



# Quarterly Activities Report

September 2019



## Highlights

### Uranium market

- Worsening structural imbalance with chronic undersupply locked in early 2020s
- Third year in a row of declining uranium product inventories
- Marked tightening of enriched uranium and enrichment markets

### Mulga Rock Project

- Secondary approvals continue to progress, with a staged approach taken to key components such as Mining Proposal, Mine Closure Plan and Works Approval

### Alligator River Project

- Excellent geochemistry results from termitaria sampling at Southern Flank
- Exciting drill results from Such Wow

### Corporate

- Successful equity raise of \$A3.9 million was well-supported by new and existing shareholders
- Share Purchase Plan announced to raise approximately A\$3.0 million

### CEO Commentary

Vimy Resources CEO, Mike Young, said, "I'll be brief this month as I'm at the Nuclear Energy Institute (NEI) Conference in Nashville. It's always a valuable conference, and attendance numbers are good this year. I'd have to say that the mood is still rather low-key as the uranium price remains stubbornly low."

We put a great deal of work into our annual report so please have a look at that for an overview of our activities for the year and an update on the uranium market. You'll find a copy on our website."

The field season at the Alligator River Project is over for this year, and although drilling was limited to keep costs down, we are really pleased with the results of our geochemistry programs, especially at Southern Flank where several extensive anomalies were identified. We previously recognised this area as prospective for Jabiluka Ranger-style targets and the excellent access and shallow cover will make this area top of the list for drill testing in 2020. I cannot speak highly enough of the team we have at the Alligator River Project.

Penny Sinclair, Principal Geologist on the project, has an incredible knowledge of the project's geology and she runs a great crew."

After the end of the Quarter, we announced a successful equity raise from institutional and sophisticated investors and a share purchase plan for eligible shareholders. It was great to see so many of our existing investors, and so many new ones, recognise the high quality of our team and project pipeline by participating in the equity raise. I am looking forward to a similar response from shareholders for the share purchase plan."

The great response was also an endorsement of our positive view of the outlook for uranium. The price has been slower to move than anticipated but we believe the market has taken a significant turn for the better. The increased debate around the 'climate emergency' continues to highlight the opportunities for nuclear power to provide reliable and affordable electricity with no greenhouse gas emissions."



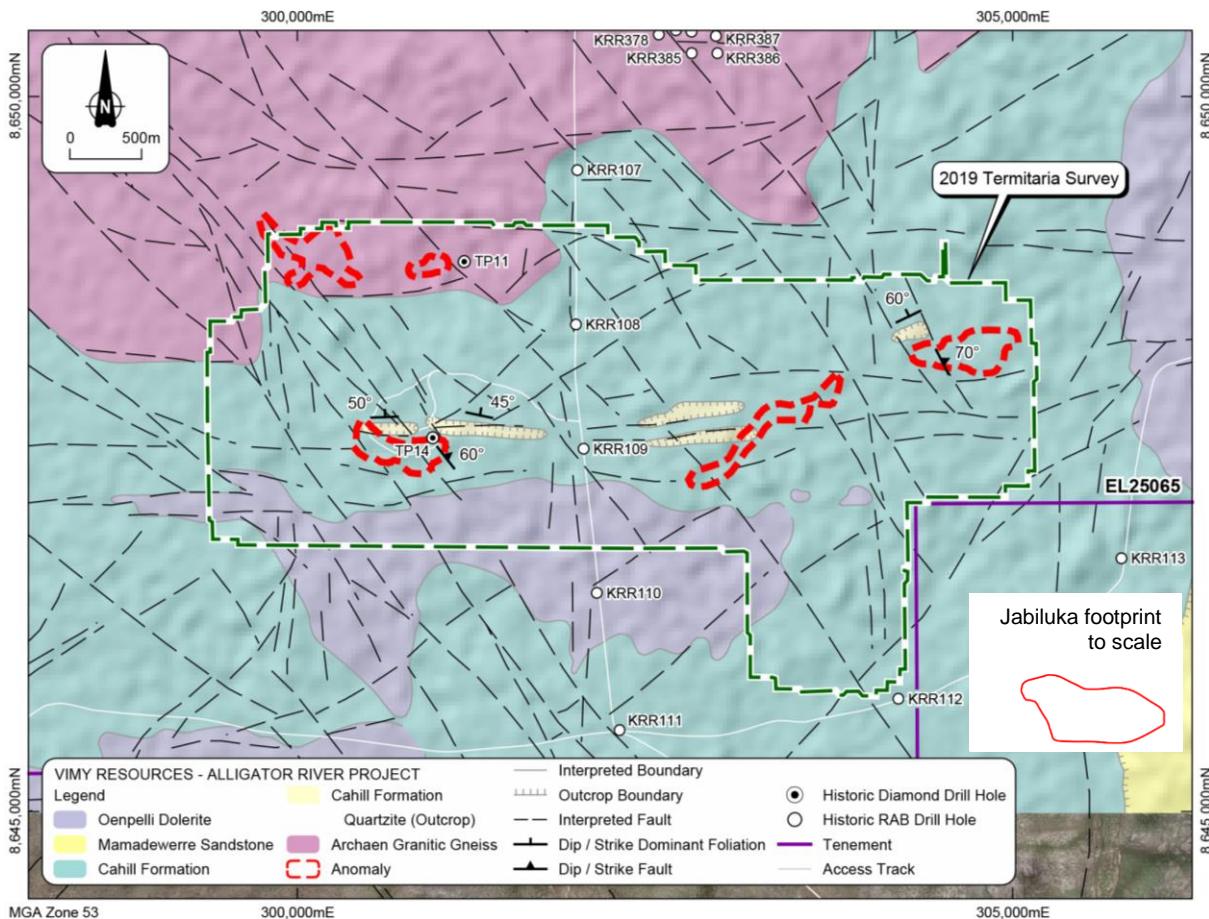
## Alligator River Project

### Excellent Geochemistry Results at Southern Flank

On 1 October 2019, we announced the results of a termitaria program at Southern Flank, part of the Wellington Range-King River project (78% Vimy Resources, 22% Rio Tinto Exploration Pty Limited). Termitaria is a low-impact sampling method of termite mounds, supported by local traditional owners. The extensive geochemical program –over an area of 12.5km<sup>2</sup> and involving over 900 termite mounds – returned excellent results, defining several coherent and distinct uranium anomalies in an area with a geological setting similar to the nearby world-class Jabiluka and Ranger deposits. Easy road and track access and shallow cover will enable us to drill-test this cost-effectively in the 2020 field season.

The Southern Flank area is located in the southern part of the Wellington Range-King River JV project. It lies approximately 17 km to the northwest of the historic Nabarlek mine and is crossed by the major regional access roads. (The Nabarlek uranium mine operated successfully between 1980-1988 and produced 24Mlbs U<sub>3</sub>O<sub>8</sub> from 550,000 tonnes of ore at an average grade of 1.84% U<sub>3</sub>O<sub>8</sub>. It has since been successfully decommissioned and the site fully rehabilitated.)

Based on regional geology, structural interpretation and radiometrics, Vimy targeted the Southern Flank as it presents a geological setting similar to the Jabiluka and Ranger deposits, 42km to the southwest. Owing to the shallow cover, and thin weathering profile, Vimy identified the prospect as an ideal geological setting for the application of termitaria geochemical sampling as a first-pass exploration technique.





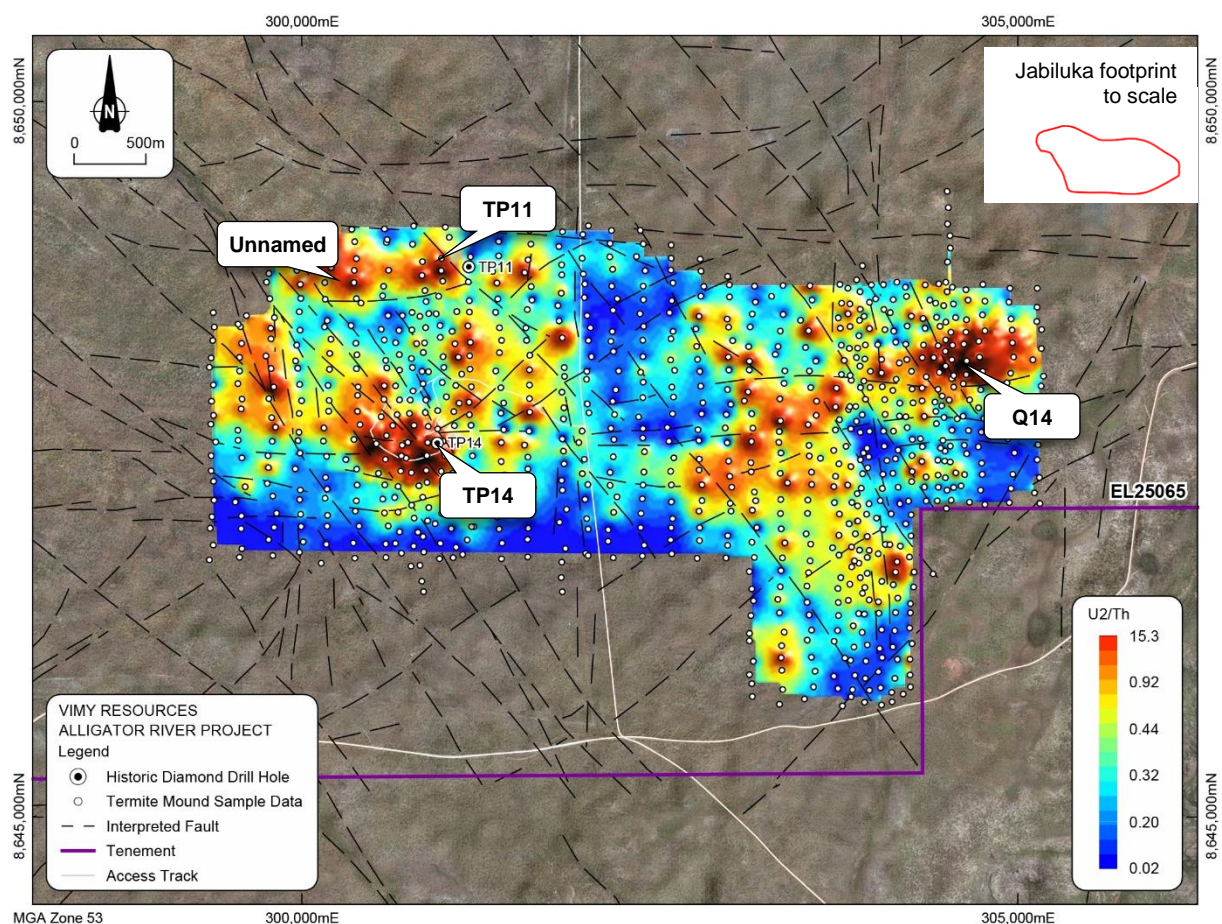


The termitaria sampling program was carried out along a nominal 100 x 200m grid, with local 100 x 100m infill, covering a total of 12.5km<sup>2</sup> within an overall 6 x 3km corridor (Figure 1 and Figure 2).

The bedrock at Southern Flank comprises Cahill Formation metasedimentary rocks, a key host rock in the Alligator River Uranium Province, in contact with Archaean gneisses (Figure 1). The more competent gneiss creates a rheological contrast with the Cahill Formation and is an important structural feature for the Jabiluka-Ranger deposits model.

At Jabiluka, an east-west trending, reverse fault zone cross-cuts the basement sequence and controls uranium and gold mineralisation. Vimy has interpreted similar east-west trending faults in the Southern Flank area during geological mapping and analysis of airborne geophysical data (Figure 2). The east-west faults are offset by several northwest to north striking faults which are the same orientation as the fault zones hosting uranium mineralisation at the Nabarlek and Angarlirli deposits.

Vimy is in the process of recovering and analysing historical data from Union Carbide, who briefly explored that area in the early 1970s using costeans, auger drilling and two shallow diamond holes. Costeaming and drilling identified strongly altered, veined and brecciated Cahill Formation and returned a peak assay of 0.19% U<sub>3</sub>O<sub>8</sub> in a 5cm vein. Vimy will provide a more detailed update following assessment of the data and core in a subsequent announcement.



**Figure 2: Gridded U<sub>2</sub>/Th termite mound data for the Southern Flank area**



## Results of Diamond Drilling at Such Wow

On 27 August we announced drill results from the diamond drilling at the Such Wow prospect. Two diamond drill holes, for a total of 533 metres, were drilled and successfully confirmed that a large alteration system identified on surface extends to the unconformity and into the metamorphic basement rocks. The results indicate an extensive, structurally complex system which has seen multiple phases of structural deformation and fluid flow.

While uranium mineralisation was not intersected in the 2019 drill holes, the results re-affirm Vimy's 'needle in the haystack' model whereby very tight zones of uranium mineralisation are surrounded by much more extensive, significant alteration and structural haloes. Uranium mineralisation diminishes very quickly away from mineralised zones; for example, a hole 75m away from the Angularli deposit, (26Mlbs  $U_3O_8$ ), was effectively barren.

Alteration and uranium anomalism at the surface, combined with the intense alteration and structural deformation in the sandstone and basements, show that the Such Wow structure has the 'right stuff' to host uranium mineralisation along the three fault corridors further north. With the prospective corridor now identified, Vimy personnel have been conducting focussed geochemical and radiometric surveys to better guide future drilling along the structure.

In line with our focus on conserving cash in 2019, the holes were part-funded under the Northern Territory Government's *Resourcing the Territory* Initiative. Furthermore, Vimy was able to use its share capital as partial payment to the diamond drilling company, under a drilling for equity scheme.

The Such Wow prospect (Figure 3) is located at the southern end of a 20km by 8km corridor prospective for unconformity-related uranium mineralisation as described in previous ASX announcements (4 December 2018 and 20 March 2019).

Following the previous Reverse Circulation (RC) drilling program, surface mapping of a prominent north-trending ridge of sandstone by Vimy geologists identified a significant zone of intense structural deformation and hydrothermal alteration which is known as the Shiba Zone. This formed the basis for targeting the diamond drill holes reported here.

Prominent alteration features along the Shiba Zone include druzy quartz veining, fault and joint-controlled bleaching. The intensity of alteration increases in the eastern part of the zone where very strong bleaching, brecciation, intense clay alteration and veining indicated the presence of a large plumbing system, potentially fertile for uranium mineralisation. The results of the drilling have in fact confirmed an extensive, intensely altered system which will form the basis of follow-up work.



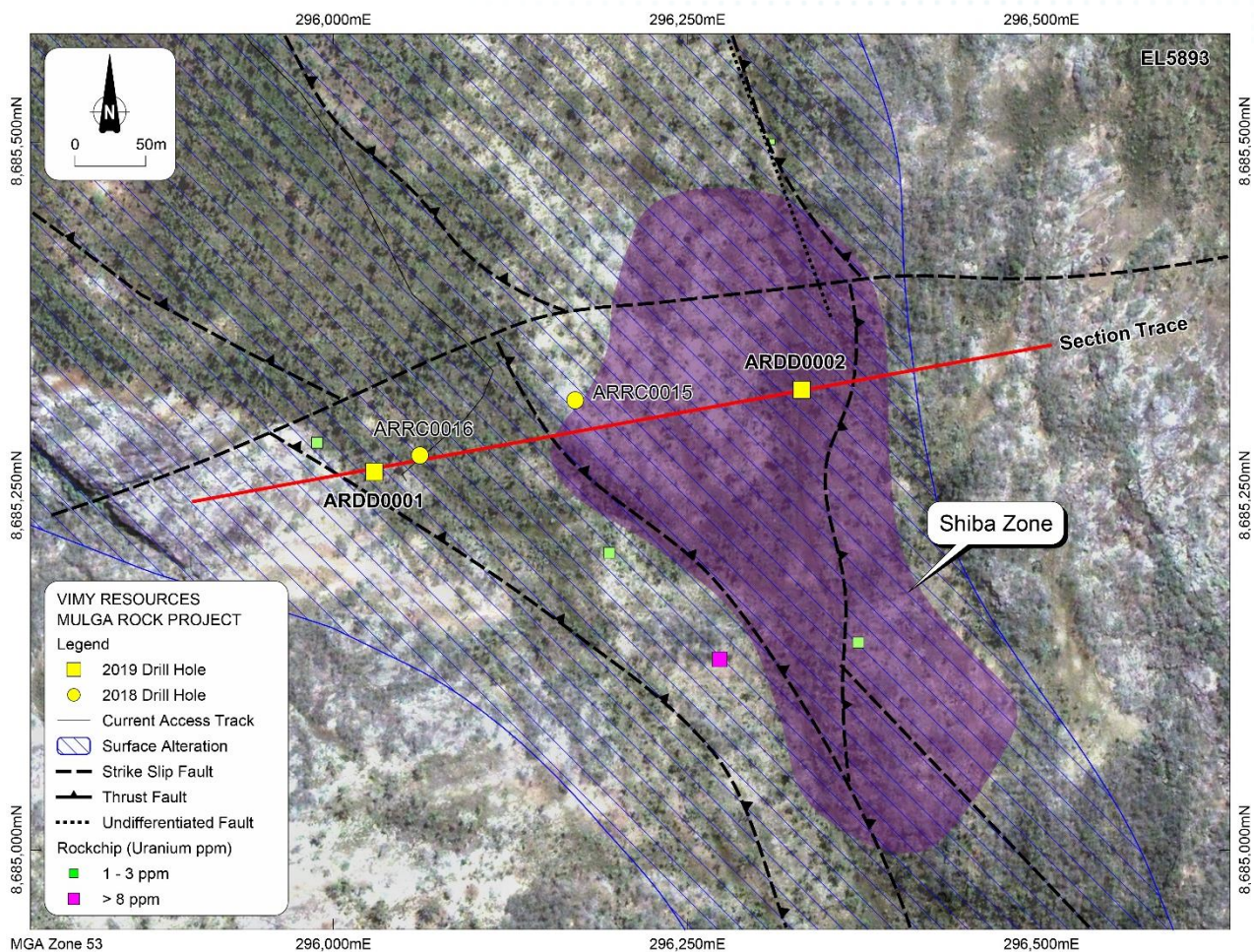


Figure 3: Geology with previous and current drilling at Such Wow prospect

## Details of core holes

Table 1: 2019 diamond drill holes co-ordinates (Such Wow)

ID Hole	Easting	Northing	Depth	Dip	Azimuth
ARDD0001	296,029	8,685,267	258.5	-65	225
ARDD0002	296,331	8,685,325	275.1	-65	250

- Systematic analysis of the drill core was carried out using a Niton XL3t (portable XRF) and a Terraspec Analytical Spectral (Near infrared-Shortwave infrared) devices
- Wireline logging was carried out using a Mt Sopris 2PGA total gamma probe.
- No uranium anomalism was identified in the wireline data.
- As part of the co-funding agreement, the core was sent to the Northern Territory Geological Survey where core cutting is underway and further analyses will take place. Select half-core samples will be sent to Intertek (Darwin) for multi-element analyses.





## New tenements granted for Alligator River Project

Vimy is also pleased to announce the grant of three new exploration licences for an initial period of six years, held 100% by Viva Resources, a wholly-owned subsidiary of Vimy Resources. The licenses are located less than 20km east of the world-class Ranger (mined-out), Ranger 3 Deeps and Jabiluka deposits and were part of the package acquired from Cameco Australia in 2018.

Historic exploration activities completed within the area covered by the East Alligator Project include regional airborne radiometric and aeromagnetic surveys, project scale mapping, minor rock-chip sampling, the completion of 134 shallow RAB holes within EL26089 and four diamond drill holes within EL22430 and EL24920. EL22430 and EL24920 are located approximately 16 kilometres north-east of the Ranger uranium mine and 16km to the southeast of the Jabiluka deposit (undeveloped).

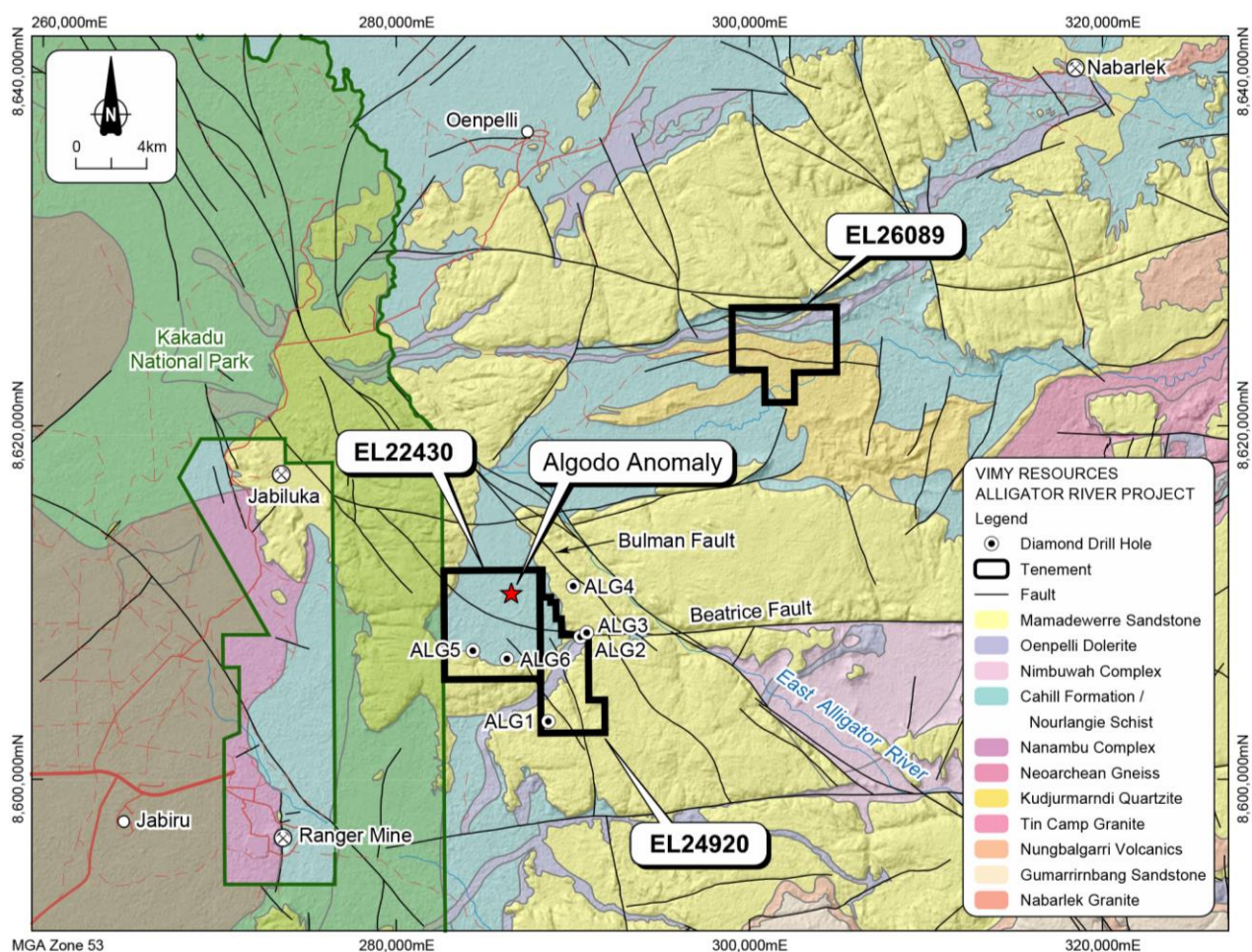


Figure 4: Geology of the East Alligator Group tenements



The tenements cover the southern part of the Algodon inlier, mapped by the Northern Territory Geological Survey (NTGS) as Palaeoproterozoic Lower Cahill Formation. Four historic diamond drill-holes completed by previous explorers intersected basement rock-types (weakly graphitic and non-graphite bearing meta-pelite, banded and massive amphibolite, quartzite and narrow calc-silicate units) consistent with this regional geological interpretation.

The three tenements, EL26089, EL22430 and EL24920, known as the East Alligator Group, were formerly part of the Tin Camp Project, granted to Queensland Mines in 1995. In 1998, the tenements were acquired by Cameco Australia, AFMEX, SAE and West Arnhem Corporation, and the land relinquished shortly after. Cameco Australia reapplied for part of the tenement package between 2000 and 2007.

Vimy is looking forward to engaging with traditional owners of the Mikiginj Valley estate, on which those three licences are located, achieving mutually beneficial outcomes with the local community through the discovery and development cycle.

## **Next Steps**

### **Mulga Rock Project**

- Secondary approvals continue to progress, with a staged approach taken to key components such as Mining Proposal, Mine Closure Plan and Works Approval.

### **Alligator River Project**

- Interpretation of results from the 2019 field season is ongoing; those will be used to plan the 2020 work programs across the ARP, including RC drilling of key anomalies at the Southern Flank.
- Processing of data from low-level environmental surveys carried out to date will be ongoing over the coming month.





## Tenements

Tenement details for Mulga Rock (Narnoo Mining Pty Ltd) and Alligator River Projects (Viva Resources Pty Ltd) and the tenements held by Vélo Resources Pty Ltd are shown in Table 1.

**Table 1: Tenement details as at 30 September 2019**

Tenement	Nature of Interest	Interest at Beginning of Quarter	Interest at End of Quarter
<b>MULGA ROCK PROJECT (Mt Margaret Mineral Field, Western Australia)</b>			
M39/1104	Granted	100%	100%
M39/1105	Granted	100%	100%
E39/876	Granted	100%	100%
E39/2049	Granted	100%	100%
L39/193	Granted	100%	100%
L39/219	Granted	100%	100%
L39/239	Granted	100%	100%
L39/240	Granted	100%	100%
L39/241	Granted	100%	100%
L39/242	Granted	100%	100%
L39/243	Granted	100%	100%
L39/251	Granted	100%	100%
L39/252	Granted	100%	100%
L39/253	Granted	100%	100%
L39/254	Granted	100%	100%
L39/279	Granted	100%	100%
L39/280	Granted	100%	100%
P39/5844	Granted	100%	100%
P39/5853	Granted	100%	100%
<b>ALLIGATOR RIVER PROJECT (Northern Territory)</b>			
EL22430	Granted	0%	100%
EL24920	Granted	0%	100%
EL26089	Granted	0%	100%
EL24017	Granted	78%	78%
EL25064	Granted	78%	78%
EL25065	Granted	78%	78%
EL27059	Granted	78%	78%
EL5893	Granted	78%	78%
<b>VÉLO RESOURCES PTY LTD (Mt Margaret Mineral Field, Western Australia)</b>			
E38/3203	Granted	100%	100%
E39/2012	Granted	100%	100%
E39/2013	Granted	100%	100%





## Corporate

### Expenditure

Cash spend on exploration, evaluation, staff, administration, corporate and uranium marketing activities in the September 2019 Quarter amounted to \$1.7 million.

This was higher than the June 2019 quarter cash spend of \$1.4 million as a consequence of completing the Alligator River Project 2019 field season.

### Cash at Bank

Cash at 30 September 2019 amounted to \$1 million. See the following section for details of the \$3.9 million raised in a private placement, subsequent to the end of the Quarter.

### Successful Placement of A\$3.9 million

On 23 October 2019, the Company announced the completion of a well-supported equity raising of \$3.9 million. Participants in the placement included both existing and new institutional and sophisticated investors.

The Company has since issued 77.87 million fully paid ordinary shares (Ordinary Shares) at an issue price of \$0.05 per share, representing approximately 14.9% of the shares on issue (on a pre-placement basis), pursuant to its existing capacity under ASX Listing Rules 7.1 (71.97 million shares) and 7.1A (5.90 million shares).

Morgans Corporate Limited and Euroz Securities Limited acted as joint lead managers and joint bookrunners, together with Bacchus Capital Advisers Limited who acted as financial adviser to the Placement in respect of international investors. Proceeds from the capital raising will be used to progress the Alligator River and Mulga Rock Projects, as well as to strengthen the Company's balance sheet. The shares were issued on 30 October 2019 and rank pari passu with existing Ordinary Shares.

### Share Purchase Plan

Vimy also announced a Share Purchase Plan on 23 October 2019 to raise an approximate A\$3.0 million (or approximately 60 million shares). Eligible Holders (those registered as Vimy Resources shareholders at 4.00pm Perth time on the record date of Tuesday, 22 October 2019) were invited to invest up to a maximum of A\$30,000 per shareholder in the Plan, subject to any scale back. New shares are offered at a placement price of A\$0.05 per share. No brokerage will be payable by subscribing shareholders and participation in the Plan is entirely voluntary. Morgans Corporate Limited is acting as lead manager.

Vimy is pleased to be one of the first companies on the ASX to offer the new participation limit of up to \$30,000 per Eligible Shareholder (previously \$15,000 per Eligible Shareholder).

**Mike Young**  
Managing Director and CEO

Tel: +61 8 9389 2700

31 October 2019



## Compliance Statement

*The information in relation to the Angularli Deposit Mineral Resource that is contained in this announcement is extracted from ASX announcement entitled 'Maiden Mineral Resource at Angularli Deposit Alligator River Project' released on 20 March 2018 and available to download from [asx.com.au](http://asx.com.au) ASX:VMY. The Company is not aware of any new information or data that materially affects the information included in the original market announcement and, in the case of estimates of Mineral Resources that all material assumptions and technical parameters underpinning the estimates in the relevant market announcement continue to apply and have not materially changed. The Company confirms that the form and context in which the Competent Person's findings are presented have not been materially modified from the original market announcement.*



## 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 240km ENE of Kalgoorlie in the Great Victoria Desert of Western Australia.

Vimy also owns (78%) and operates the largest granted uranium exploration package in the world-class Alligator River uranium district, located in the Northern Territory. Vimy is exploring for large high-grade uranium unconformity deposits identical to those found in the Athabasca Basin in Canada.

### Directors and Management

The Hon. Cheryl Edwardes AM  
Non-Executive Chairman

Mike Young  
CEO and Managing Director

David Cornell  
Non-Executive Director

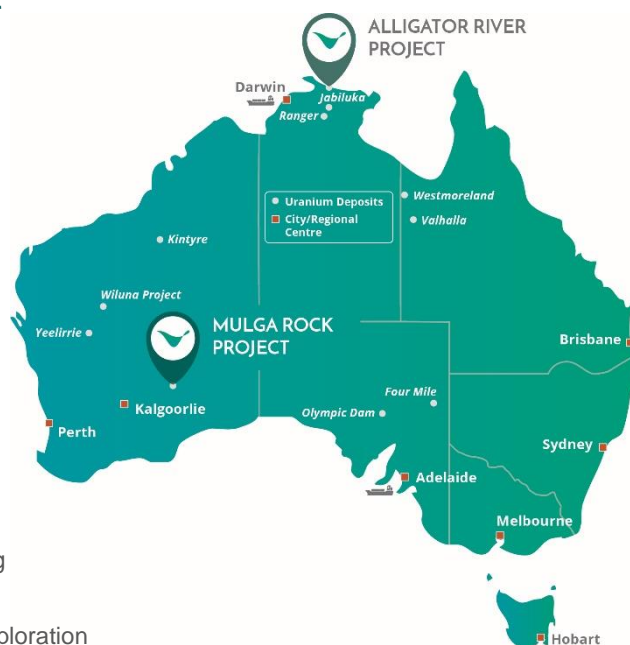
Dr Tony Chamberlain  
Non-Executive Director

Marcel Hilmer  
Chief Financial Officer  
and Company Secretary

Julian Tapp  
Chief Nuclear Officer

Scott Hyman  
Vice President Sales and Marketing

Xavier Moreau  
General Manager, Geology and Exploration



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](http://asx.com.au) and [vimyresources.com.au](http://vimyresources.com.au) respectively.

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#### Share Registry

Computershare Investor Services

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F: +61 3 9473 2500  
W: [www.computershare.com](http://www.computershare.com)  
E: [www.investorcentre.com/contact](http://www.investorcentre.com/contact)

#### MULGA ROCK PROJECT



Total Ore Reserves of  
42 Mlbs U<sub>3</sub>O<sub>8</sub>  
23 Mt at 845ppm



STATE & FEDERAL  
MINISTERIAL  
APPROVALS

SECONDARY APPROVALS  
IN PROGRESS

#### ALLIGATOR RIVER PROJECT



WORLD CLASS TIER 1  
EXPLORATION PACKAGE



PRO-URANIUM  
JURISDICTION



BOARD APPROVAL  
FOR NEXT PHASE