

ASX Announcement

1 March 2018



Acquisition of Cameco's Alligator River Uranium Project

Highlights

- Vimy to acquire Cameco's Alligator River Project for A\$6.5M
- Located in a world-class uranium province with over 750Mlbs in mineral resources
- Vimy will have the largest granted exploration tenement package in the Alligator River province
- All granted exploration licences have associated deeds permitting exploration and setting out the terms governing future mining

Vimy Resources Limited (Vimy, ASX:VMY) is pleased to advise that it has entered into a binding Sale Agreement with Cameco Australia Pty Ltd (Cameco) to acquire its Alligator River Project (**ARP**) in Arnhem Land, Northern Territory for a cash consideration of A\$6.5M staged over 30 months.

Vimy will acquire the largest granted tenement package in the Alligator River uranium province. This province is considered to be one of the top three uranium exploration districts in the world, with the others being the Athabasca Basin located in Canada, and the Chu-Saraysu and Syrdarya Basins in Kazakhstan.

The tenements are on Aboriginal land vested in the Arnhem Land Aboriginal Land Trust and managed by the Northern Land Council on behalf of the Traditional Landowners. Deeds of Agreement exist for all granted tenure covering exploration activity along with commercial terms and conditions for future mining activity, which ensures that the environment will be protected and that Traditional Landowners and local Aboriginal Communities will benefit from Royalties and jobs.

While the Mulga Rock Project is the Company's core focus, the acquisition of the Alligator River Project provides Vimy with a pipeline of uranium projects from a world-class province. This is an important factor for offtake customers who look to establish long-term relationships with reliable producers.

Mike Young said "We are really excited to be acquiring one of the best uranium exploration packages globally. Cameco Australia has done an outstanding job and we're looking forward to building on their exploration successes; and as they have retained a buyback option, they keep a toe in the water at the ARP.

"Vimy will apply its 'can-do' approach to the Alligator River Project and will hit the ground running."



AUSTRALIA'S PREMIER
URANIUM JUNIOR



WORLD CLASS TIER 1
EXPLORATION
PACKAGE



MULTIPLE
HIGH-GRADE
TARGETS



PRO-URANIUM
JURISDICTION



The deposits in the Alligator River uranium province are unconformity style that is unique to both the Alligator River and the Athabasca Basin in Canada. These deposits are noted for their large size and exceptional grades including some of the largest deposits in the world.

The Alligator River uranium province has a proven exploration track record with over 750Mlbs U₃O₈ in mineral resources (current and mined) and has produced a total of 312Mlbs of uranium over the past 65 years.

The acquisition comprises three separate tenement packages covering a total area of 3,865km² including 1,600km² of granted exploration licences. Figure 1 shows the location of the three tenement packages which are detailed below.

Package 1 (1,675km²) – King River-Wellington Range project

The King River-Wellington Range project has 1,600km² of granted tenure and has been actively explored by Cameco for unconformity-related uranium deposits since the early 2000s. Package 1 is the subject of a Joint Venture (JV) with Rio Tinto Exploration Pty Limited (Rio Tinto), a wholly owned subsidiary of Rio Tinto Ltd, with current JV interests of Cameco: 75% / Rio Tinto:25%. The JV ground hosts the Angularli deposit, as well as a large number of highly prospective targets, at different stages of exploration. Vimy is acquiring Cameco's 75% interest in the JV and will become the JV manager at the completion of the acquisition.

Package 2 (500km²) – Algodó-Beatrice project

Package 2, the Algodó-Beatrice project, covers a group of exploration applications to the east of the Ranger and Jabiluka deposits, under moderate sandstone cover.

Package 3 (1,690km²) – Mt Gilruth project

The Mt Gilruth project consists of a group of tenement applications to the southeast of the Ranger and Jabiluka deposits.

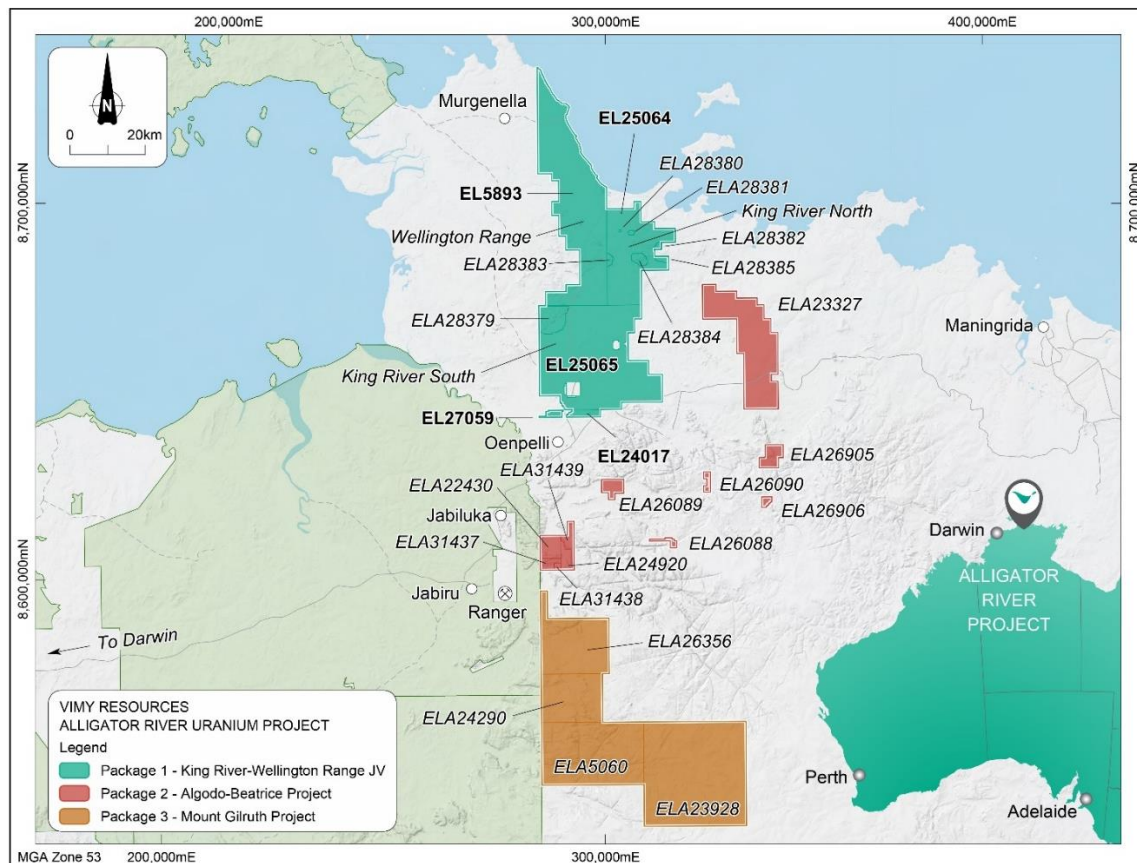


Figure 1: Cameco Alligator River Project Tenement Packages



World Class Uranium District

The King River-Wellington Range project (Package 1) is a significant granted land package. Figure 2 shows the size of the King River-Wellington Range exploration package in relation to Cameco's current land holdings within the Athabasca Basin. To acquire a similar land package within the Athabasca Basin would come at a significant cost.

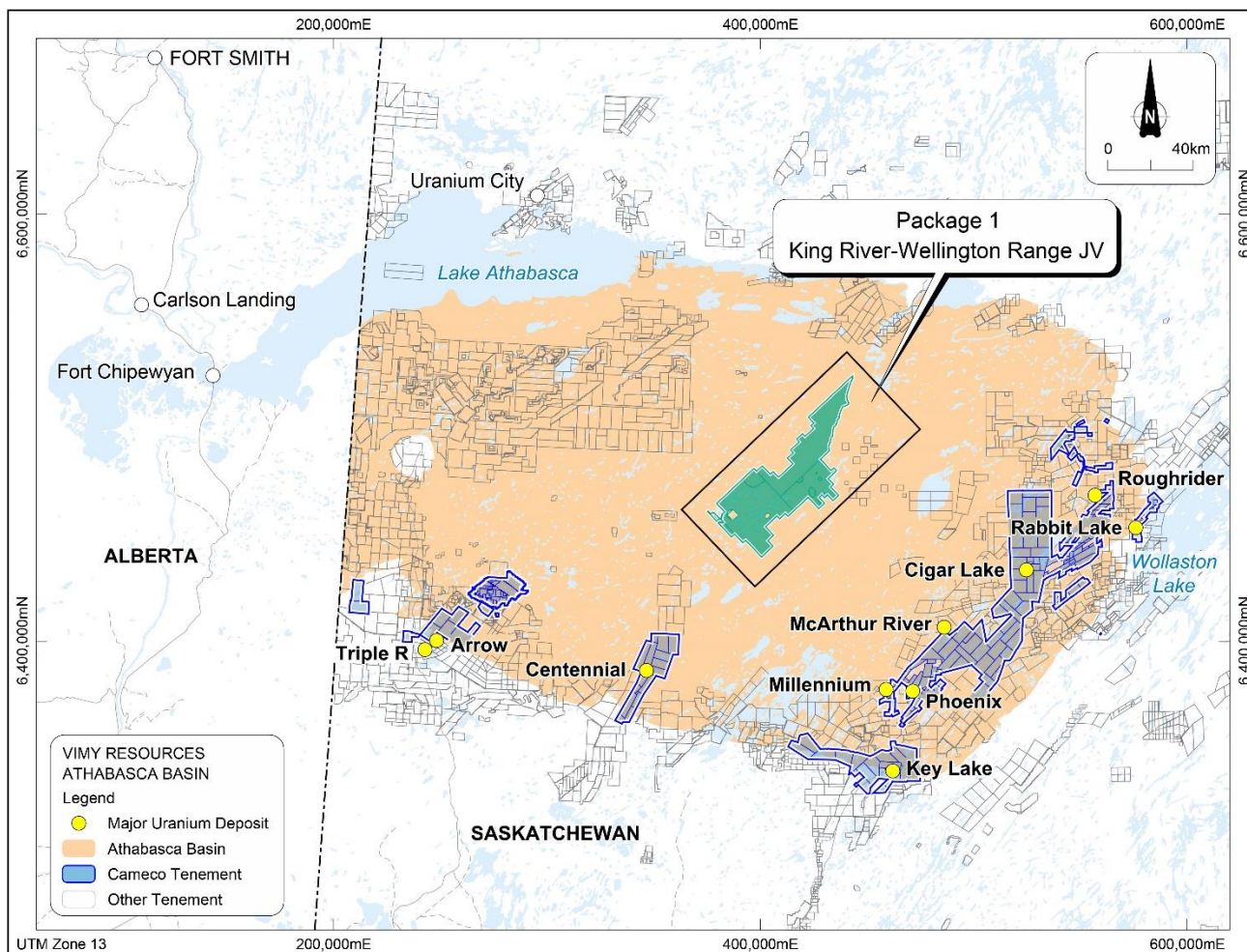


Figure 2: Comparison of Package 1 Footprint Relative to the Athabasca Basin

The Three-Mine Policy, introduced by the Australian government in 1984 and abandoned in 1996, resulted in limited exploration of uranium in the Alligator River area for approximately twenty years. All exploration licence applications were held in a moratorium during this period. This led to a hiatus in the rate of uranium discoveries within the Alligator River area, in stark contrast to the rate of discovery in the Athabasca Basin as shown in Figure 3.

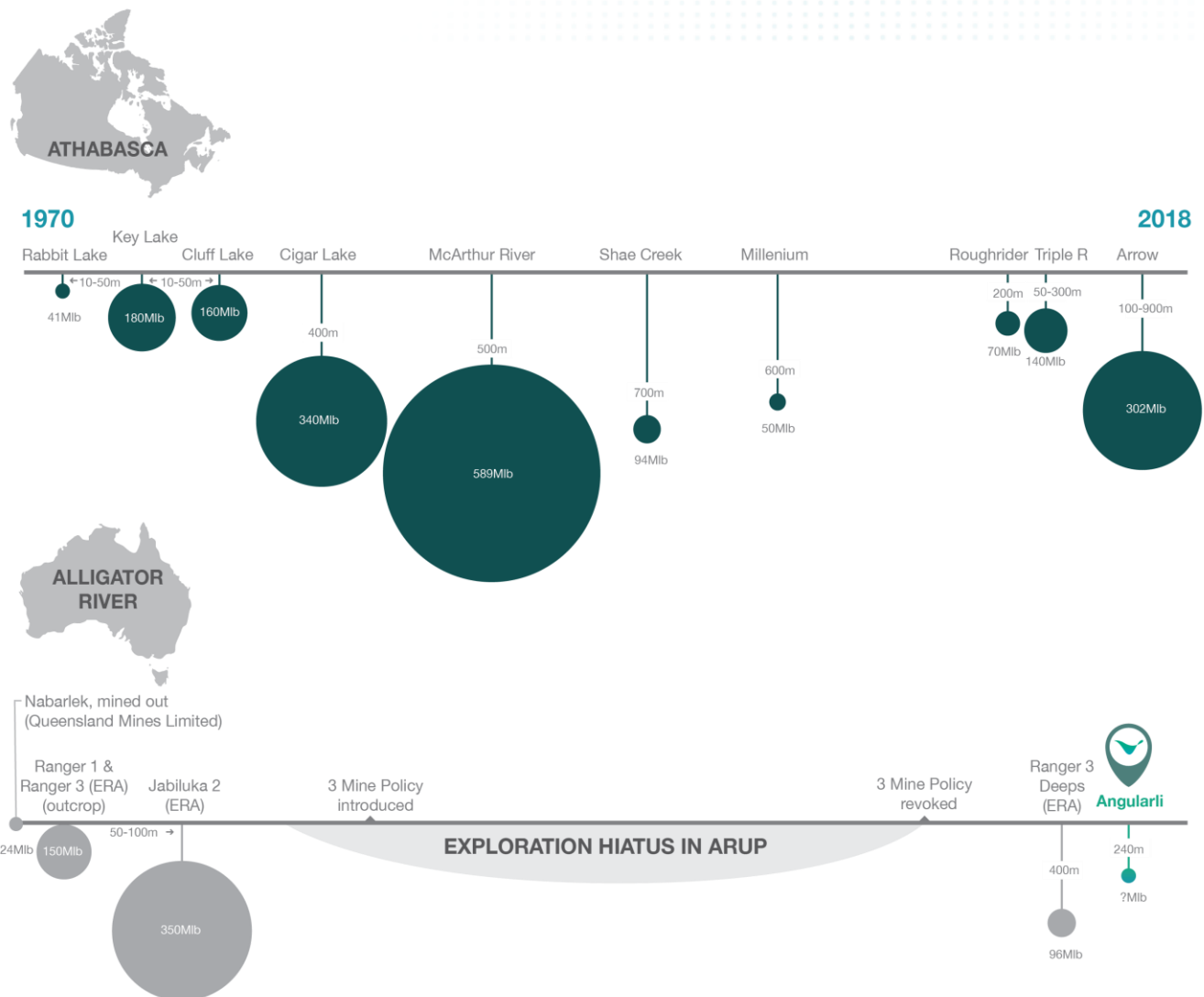


Figure 3: Timeline of Uranium Discoveries in the Athabasca Basin and Alligator River Province

Acquisition Commercial Terms

The total acquisition price for all three packages is approximately A\$6,500,000, payable under the following schedule:

- First instalment of A\$1,500,000 (First Instalment) payable on completion under the Sale Agreement and legal transfer of the tenements, deeds, and exploration assets;
- Second instalment of A\$2,500,000 payable 18 months after the date of completion under the Sale Agreement; and
- Third instalment of A\$2,500,000 payable 30 months after the date of completion under the Sale Agreement.

Completion under the Sale Agreement is subject to customary conditions, including third party and regulatory approvals.



Vimy has granted to Cameco a conditional option to buy back any individual project within the three tenement packages in respect of which Vimy defines a uranium resource of not less 100Mlbs U₃O₈ in JORC Code compliant measured and indicated resources (Buyback Project). The buyback option must be exercised by Cameco within four months of Vimy releasing a Definitive Feasibility Study on a Buyback Project. The purchase price payable by Cameco for a Buyback Project upon exercising the buyback option is dependent on the size and classification of the mineral resource, determined by a reference price at the relevant time.

The buyback option allows Cameco to leverage off Vimy's success, and would provide Vimy an immediate, risk-reduced benefit to shareholders should Cameco exercise their option.

In the event of a buyback option being exercised, Vimy retains ownership of the surrounding exploration licences and only the area defined by a granted mining lease over the Buyback Project would be sold to Cameco.

Advanced Exploration Targets

The Alligator River area hosts uranium unconformity deposits identical to those found in the Athabasca Basin, which are characterised by their size and exceptional grades. Uranium unconformity deposits are distinctively characterised by their association with the unconformity, or contact, between Archaean/lower Proterozoic metamorphics and younger overlying Proterozoic age sandstones. Cameco has invested nearly twenty years to compile a world class exploration package in the Alligator River area.

Package 1 is highly attractive due to limited sandstone cover and the large area of highly prospective Archaean/lower Proterozoic metamorphics present.

During the past five years Cameco has made important progress and has developed a province-wide exploration model which will assist in targeting broad areas for exploration then narrowing down to the zones of uranium mineralisation. The model has already identified a number of exceptional exploration targets, including the Angularli deposit. As part of the acquisition, Vimy will retain this intellectual property through the retention of key exploration staff.

Next Steps

Legal transfer of the tenements contained within the three packages and third-party approvals will be completed in the coming months, at which time the First Instalment will be paid.

During the due diligence process, Vimy identified and ranked what it sees as key targets for immediate follow-up drilling work and resource estimation. The most advanced of these targets is the Angularli Deposit, which will be the subject of a resource estimation immediately after acquisition.

Planning for the 2018 drilling season will commence shortly with a JV meeting to be held with Rio Tinto. Vimy intends to undertake further drilling at the Angularli project to follow up a high priority parallel shear structure that has been identified by Cameco. A maiden drill program at the Such Wow project will also be undertaken based on extensive airborne and ground survey work completed by Cameco.

Mike Young
Managing Director and CEO

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1 March 2018

About Vimy Resources

Vimy Resources Limited (ASX: VMY) 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 ENE of Kalgoorlie in the Great Victoria Desert of Western Australia.

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

Directors and Management

The Hon. Cheryl Edwardes AM
Chairman

Mike Young
CEO and Managing Director

Julian Tapp
Executive Director

David Cornell
Non-Executive Director

Mal James
Non-Executive Director

Andy Haslam
Non-Executive Director

Dr Vanessa Guthrie
Non-Executive Director

Ron Chamberlain
Chief Financial Officer and Company Secretary

Tony Chamberlain
Chief Operating Officer

Scott Hyman
Vice President – Sales and Marketing

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.

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THE MULGA ROCK PROJECT

RESOURCE OF



The creation of approximately
350 direct site jobs
IN WESTERN AUSTRALIA

Royalty and payroll tax
payments of around

A\$17m
PER YEAR TO THE
STATE GOVERNMENT

The amount of uranium produced
when used in nuclear power plants to
displace coal fired electricity would
offset more than



70 million tonnes
of carbon dioxide equivalent
emissions which is
around 13%
of Australia's total greenhouse
gas emissions.



**STATE & FEDERAL
MINISTERIAL
APPROVALS**