

Alligator River, Vimy opens a new front – AuslMM, June 2018 Xavier Moreau, GM Geology and Exploration



#### Disclaimer and statement of confirmation



**Disclaimer:** The purpose of this presentation is to provide general information about Vimy Resources 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.

To the extent permitted by law, Vimy and its officers, employees, related bodies corporate, agents and advisers, disclaim any responsibility for the accuracy or completeness of the material contained in this presentation and excludes all liability whatsoever (including in negligence) for any loss or damage which may be suffered by any person as a consequence of any information in this presentation or any error or omission therefrom. Vimy accepts no responsibility to update any person regarding any inaccuracy, omission or change in information in this presentation or any other information made available to a person nor any obligation to furnish the person with any further information. All amounts expressed are in A\$ unless stated otherwise.

Not an offer: This presentation is for information purposes only and does not constitute or form any part of any offer or invitation to sell or issue, or any solicitation of any offer to purchase or subscribe for, any securities in Vimy in any jurisdiction. This presentation and its contents must not be distributed, transmitted or viewed by any person in any jurisdiction where the distribution, transmission or viewing of this document would be unlawful under the securities or other laws of that or any other jurisdiction. The securities of Vimy have not been registered with the U.S. Securities and Exchange Commission or listed on any U.S. Stock Exchange.

Cautionary statements: The information in this presentation that relates to the Mulga Rock Project Definitive Feasibility Study (DFS), including production targets and forward-looking financial information based on the production targets, was released to the ASX on 30 January 2018. Vimy confirms that all the material assumptions underpinning the production targets and forward-looking financial information in the DFS continue to apply and have not materially changed.

**No new information:** The Mulga Rock Project Uranium Resource Estimate referred to in this presentation was released to the ASX on 12 July 2017. Vimy is not aware of any new information, or data, that affects the information in that announcement and confirms that all material assumptions and technical parameters underpinning the estimates continue to apply and have not materially changed.

The Mulga Rock Project Uranium Reserve Estimate referred to in this presentation was released to the ASX on 4 September 2017. Vimy is not aware of any new information, or data, that affects the information in that announcement and confirms that all material assumptions and technical parameters underpinning the estimates continue to apply and have not materially changed.

The Mulga Rock Project Base Metal Resource Estimate referred to in this presentation was released to the ASX on 23 June 2016. Vimy announced a significant uranium resource upgrade for the Mulga Rock Project on 12 July 2017, due mainly to higher uranium grades attributed to an increase in drill hole density. Therefore, on this basis the Company expects an increase in the base metal grades and contained tonnes, otherwise it is not aware of any other new information, or data, that affects the information in that announcement and confirms that all other material assumptions and technical parameters underpinning the estimates continue to apply and have not materially changed.

The Angularli Deposit Resource Estimate and Exploration Target referred to in this presentation was released to the ASX on 20 March 2018. 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 estimate and target 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 – leveraging off changing U market dynamics



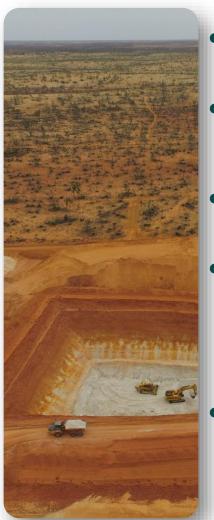
- Increasing U demand estimated at 3% CAGR in Vimy's Base Case
- Decreasing U supply due to supply-side reaction to unsustainable low prices
- Vimy to capitalise as 'first mover' through production and growth
- Vimy to become mid-tier U company through project pipeline and future M&A



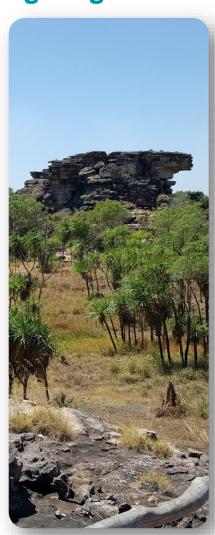
Pipeline of projects – three mines by 2025!



### **Development project + Advanced exploration + Targets galore**



- People with a track record, vision and a "can do" attitude
- Mulga Rock Project globally significant uranium deposit – low technical risk, low approval risk – "it all works"
- Further advanced than most peers –
  Mulga Rock is "mine ready"
- Alligator River Project the largest granted and permitted tenement package in the Alligator River uranium province, one of the top three uranium districts in the world
- Many advanced targets in under-explored province known to host large uranium deposits with exceptional grade



## 2018 achievements and next steps



#### A huge year so far:

- Release of Mulga Rock Project Definitive Feasibility Study
- Appointment of Scott Hyman as Vice President Sales and Marketing
- Acquisition of Alligator River Project in world-class uranium province
- Resource and Exploration Target for Angularli announced shortly after acquisition

#### **Next steps:**

#### **Mulga Rock Project**

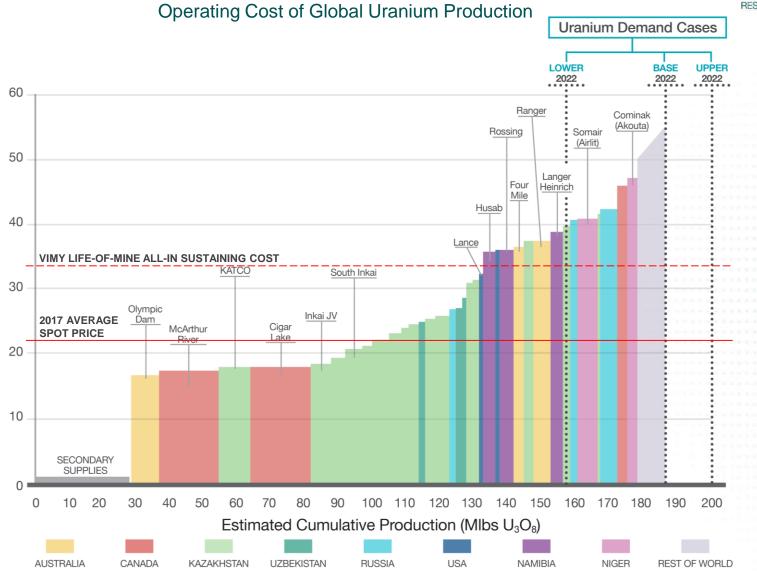
- Continue to promote the Mulga Rock DFS for negotiations with future offtake partners and to secure project finance
- Update DFS study to confirm the business case for incorporating a battery minerals by-product stream
- Planning and preparation for front-end engineering and design phase

#### **Alligator River Project**

- Scoping study on the Angularli project to determine preliminary economics of deposit
- RC and diamond drilling of high priority targets along repeat structures at the Angularli deposit, and at Such Wow prospect
- Environmental baseline studies at Angularli to streamline permitting timelines

## Uranium supply - All-in cost of production vs spot price (2017)





# Mulga Rock Project timeline to first uranium



	2017		2018			2018/2019	
Activity	Q3	Q4	Q1	Q2			
State environmental approval							
Federal environmental approval			. 1 . 4		Board approval to proceed		
Resource and Ore Reserve update	CC	m	DIET	ea			
Definitive Feasibility Study	-						
Secondary permits and licences							Final
Uranium contracts							Investment Decision
Project construction financing							(FID)
Final Investment Decision (FID)							

Project construction		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 <sub>3</sub> O <sub>8</sub>								

# Mulga Rock Project DFS highlights





# LONG MINE LIFE AND SECURE SOURCE OF URANIUM

The Mulga Rock Project is the largest advanced uranium development project in Australia

Total Ore Reserve of 42.3Mlbs  $U_3O_8$  from 22.7Mt at 845ppm  $U_3O_8$ 

Total resource estimate of 71.2Mt at 570ppm  $U_3O_8$  for a contained 90.1Mlbs  $U_3O_8$ 

Life-of-Mine of 15 years with an estimated total production of 47.1Mlbs U<sub>3</sub>O<sub>8</sub>



# LOW RISK AND LOW-COST MINING PROCESS

Shallow, simple open pit mining operation with an average depth of 43 metres

Over 90% uranium mining inventory for first 10 years supported by Ore Reserves

Process plant to use low-cost atmospheric acid leaching and resin-in-pulp

State and Federal Ministerial approvals received and secondary permitting well advanced



#### LOW CASH COST, ROBUST FINANCIALS

Cash operating cost for Life-of-Mine of US\$27.95/lb U<sub>3</sub>O<sub>8</sub>

Robust pre-tax NPV $_8$  of A\$530M, 25% IRR and a 3.1 year payback at US\$60/lb  $\rm U_3O_8$ 

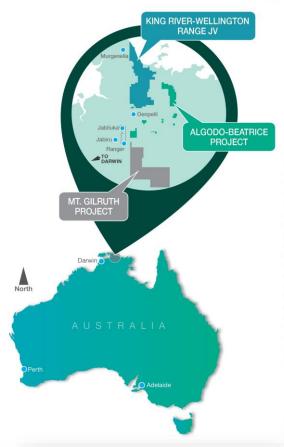
Breakeven price of US\$44.58/lb  $U_3O_8$  (capital payback @ 8% discount rate)

The project generates A\$134M free cash flow per year (EBITDA) after royalties

# Alligator River Project



- Mid July 2017: The largest granted exploration tenement package in the Alligator River uranium province becomes open to competitive bidding
- In one of the top three uranium exploration districts in the world
- Acquired from Cameco Australia in March 2018, including high quality exploration data and key staff
- Tenements on Aboriginal land managed by the Northern Land Council, on behalf of Traditional Landowners
- All granted exploration licences with Aboriginal deeds permitting exploration and setting out the terms governing future mining
- Immediate focus on highly prospective Angularli deposit and several advanced exploration targets (75% Vimy)
- Maiden Mineral Resource and Scoping study for the Angularli deposit (75% Vimy)



#### Alligator River Project:

- Located in Arnhem Land, Northern Territory
- Three separate packages covering a total area of 3,865km²

### Three tenement packages in top uranium province



#### King River-Wellington Range JV

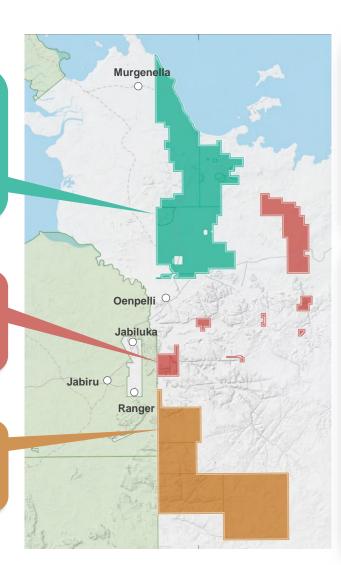
- 1,600km<sup>2</sup> of granted tenure
- Hosts the Angularli deposit and other highly prospective targets
- Vimy acquired 75% JV interest becoming JV manager
- Highly prospective with limited sandstone cover

#### Algodo-Beatrice project (100%)

- A group of tenement applications to the east of the Ranger and Jabiluka deposits
- Under moderate sandstone cover

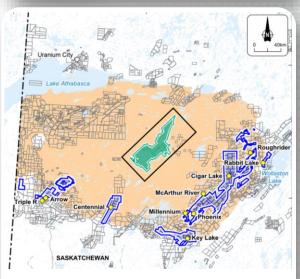
#### Mt Gilruth project (100%)

 A group of tenement applications to the southeast of the Ranger and Jabiluka deposits



#### **Alligator River province:**

- Over 750Mlbs U<sub>3</sub>O<sub>8</sub> in mineral resources
- Unconformity style particular to Alligator River and Athabasca Basin in Canada – noted for large size and exceptional grades
- Under-explored due to political reasons

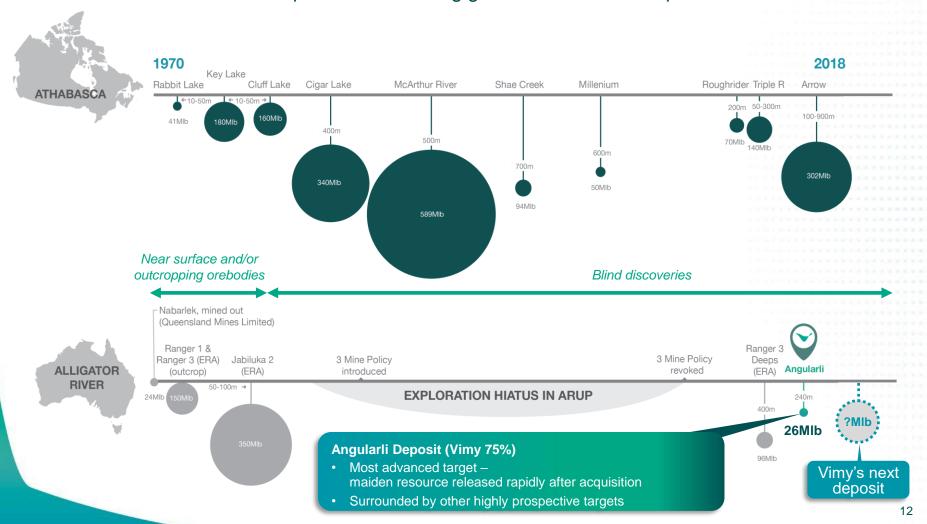


King River JV holding overlain on Cameco's Athabasca Basin holdings

# Exploration hiatus in sharp contrast to Athabasca Basin



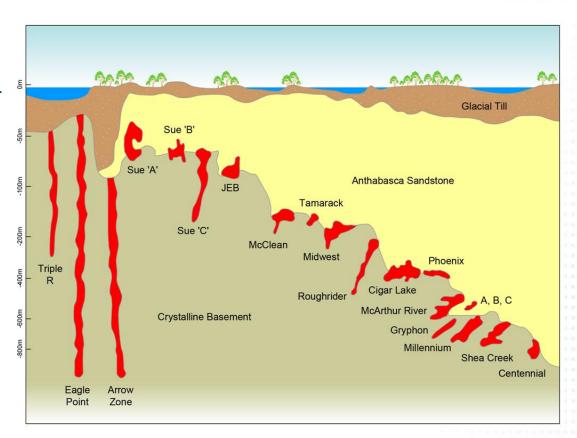
- Australia's Three Mine Policy (1984-1996) resulted in limited exploration in Alligator River area
- All exploration licences held in moratorium during this period, followed by moderate exploration only
- Canada's Athabasca Basin experienced amazing growth over the same period



# Exploration in the Athabasca Basin

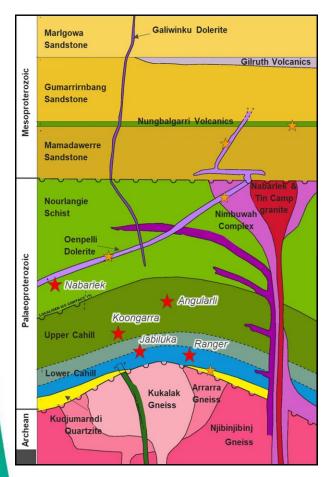


- Recent discoveries in Western Athabasca point to:
  - > Relative importance of shearhosted deposits; traditionally not targeted in the Alligator River uranium province
  - > Typically multiple lodes/mineralised lenses within a shear zone
  - > Presence of deposits where unconformity is no longer preserved
  - > Vertical extent of fertile structures
- Over 2.5 billion lbs U<sub>3</sub>O<sub>8</sub> discovered in the Athabasca since 1968



# Alligator River Uranium Deposits – deposit types





**Type 1 - Low Angle Shear Deposits** 

Jabiluka 2 $302 \text{ Mlbs U}_3O_8 @ 0.66 \%$ Ranger 1, No 3 $177 \text{ Mlbs U}_3O_8 @ 0.24 \%$ Ranger 1, No 1 $127 \text{ Mlbs U}_3O_8 @ 0.26 \%$ Ranger 3 Deeps $72 \text{ Mlbs U}_3O_8 @ 0.24 \%$ 

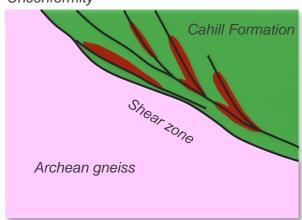
- Lower grade, high tonnage deposits
- Lower Cahill Formation host rocks (mixed schists-carbonates) that overlay Archaean basement

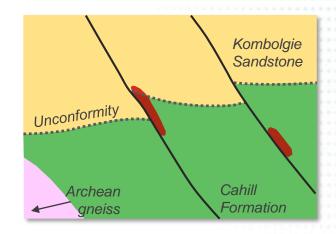
#### Type 2 - High Angle Fault Deposits

Koongarra 36 Mlbs U<sub>3</sub>O<sub>8</sub> @ 0.66 % Nabarlek 24 Mlbs U<sub>3</sub>O<sub>8</sub> @ 1.84 % Angularli 26 Mlbs U<sub>3</sub>O<sub>8</sub> @ 1.29 %

- Steep dipping NE and NNW striking fault systems
- High grade, low tonnage with a small development footprint
- Similar to McArthur River and Cigar Lake, Athabasca



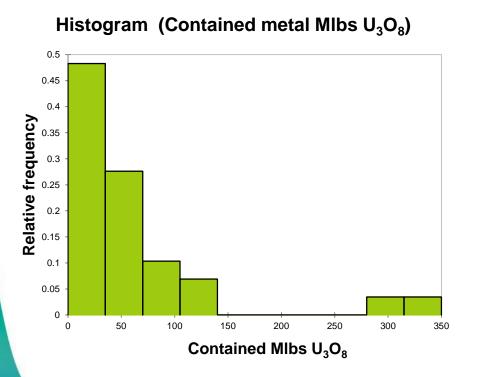


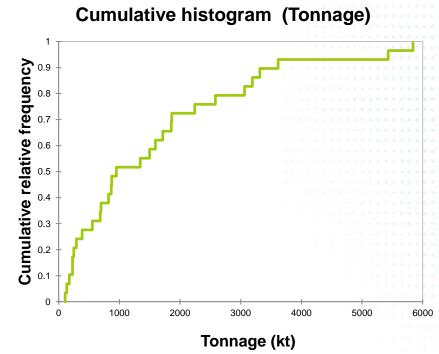


# Exploration potential – Alligator River Project



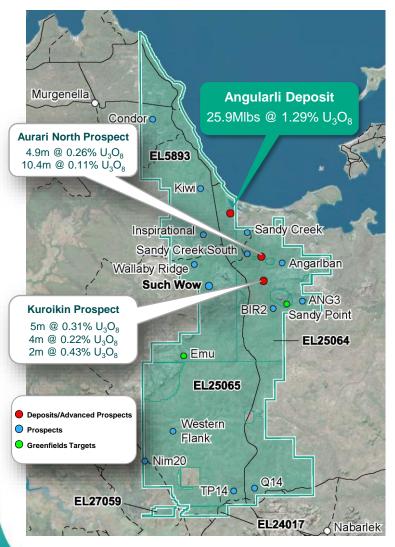
- Shear-hosted unconformity related deposits occur in small and high value pods
- Search space: Significant potential for discoveries within 300m of surface
- Amenable to conventional underground mining
- Much smaller ground disturbance than open pit





# Alligator River Project – a natural pipeline of prospects





# Angularli Maiden Mineral Resource (75% Vimy) announced immediately after acquisition

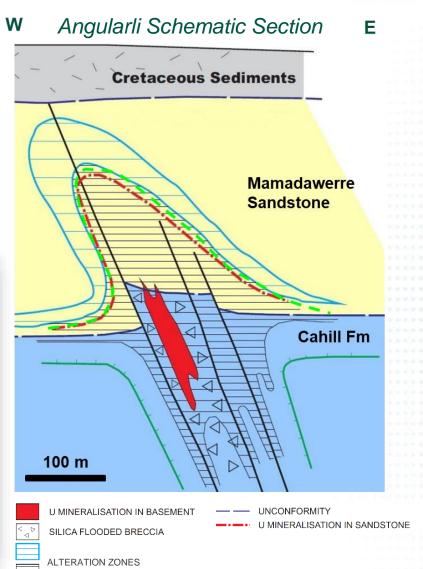
- Maiden Inferred Mineral Resource of 26Mlbs
  U<sub>3</sub>O<sub>8</sub> for 0.91Mt at 1.3% U<sub>3</sub>O<sub>8</sub>, at a cut-off grade of 0.15% U<sub>3</sub>O<sub>8</sub>
  - > Best drill intercept of 22.9m at 4.63% U<sub>3</sub>O<sub>8</sub> from 244.6m
- Mining study completed during due diligence shows no fatal flaw for an underground operation
- Significant exploration upside along strike on untested parallel structures
- Exploration target between 20 to 60Mlbs U<sub>3</sub>O<sub>8</sub>
  for 1.2-1.8Mt at a grade of 0.75-1.5% U<sub>3</sub>O<sub>8</sub>
- Majority of current targets are along NNWtrending reactivated shear zones
- Deeper Ranger-Jabiluka style targets further to the Northwest

# High angle fault geological model

VIMY

- Faulting and silicification in the Cahill Formation prior to sandstone and mineralisation
- Re-activation and brecciation of Cahill faults and siliceous zones
- Mineralisation as breccia and fracture fill, minor wall-rock replacement





## Geochemical signature

# VIMY

#### Sandstone distal halo (up to 1.5 km)

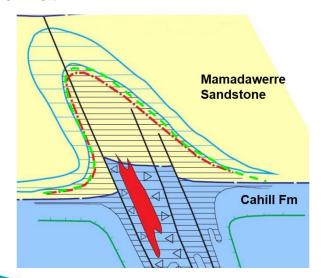
Strong bleaching

#### Basement distal halo (50 - 150 m)

- Occurs external to proximal halo, below controlling faults and along the unconformity
- Selective mineral replacement

#### Proximal halo (0 – 50 m)

- Occurs in the basement hanging wall and in basal sandstone
- Pervasive mineral replacement and matrix fill





Top: Unaltered SS, Bottom: Bleached SS



Alteration fracture fill in sandstone

2018 Work Program

# VIMY

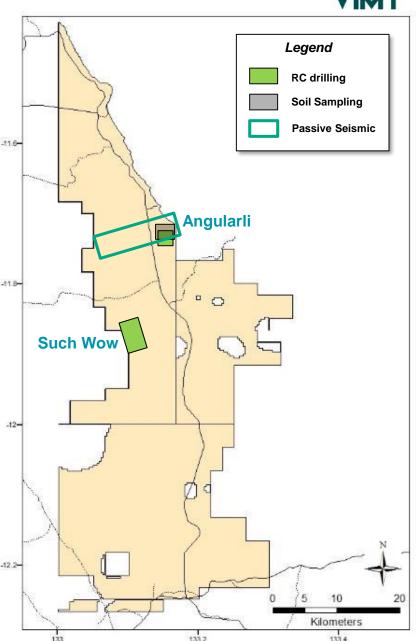
#### **2018 Exploration Aims**

- Targeted drilling Focus on expanding the resource base in the Angularli region
- Prospectivity Advance highly prospective Type 2 target at Such Wow
- New Target Generation Develop new drill targets in the Angularli region

#### **Exploration Program**

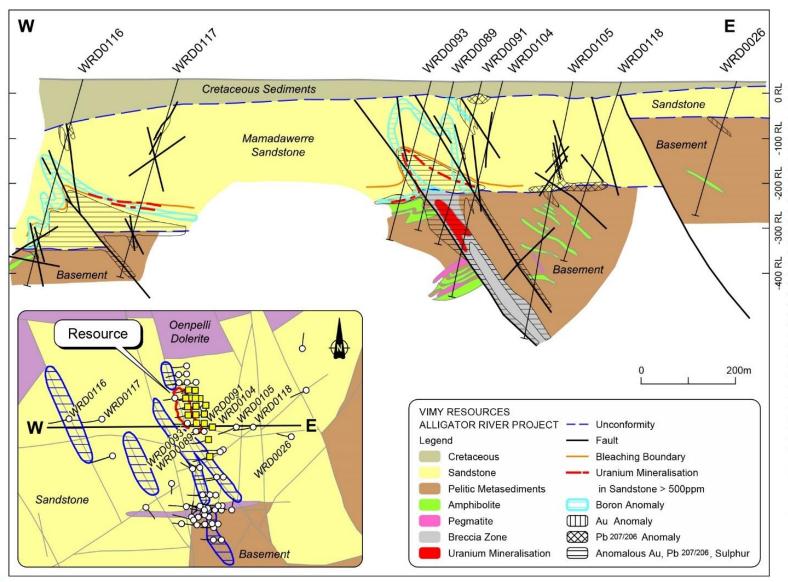
- RC drilling> 30 RC holes for 8,000m planned
- Surface geochemical sampling
  soils, termitaria, radon gas trials
- Mapping and rock-chip sampling
- GeophysicsPassive seismic data collection

#### **Initiate baseline studies**



## Angularli Deposit – cross section and parallel structure

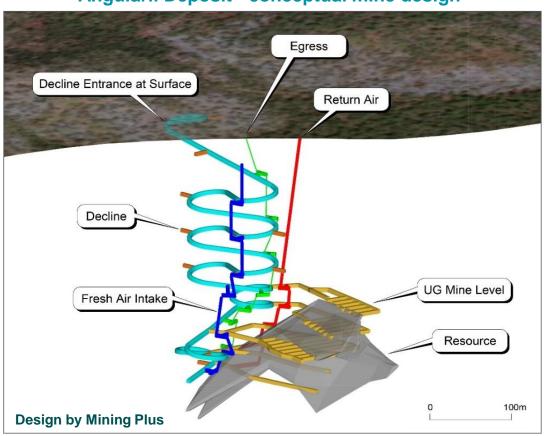




# Alligator River Project – going forward



#### **Angularli Deposit - conceptual mine design**



#### 2018 milestones:

- Scoping study will guide future exploration activities and provide a clear indication of target size to sustain an underground operation in Arnhem Land
- Test shallow targets:
  - > Prove more mineralisation around Angularli
  - > Proof of concept at Such Wow
- New target generation develop new drill targets in the broader region as new tenure becomes available