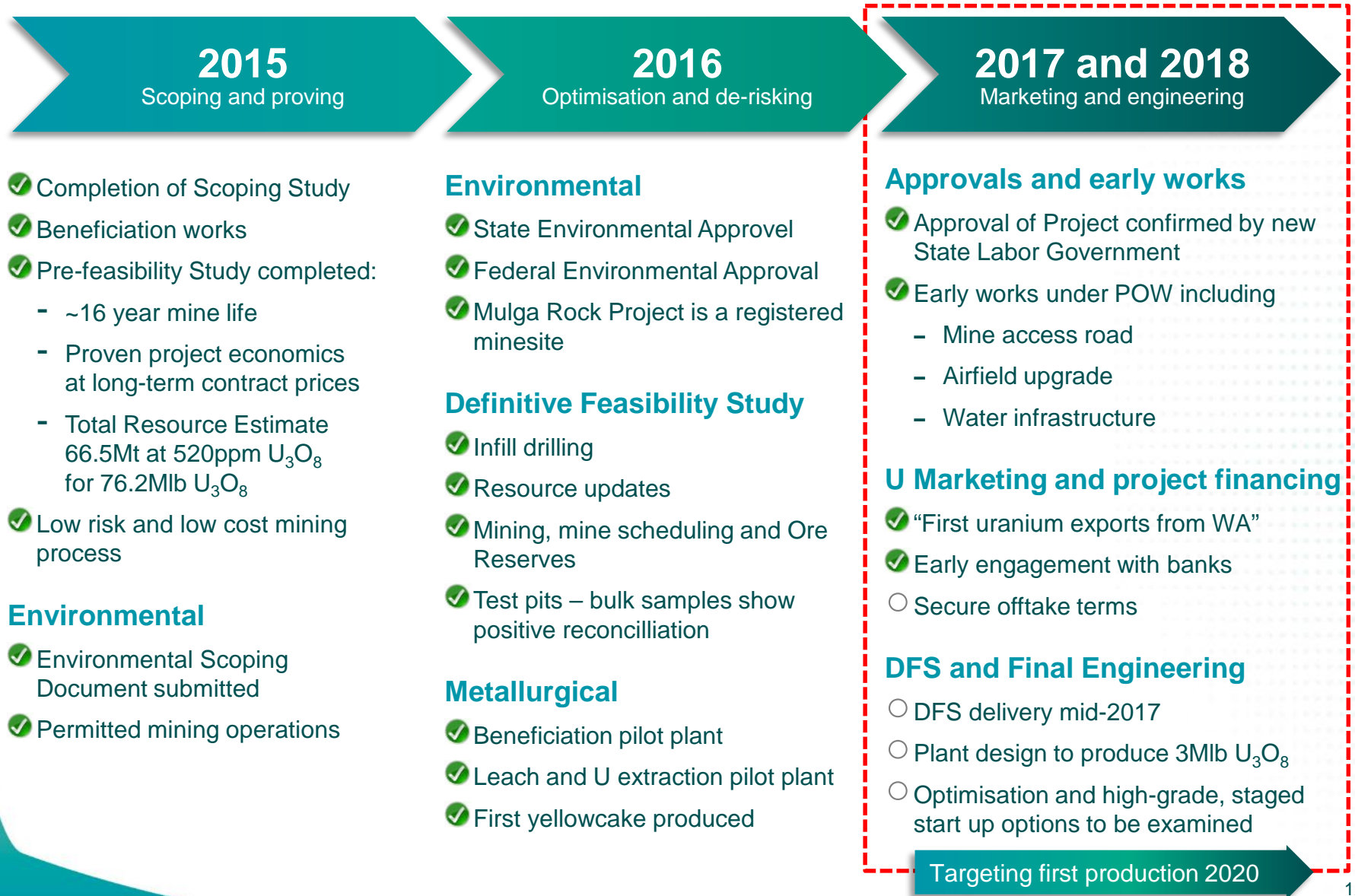
Yellowcake product  
shipping via Adelaide



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



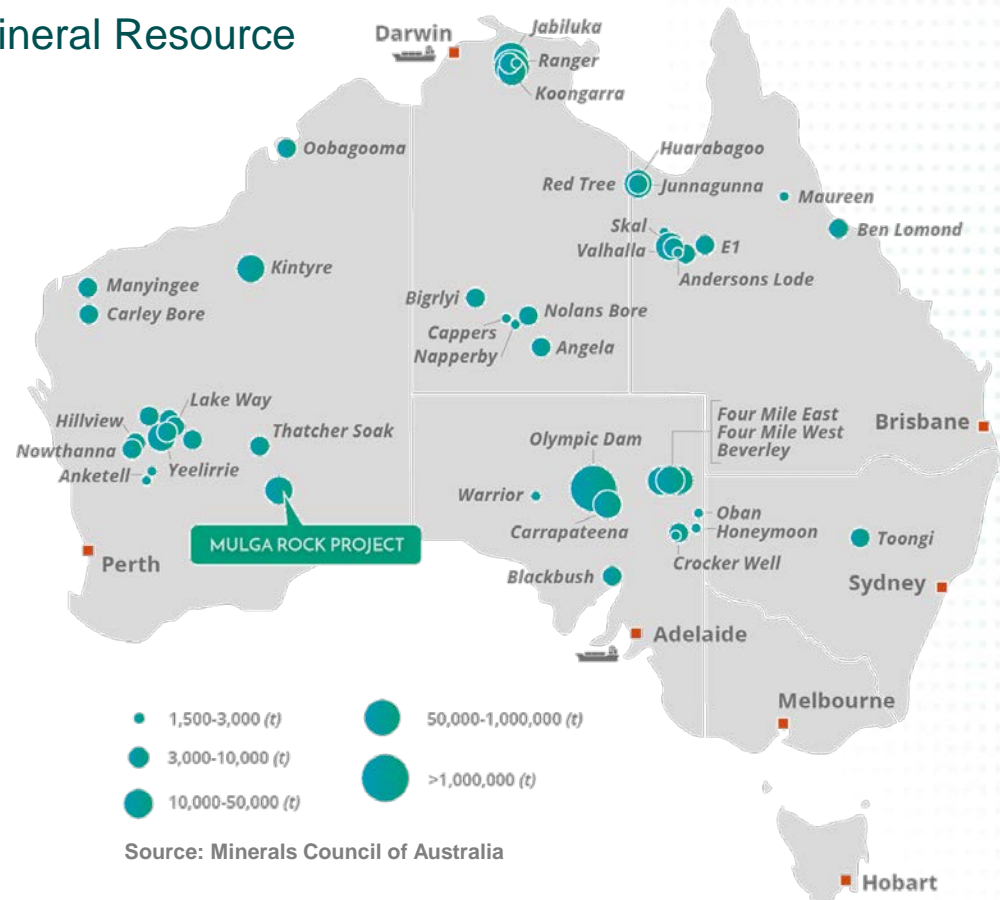
# ● ● Rapid project development



# ● ● Mulga Rock Project

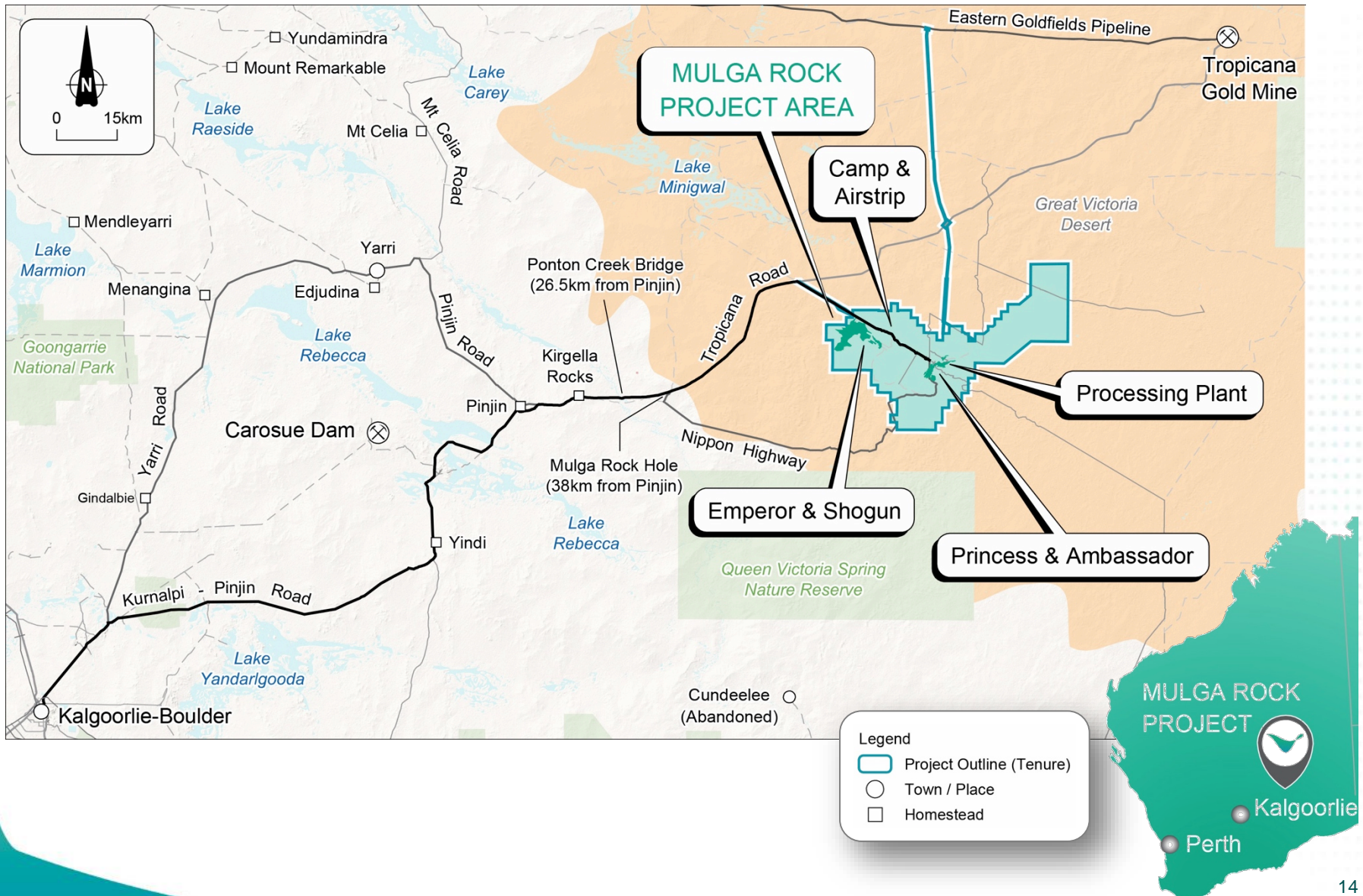
- Primary approvals by State and Federal Government
- WA Labor Government confirms that “projects approved by the previous government will be able to proceed”
- Annual production rate of 3Mlb  $U_3O_8$  per year
- 76.8Mlb  $U_3O_8$  Indicated and Inferred Mineral Resource
- 31.2Mlb  $U_3O_8$  Probable Ore Reserve\*
- Recent drilling results indicate 5-15% upside to current resource

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



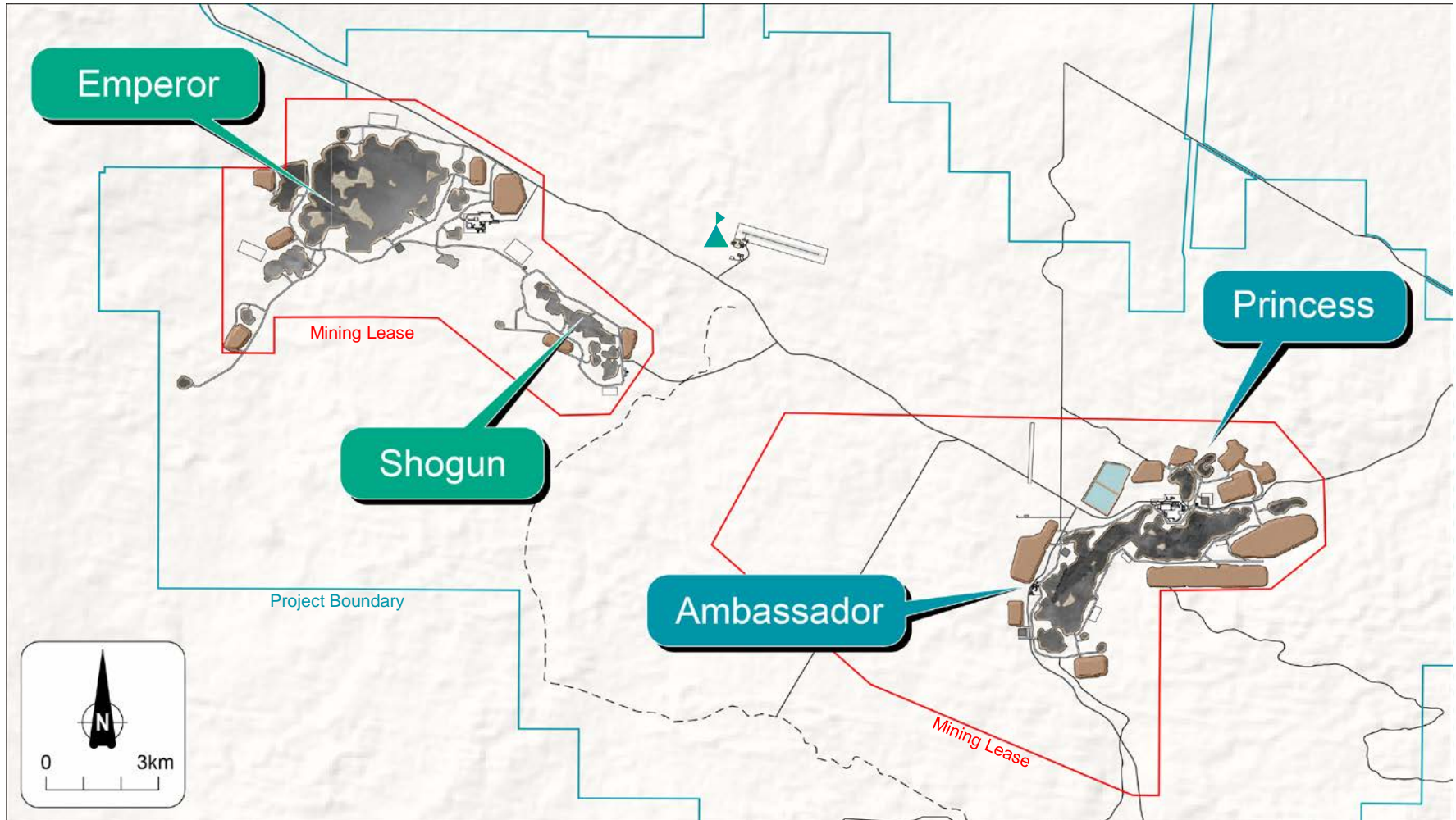


# Project location

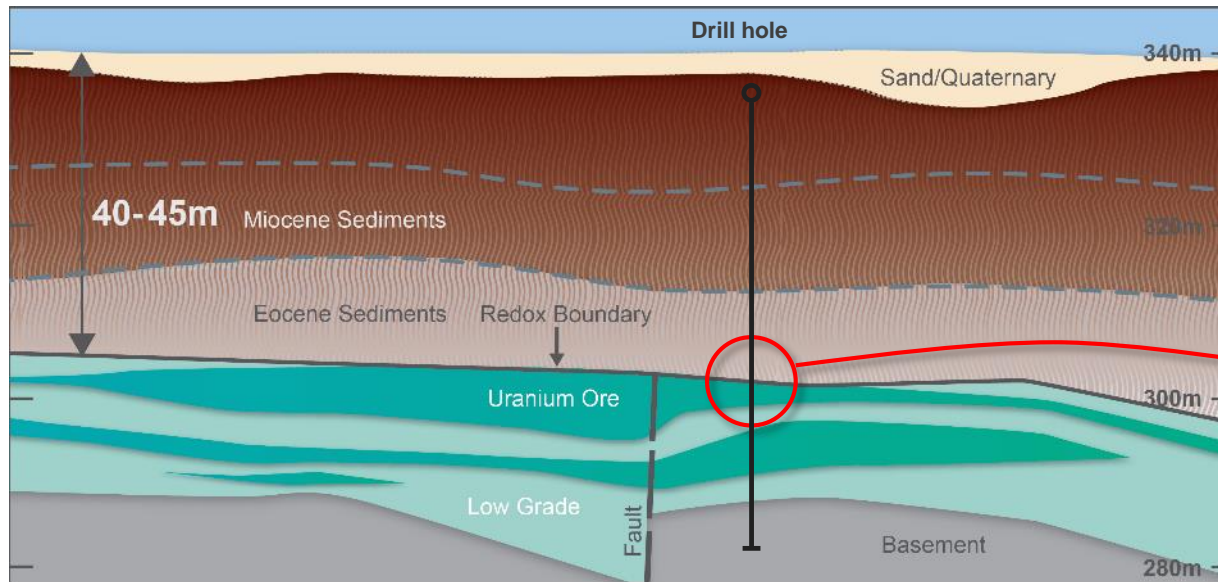




# ● ● Mulga Rock Project



# ● ● Geology – carbon-rich sediment host rock



Typical aircore drill hole



Overburden – oxidised sediments

Redox boundary

Supergene enrichment

Uranium-bearing carbonaceous sandstone

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



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





## Results of test pits improve economics at Mulga Rock Project



- Bulk sample of mineralised zone have 53% higher contained  $U_3O_8$  in bulk sample than estimated in resource model
- Optimisation drilling program DQ16 and MQ17
- Key highlights:
  - Overall increase of 5% to 15% in contained uranium metal
  - Increased drilling density has contributed to the metal increase
  - Increased ore bulk density has contributed to the metal increase
  - Diamond drilling reveals thinner ore horizon but at much higher uranium grades
- The new data will have a material, positive effect on the economics of the Mulga Rock Project



# Development plan – Ambassador and Princess pits





# ● ● Pilot plant and flow sheet

**Beneficiation**



**Leach circuit**



**Resin-in-Pulp circuit**

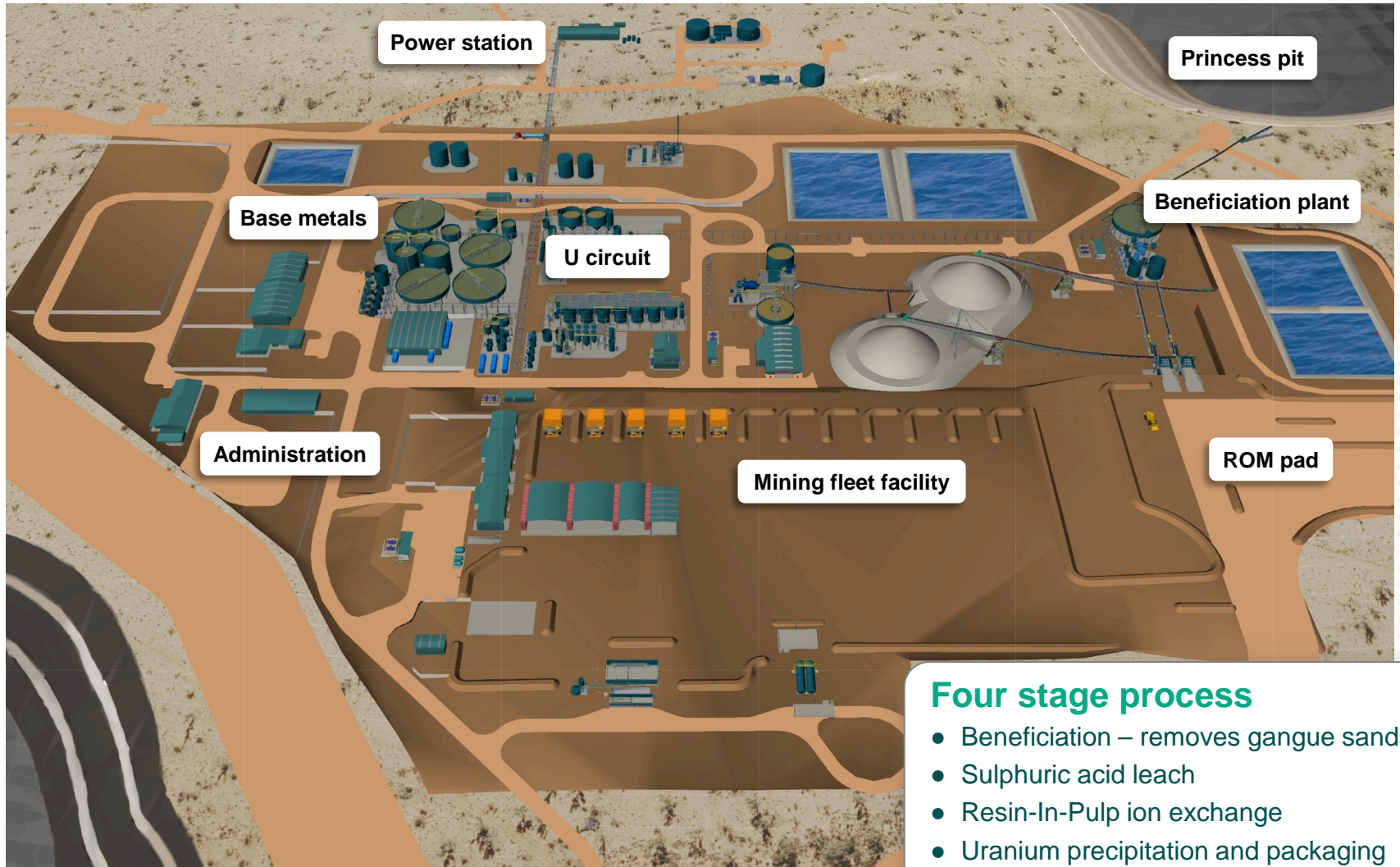


**Uranyl Peroxide  
(produced by Vimy)**



**U precipitation**

## 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

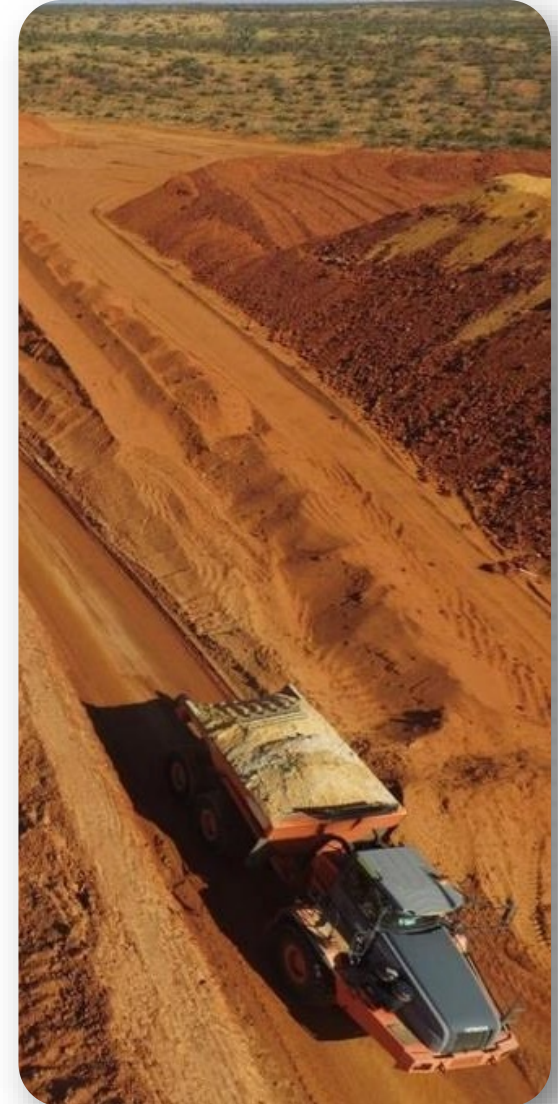
- Market-led model – USA, Europe, Middle East – bankable offtake contracts
- EPC-offtake model – Korea, China – combined EPC, offtake, finance

## 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

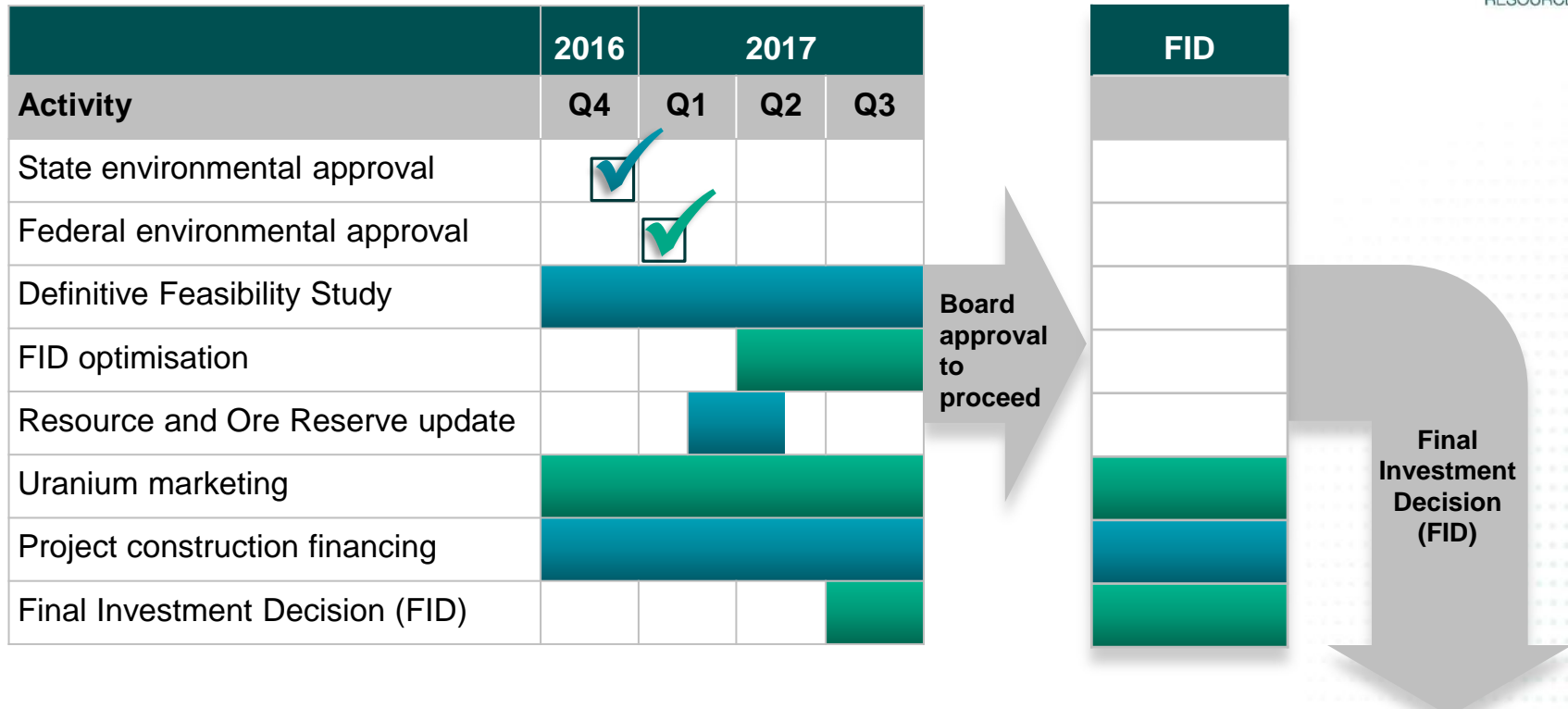
## Finance strategy

- 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



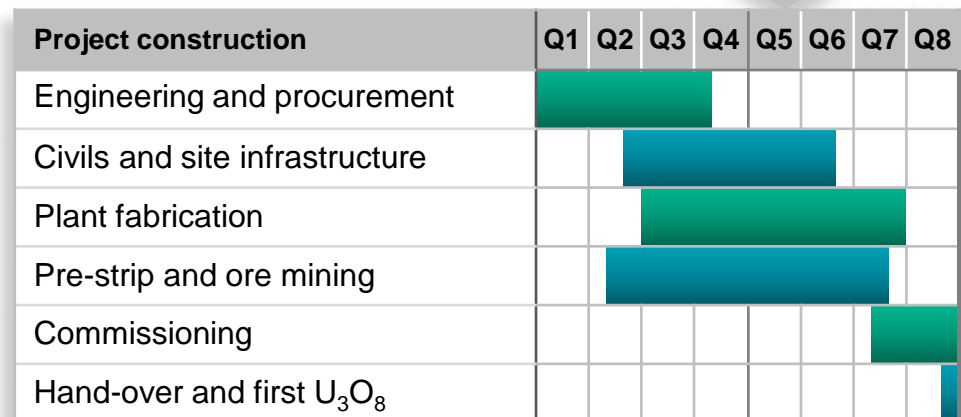


## ● ● Mulga Rock Project timeline to first uranium

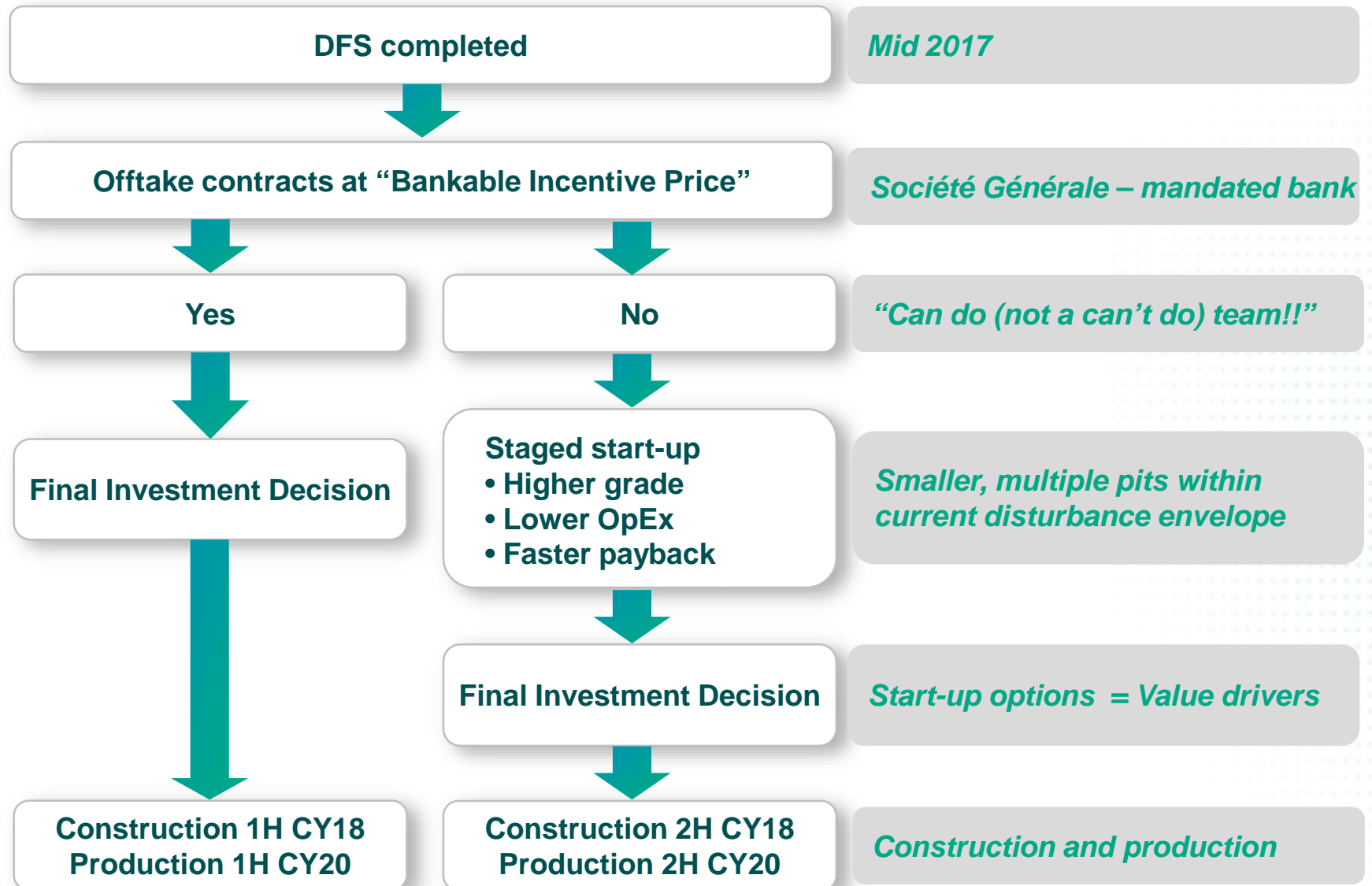


## Definitive Feasibility Study

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



# ● ● Final Investment Decision



## ● ● Key achievements and analysis

### Achievements

- **State and Federal Primary Approvals**
- **Excellent infill drilling results → new model and more metal**
- **Definitive Feasibility Study** – very high-quality study confirming low technical risk

### Catalysts

- **Updated resource and reserves**
- **Multi-pit start-up option on high grade**
- **DFS** – completed SQ17
- **U market outlook** – Vimy has first mover advantage





## ● ● 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 most 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 <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](#).*

# Mulga Rock Mineral Resources

## Resource Estimate as of 7 November 2016

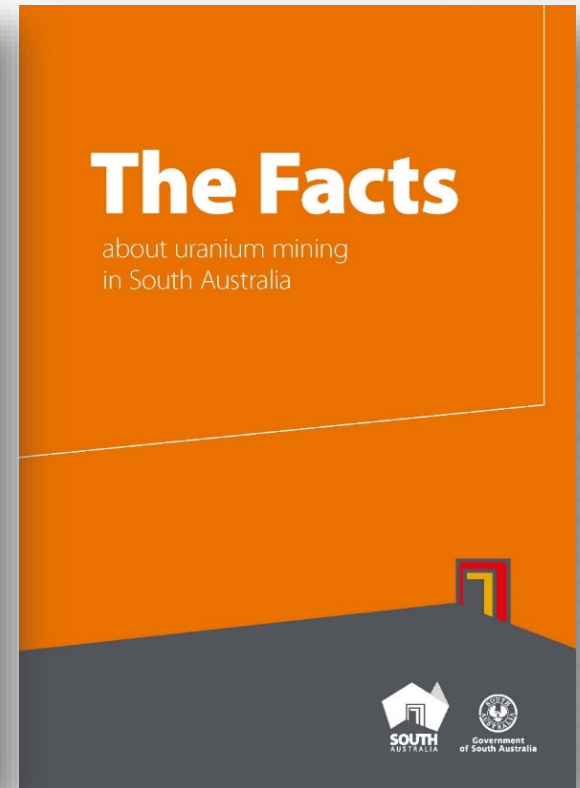
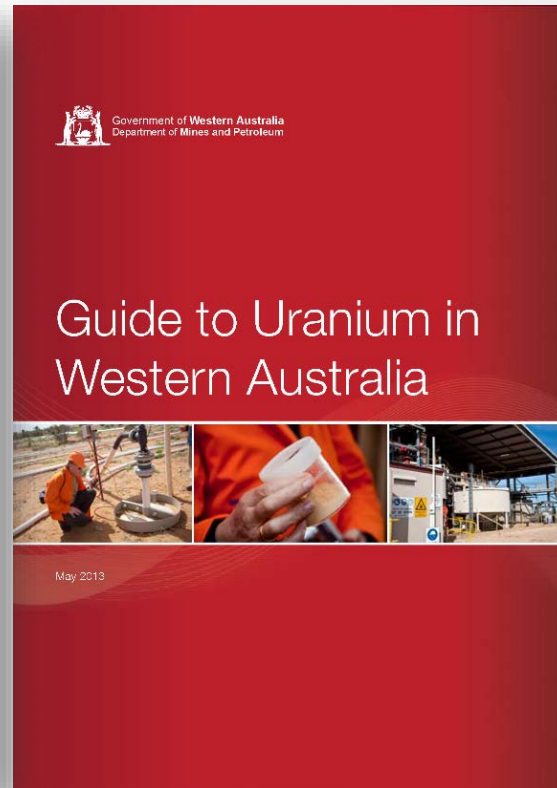
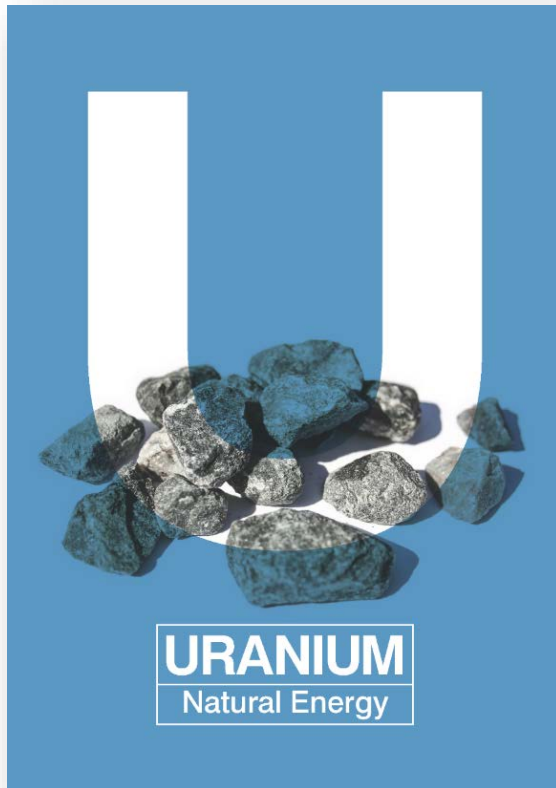
Deposit	Resource Estimate Classification	Cut-off grade (ppm U <sub>3</sub> O <sub>8</sub> )	Tonnes (Mt)	U <sub>3</sub> O <sub>8</sub> (ppm)	Total metal U <sub>3</sub> O <sub>8</sub> (Mlb)
Mulga Rock East	Indicated	150	21.1	720	33.4
	Inferred	150	13.0	340	9.8
<b>Sub-total</b>			<b>34.1</b>	<b>580</b>	<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>