



# Vimy Resources

## *Mining a cleaner tomorrow*

Noosa Mining Conference | July 2019

*Mike Young, CEO*



# ● ● THREE CHOICES ...

*Be on the right side of history*

*Renewables and blackouts*



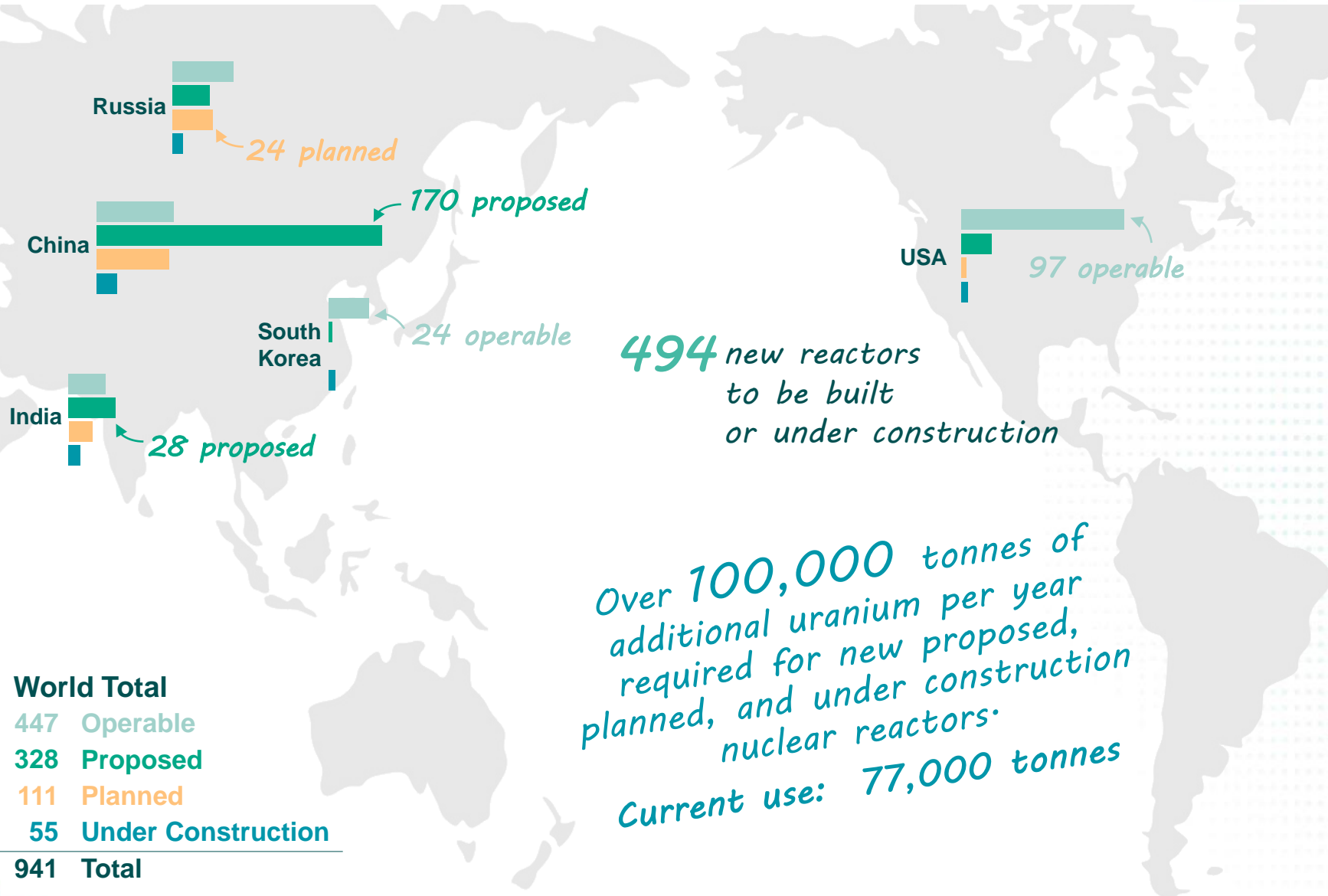
*Renewables and fossil fuels*



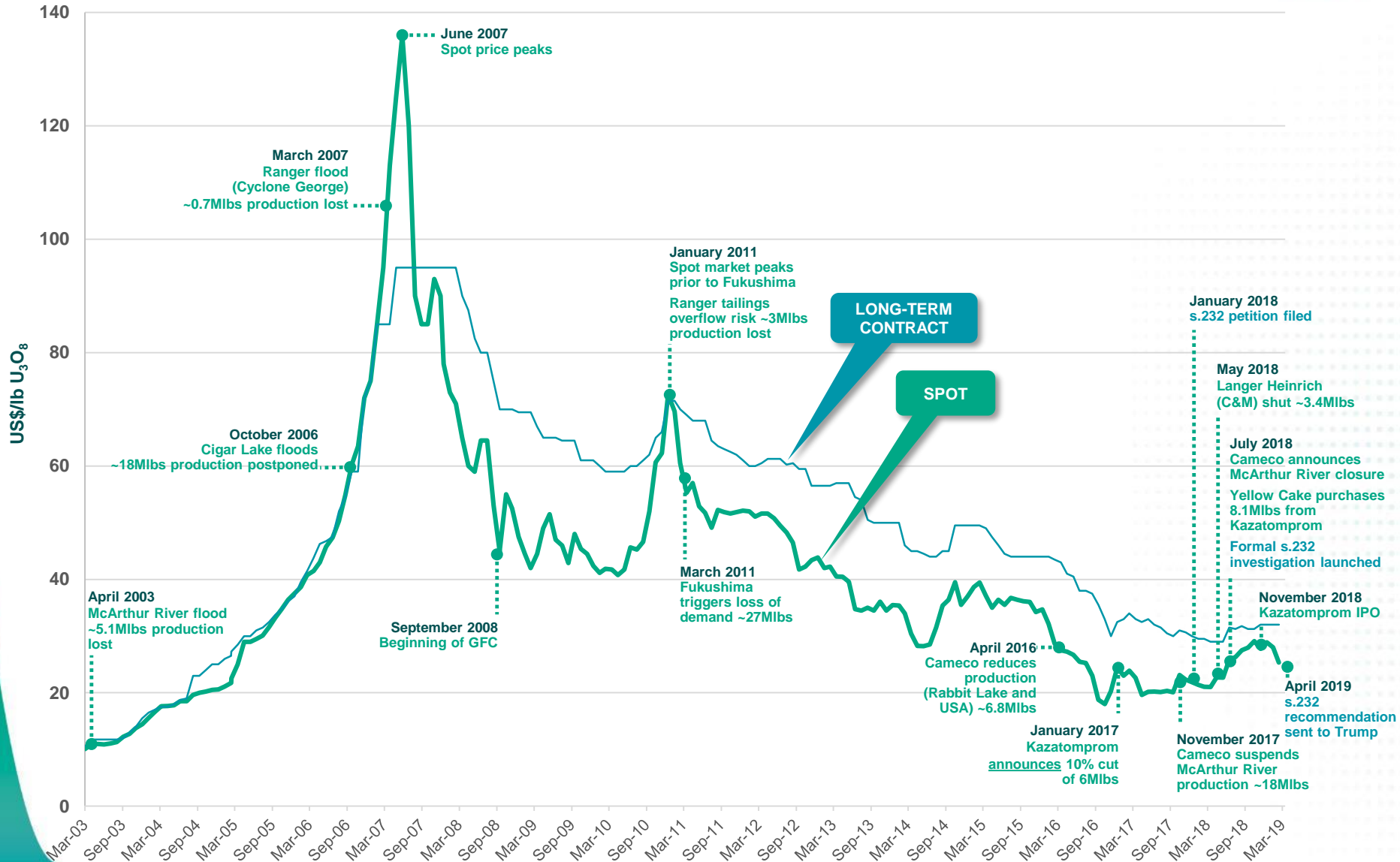
*Renewables and nuclear*



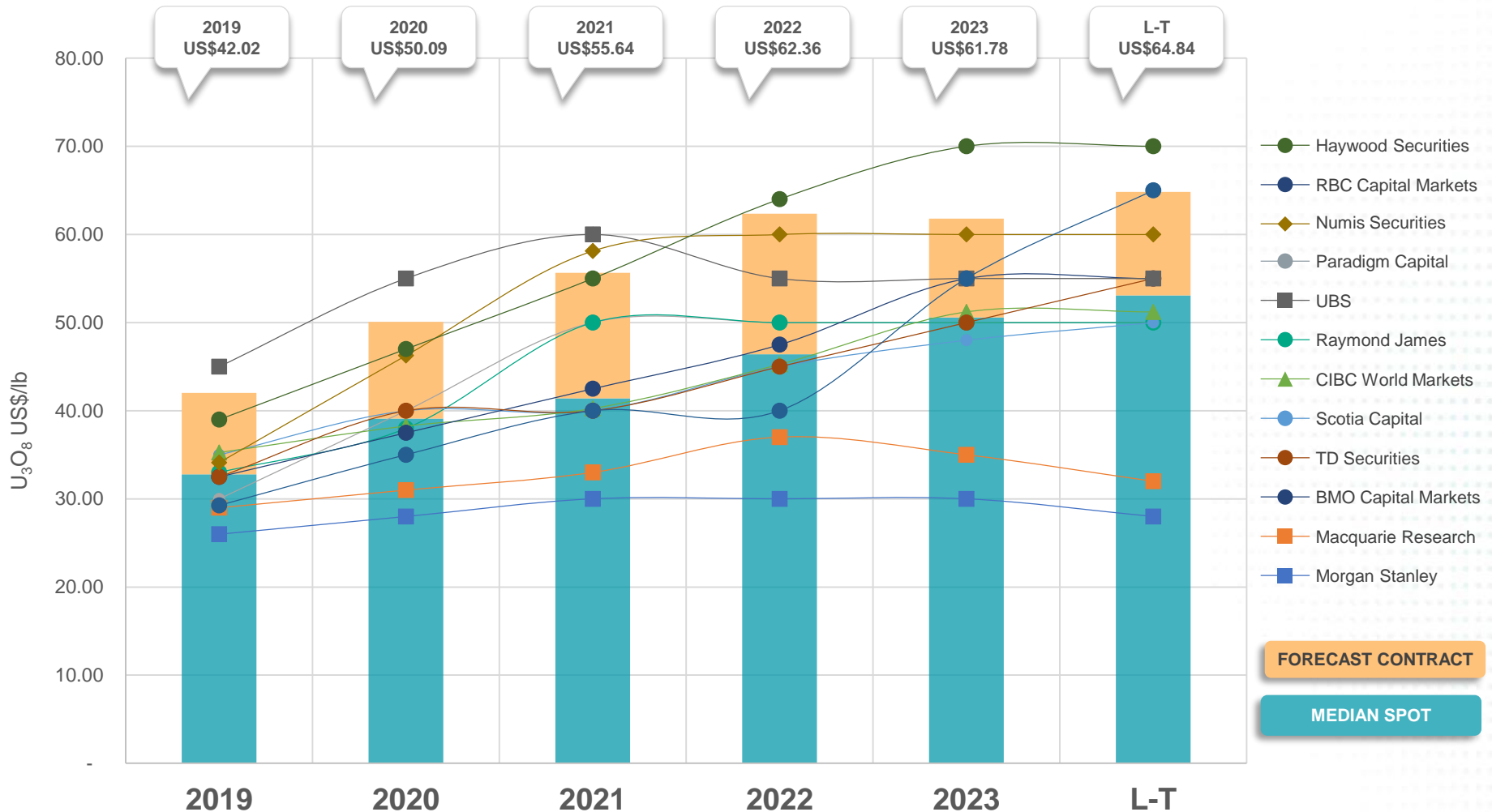
# GLOBAL GROWTH IN NUCLEAR REACTORS



# HISTORY OF URANIUM PRICING



# STREET CONSENSUS URANIUM OUTLOOK

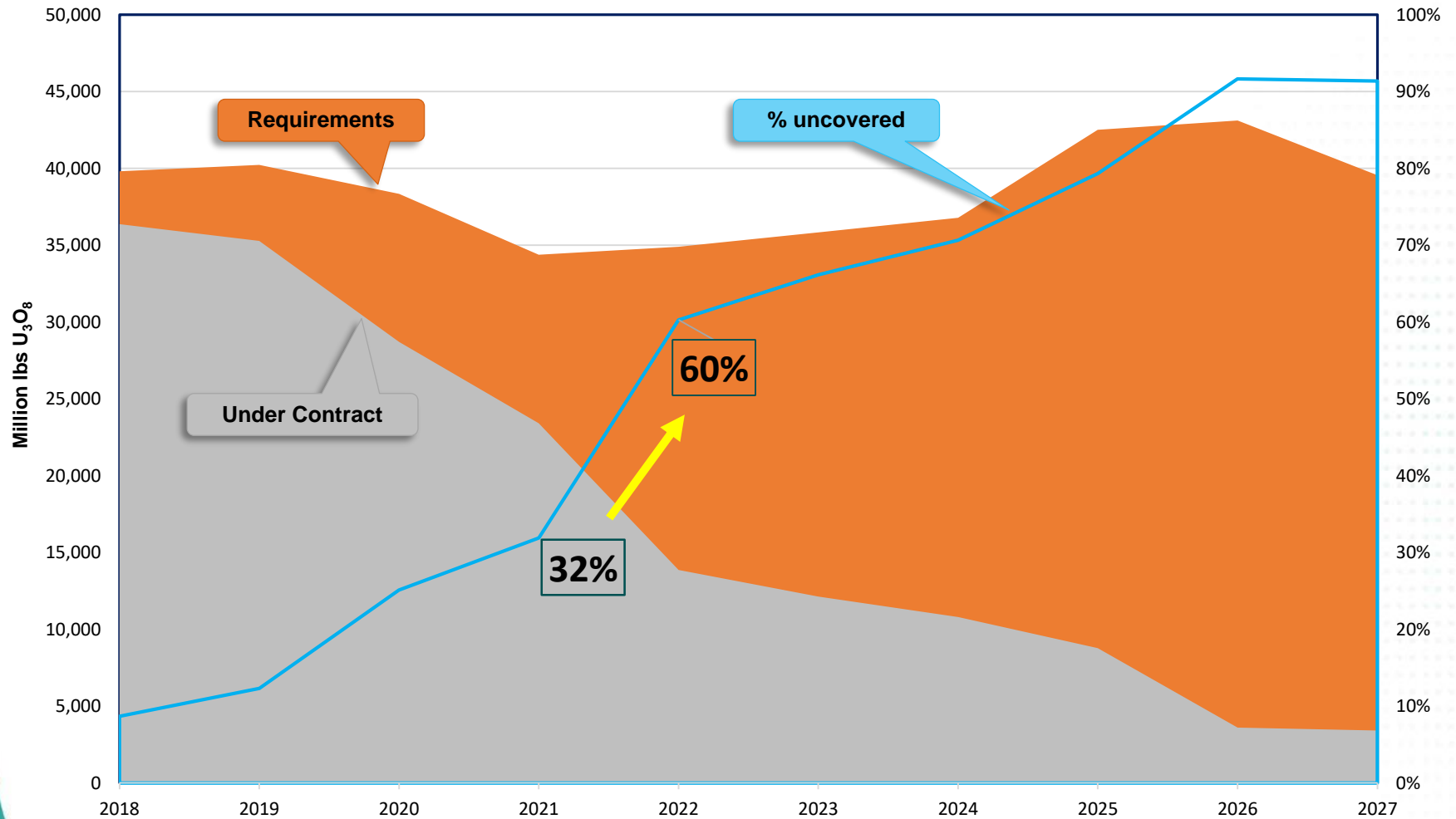


## NOTES

1. For some brokers forecasts, they commence a long-term uranium price prior to 2024 or have limited years shown. Where this is the case, the price is averaged to achieve a trend.
2. All brokers report the spot price and these are reflected in the lines.
3. The median spot is shown in the blue bar and the delta to the contract price is shown in orange and has been calculated on historical prices for the period 2000 to 2019.



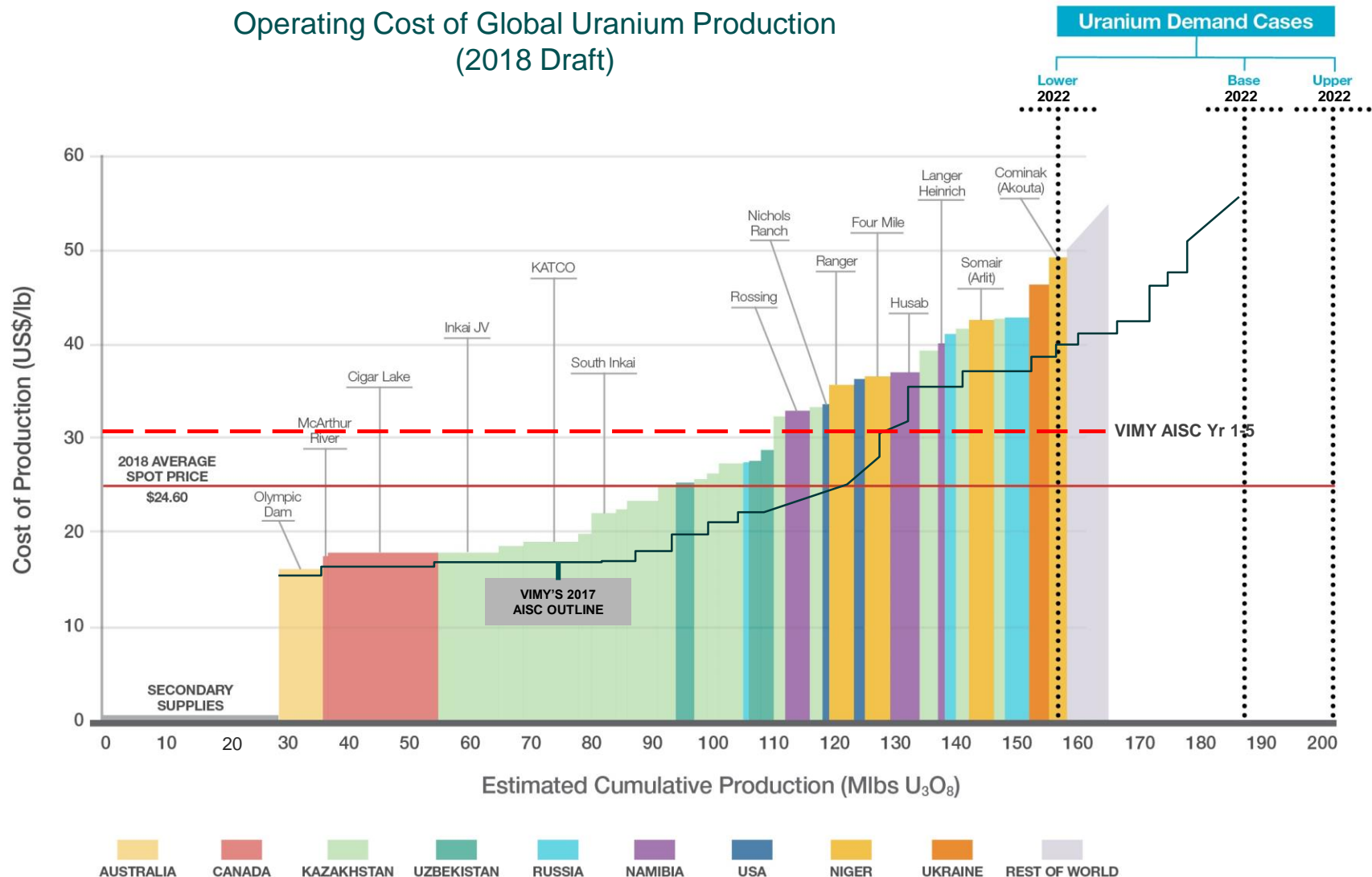
# ● ● US URANIUM CONTRACT DYNAMICS



Source: US EIA 2017 U Marketing Annual Report

# ALL-IN COST OF PRODUCTION VS SPOT PRICE

Operating Cost of Global Uranium Production  
(2018 Draft)



Estimated 2018 'All-In Sustaining Cost' of Global Uranium Production showing Vimy's Demand Cases (Upper, Base, Lower)

Source: Company Data + Analysts' Views + Vimy Calculations, US Energy Information Administration | 2016 U Marketing Annual Report

# ● ● VIMY – BEST URANIUM LEVERAGE PLAY

## Mulga Rock Project, Western Australia

- DFS completed and technically mine ready
- State and Federal Environmental Approvals
- Secondary permitting underway
- Contracts → Financing → FID
- FID → First production in 2 years

*Mulga Rock Project  
Development project*



*Alligator River Project  
Extraordinary exploration*



## Alligator River Project, Northern Territory

- Geological analogue to Athabasca Basin, Canada
- Acquired from Cameco in 2018
- Large, untested and prospective landholding
- Mineral Resource and Scoping Study released
- Potential for large, Tier 1 assets  
(Jabiluka, Ranger, McArthur River, etc)





# VIMY – BEST URANIUM LEVERAGE PLAY

## Growth

- Develop Mulga Rock
- Exploration at Alligator River
- M&A

## Catalysts

- Section 232 ✓
- World Nuclear Association Nuclear Fuel Report - September 2019
- Contracts with utilities

POTUS says:  
No quotas, No tariffs

Mulga Rock Project  
Development project



Alligator River Project  
Extraordinary exploration



# VIMY ROADMAP

- Mulga Rock – Contracting, financing, construction, production
- Alligator River – Find the next McArthur River!

H2 2019	H1 2020	H2 2020	H1 2021
<ul style="list-style-type: none"> <li>• Refresh Mulga Rock DFS</li> <li>• Exploration program at Alligator River</li> <li>• Uranium contracting</li> </ul>	<ul style="list-style-type: none"> <li>• Mulga Rock DFS update</li> <li>• Results of exploration at Alligator River</li> <li>• Uranium contracting</li> </ul>	<ul style="list-style-type: none"> <li>• Mulga Rock funding and Final Investment Decision</li> <li>• Alligator River exploration and resource in-fill drilling</li> </ul>	<ul style="list-style-type: none"> <li>• Commence construction at Mulga Rock</li> <li>• Alligator River - complete PFS</li> </ul>

# ● ● DISCLAIMER AND STATEMENT OF CONFIRMATION



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**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 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.



# THANK YOU



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# MULGA ROCK – RESOURCE AND RESERVE



## Mineral Resource released to ASX on 11 July 2017

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	Measured	150	5.2	1,100	12.6
	Indicated	150	16.8	800	29.6
	Inferred	150	15.5	420	14.3
<b>Sub-total</b>			<b>37.4</b>	<b>680</b>	<b>56.4</b>
Mulga Rock West	Indicated	150	2.2	680	3.2
	Inferred	150	31.7	440	30.4
<b>Sub-total</b>			<b>33.8</b>	<b>450</b>	<b>33.6</b>
<b>Total Resource</b>			<b>71.2</b>	<b>570</b>	<b>90.1</b>

- Mulga Rock Project now at 90.1Mlbs U<sub>3</sub>O<sub>8</sub> being 71.2Mt at 570ppm U<sub>3</sub>O<sub>8</sub>
- **High-grade at Mulga Rock East comprises 25Mlbs at 1,500ppm U<sub>3</sub>O<sub>8</sub>**
- A 30% increase in Mulga Rock East resource since November 2016
- 50% of the global Mineral Resource is in Measured and Indicated status






- Ore Reserves now at 42.3Mlbs U<sub>3</sub>O<sub>8</sub> from 22.7Mt at 845ppm U<sub>3</sub>O<sub>8</sub>
- Maiden Proved Ore Reserve of 12.3Mlbs from 5.3Mt at 1,055ppm U<sub>3</sub>O<sub>8</sub>
- Ore Reserve metal increases 36% from last update in November 2016
- Vimy expects material improvements in project economics

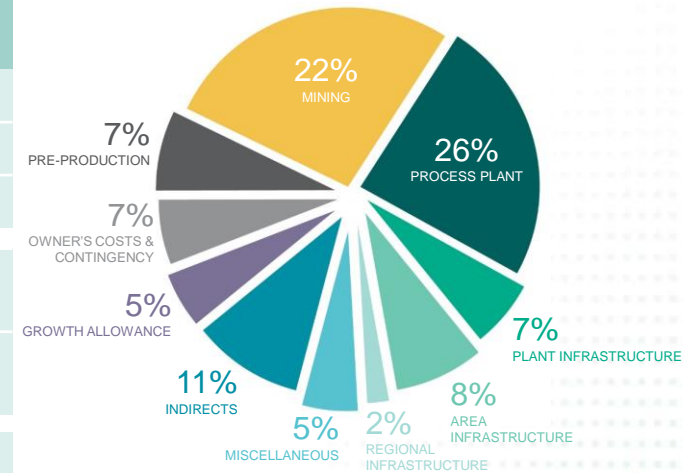
## Ore Reserve released to ASX on 4 September 2017

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>					
Ambassador	Proved	150	5.3	1,055	12.3
	Probable	150	14.1	775	24.0
Princess	Probable	150	1.7	870	3.3
<b>Sub-total</b>			<b>21.1</b>	<b>850</b>	<b>39.6</b>
<b>Mulga Rock West</b>					
Shogun	Probable	150	1.6	760	2.7
<b>Sub-total</b>			<b>1.6</b>	<b>760</b>	<b>2.7</b>
<b>Total Reserve</b>			<b>22.7</b>	<b>845</b>	<b>42.3</b>

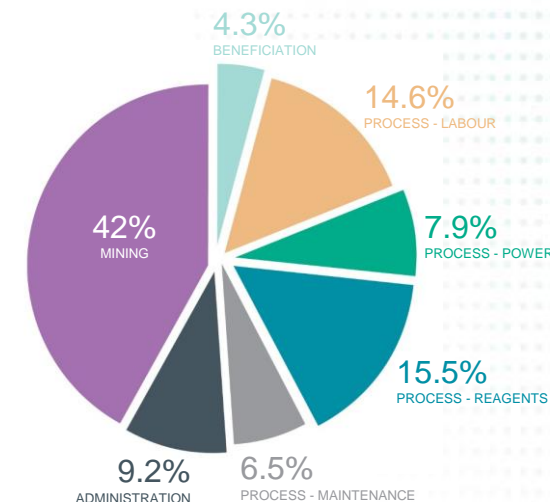


# MULGA ROCK KEY METRICS

	Key Metric	Unit	DFS
 RESOURCE	Life-of-Mine (LOM)	Years	15
	Run-of-Mine (ROM) Uranium Grade (Years 1-5)	ppm U <sub>3</sub> O <sub>8</sub>	1,010
	ROM Uranium Grade (LOM)	ppm U <sub>3</sub> O <sub>8</sub>	770
 PRODUCTION	Annual Uranium Production	Mlbs U <sub>3</sub> O <sub>8</sub> pa	3.50
	Total Uranium Production (LOM)	Mlbs U <sub>3</sub> O <sub>8</sub>	47.1
 OPERATIONS	Uranium Cash Operating Cost (Years 1-5)	US\$/lb U <sub>3</sub> O <sub>8</sub>	25.11
	Uranium Cash Operating Cost (LOM)	US\$/lb U <sub>3</sub> O <sub>8</sub>	27.95
	Uranium AISC Operating Cost (LOM)	US\$/lb U <sub>3</sub> O <sub>8</sub>	34.00
 CAPITAL	Pre-Production Mining Costs (Pre-Strip)	A\$ million	36.3
	Mining, Plant, Infrastructure and Indirects	A\$ million	415.0
	Growth Allowance and Contingency	A\$ million	41.7
	Total Capital	A\$ million	493.0
 PROJECT FINANCIALS	Contract Uranium Price (from 2021 onwards)	US\$/lb U <sub>3</sub> O <sub>8</sub>	60
	Project NPV <sub>8</sub> (inclusive of Royalties, pre-tax)	A\$ million	530
	Project IRR (inclusive of Royalties, pre-tax)	%	25.3
	Payback from Start of Production	Years	3.1



Capital Cost Breakdown



LOM Cash Operating Costs by Area

# ALLIGATOR RIVER PROJECT – ANGULARLI DEPOSIT



## Maiden Mineral Resource released to ASX on 20 March 2018

Deposit	Resource Estimate Classification	Cut-off grade (% $U_3O_8$ )	Tonnes (Mt) <sup>1</sup>	$U_3O_8$ (%) <sup>2</sup>	$U_3O_8$ (Mlbs)
Angularli	Inferred	0.15	0.91	1.29	25.9

1. t = metric dry tonnes; appropriate rounding has been applied and rounding errors may occur.
2. Using chemical  $U_3O_8$  composites from drill core
3. Vimy: 75%

## Exploration Target released to ASX on 20 March 2018







Project Area	Tonnes Range (Mt) <sup>1</sup>	Grade Range (% $U_3O_8$ )	Metal Range (Mlb $U_3O_8$ )
Angularli	1.2 - 1.8	0.75 - 1.5	20 - 60

1. t = metric dry tonnes;
2. Appropriate rounding has been applied, and rounding errors may occur.
3. Vimy: 75%

The potential quantity and grade of the Exploration Target is conceptual in nature. It is important to note that there has been insufficient exploration to estimate a Mineral Resource and it is uncertain if further exploration will result in the estimation of a Mineral Resource.

# GLOBAL COMPARABLE URANIUM STUDIES



	Units							
<b>Market Capitalisation <sup>1</sup></b>	A\$M	30	54	92	61	73	46	38
<b>Project - Location</b> <i>(equity if less than 100%)</i>		Mulga Rock (Australia)	Etango (Namibia – 95%)	Salamanca (Spain)	Madaouela (Niger – 90%)	Honeymoon (Australia)	Wiluna (Australia)	Letlhakane (Botswana)
<b>Mineral Resource <sup>2</sup></b> <i>Grade</i>	Mlbs ppm	91 570	270 186	89 514	138 1,360	72 620	72 517	103 450
<b>Ore Reserve <sup>2</sup></b> <i>Grade</i>	Mlbs ppm	42 845	130 195	0	61 933	0	0	0
<b>Study Key Findings</b>								
Study phase <sup>3, 4</sup> (100% basis)		DFS (2018)	DFS (2015)	DFS (2016)	PFS (2017)	PFS (2017)	PFS (2014)	SS (2015)
Initial LoM	Years	15	16	14	21	7	16	18
NPV - post tax (DR 8%)	A\$M	340	419	717	112	NA	NA	320
Capital cost	A\$M	493	793	313	478	146	269	468
Target production	Annual	3.5	7.2	4.4	2.7	3.2	1.9	2.4
Total uranium sales	Mlbs	47	113	49	54	14	30	43
Uranium study price	US\$/lb	60	75	70	58	NA	70	81
Cash costs (C1)	US\$/lb	28	38	16	25	16	31	41

1 Market Cap obtained from the ASX website. As at exchange closing prices on 4 July 2019

2 See Appendix for full details of Mineral Resource and Ore Reserve by category for each company

3 SS: Scoping Study or Preliminary Economic Assessment. PFS: Preliminary Feasibility Study. DFS: Feasibility (Optimization) Study or Definitive Feasibility Study  
All study outputs from technical reports on the respective company websites

4 All Mineral Resource, Ore Reserves and Study findings have been reported on a 100% equity basis. Minority interests are shown against project name

# APPENDIX

## Global Comparable Uranium Studies Resource and Reserve Table



	Units							
<b>Market Capitalisation</b>	A\$M	30	54	92	61	73	46	38
<b>Project - Location</b> <i>(equity if less than 100%)</i>		Mulga Rock (Australia)	Etango (Namibia – 95%)	Salamanca (Spain)	Madaouela (Niger – 90%)	Honeymoon (Australia)	Wiluna (Australia)	Lethlakane (Botswana)
<b>Mineral Resource</b>								
Measured <i>Grade</i>	MLbs <i>ppm</i>	13 <i>1,100</i>	14 <i>194</i>	12 <i>597</i>	31 <i>1,210</i>	8 <i>1,100</i>	6 <i>579</i>	0 <i>0</i>
Indicated <i>Grade</i>		33 <i>790</i>	150 <i>188</i>	48 <i>516</i>	79 <i>1,430</i>	25 <i>630</i>	60 <i>532</i>	23 <i>463</i>
Inferred <i>Grade</i>		45 <i>432</i>	106 <i>182</i>	30 <i>395</i>	28 <i>1,330</i>	39 <i>570</i>	6 <i>323</i>	80 <i>446</i>
<b>Total Resource</b> <i>Grade</i>		<b>91</b> <b>570</b>	<b>270</b> <b>186</b>	<b>89</b> <b>514</b>	<b>138</b> <b>1,360</b>	<b>72</b> <b>620</b>	<b>72</b> <b>517</b>	<b>103</b> <b>450</b>
<b>Ore Reserve</b>								
Proved <i>Grade</i>		12 <i>1,055</i>	14 <i>196</i>					
Probable <i>Grade</i>		30 <i>784</i>	116 <i>195</i>		61 <i>933</i>			
<b>Total Reserve</b> <i>Grade</i>		<b>42</b> <b>845</b>	<b>130</b> <b>195</b>	<b>0</b>	<b>61</b> <b>933</b>	<b>0</b>	<b>0</b>	<b>0</b>

All table data taken from each of the company websites from released Resource and Reserve reports  
See Global Comparable Uranium Studies slide for a summary of the mineral resource and ore reserve and for additional study data