



# Mining a Cleaner Tomorrow

STOCKHEAD URANIUM e-CONFERENCE | JUNE 2020

*Mike Young, CEO*



# ● ● WHY URANIUM? WHY NOW? WHY VIMY?

**NUCLEAR POWER DEMAND IS GROWING**

**PRODUCTION DROPPING → LONG TERM AND STRUCTURAL**

**POST COVID – SECURITY OF SUPPLY IN FOCUS!**

**LARGEST PRE-DEVELOPMENT PROJECT IN AUSTRALIA**

**BEST EXPLORATION LAND PACKAGE ON EARTH**

**EXPERT TEAM OF MINE BUILDERS**

**VIMY – EXCELLENT INVESTMENT OPPORTUNITY**

# MINE BUILDERS – VALUE BUILDERS



## Hon. Cheryl Edwardes AM

### Non-Executive Chairman

Former State Government Minister holding Ministries of Environment, Labour Relations and Attorney General  
Significant experience in mining approvals at Hancock Prospecting's Roy Hill Mine



## Mike Young

### CEO and Managing Director

Resource geologist with strong background in mine development. Founding Managing Director of BC Iron.  
First drill hole to first ore on ship in under 4 years



## Tony Chamberlain

### Non-Executive Director

Former COO Vimy Resources (2014-2019)  
Metallurgist with extensive operational and capital experience with several global uranium projects



## Julian Tapp

### Chief Nuclear Officer

Previous Head of Government Relations and Director of Strategy at Fortescue Metals Group

Expert commodities economist – Chair of the Supply WNA Working Group



## David Cornell

### Non-Executive Director

Director of Element Capital Pty Ltd  
Significant experience providing strategic and corporate advice to listed companies, with a strong focus on transaction services



## Scott Hyman

### VP Sales and Marketing

US-based uranium marketing professional with significant experience at Dominion Energy buying uranium, then at Cameco Corporation selling uranium.  
Strong and deep relationships with US utilities



## Marcel Hilmer

### CFO and Company Secretary

Significant experience in the resources industry in funding, exploration, mergers and acquisitions



## Xavier Moreau

### General Manager – Geology and Exploration

21 years experience in uranium exploration with Areva and Vimy. Our living and breathing uranium encyclopedia

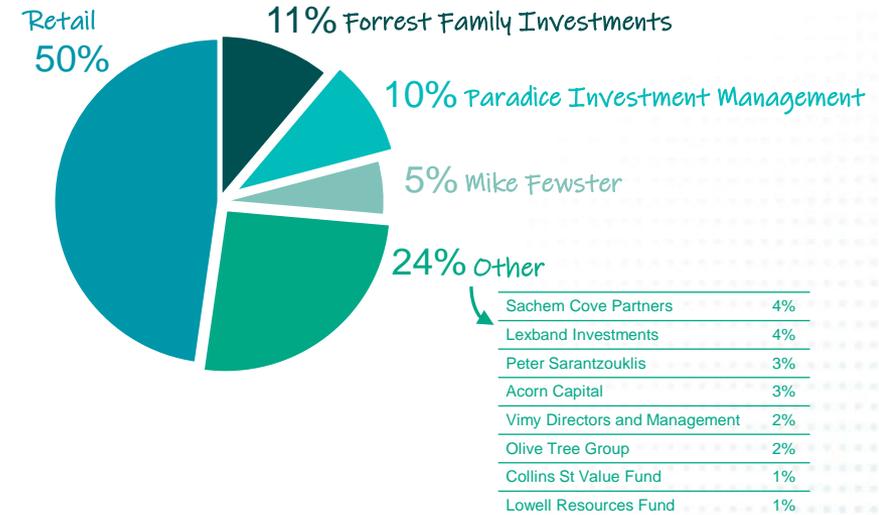
# COMPANY SNAPSHOT



## Capital Structure (ASX:VMY)

26 May 2020 <sup>(1)</sup>	
Shares on issue	619 million
Share price	\$ 0.05
Market capitalisation	\$ 29.7 million
Cash <sup>(2)</sup>	\$ 2.6 million

## Significant Shareholders

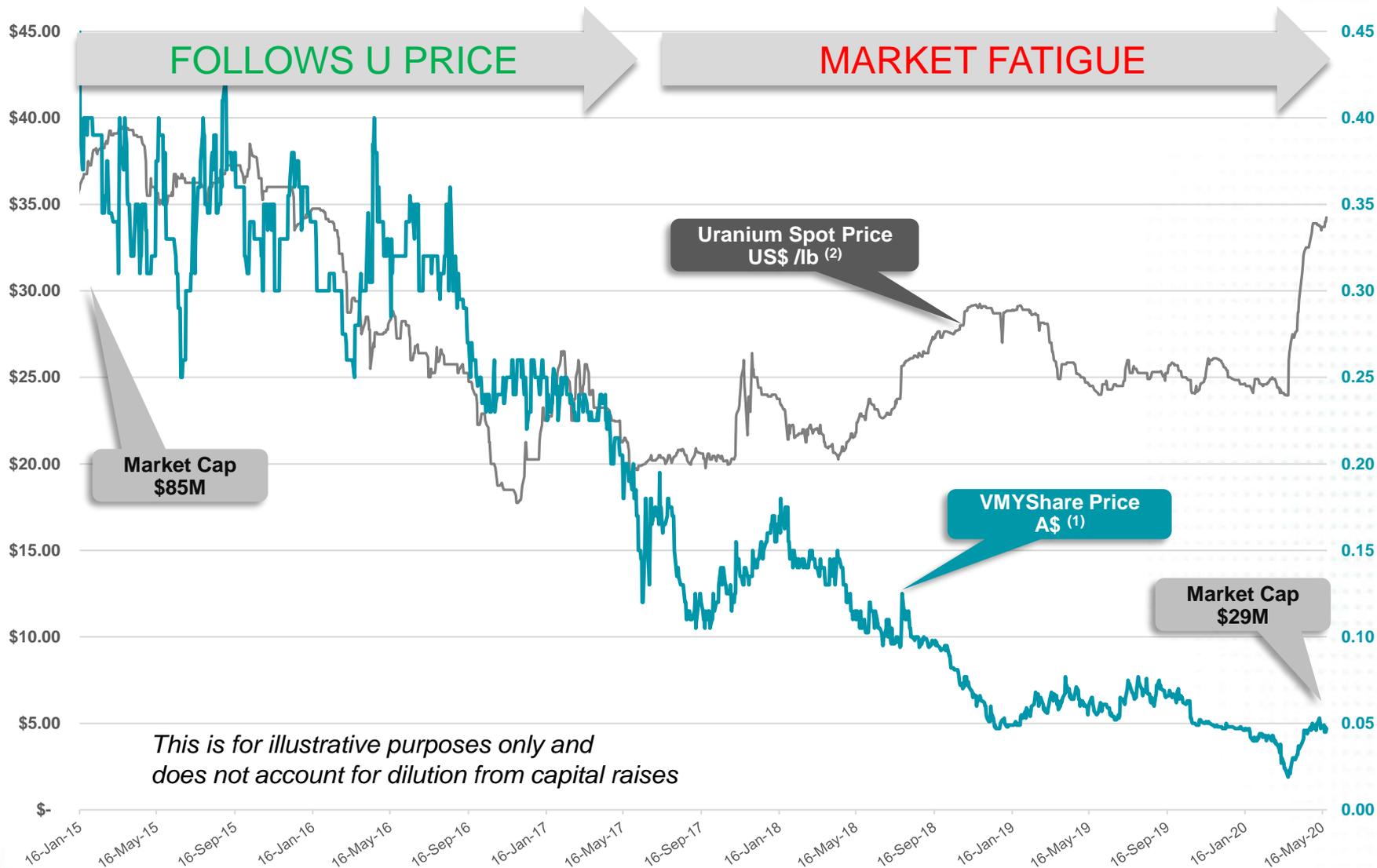


## Vimy Price v U Spot Price 2020 YTD



Source: 1. ASX: 26 May 2020 2. As at 31 March 2020 3. U<sub>3</sub>O<sub>8</sub> price US\$/lb from TradeTech 26 May 2020

# LONG-TERM VIMY SHARE PRICE vs U PRICE

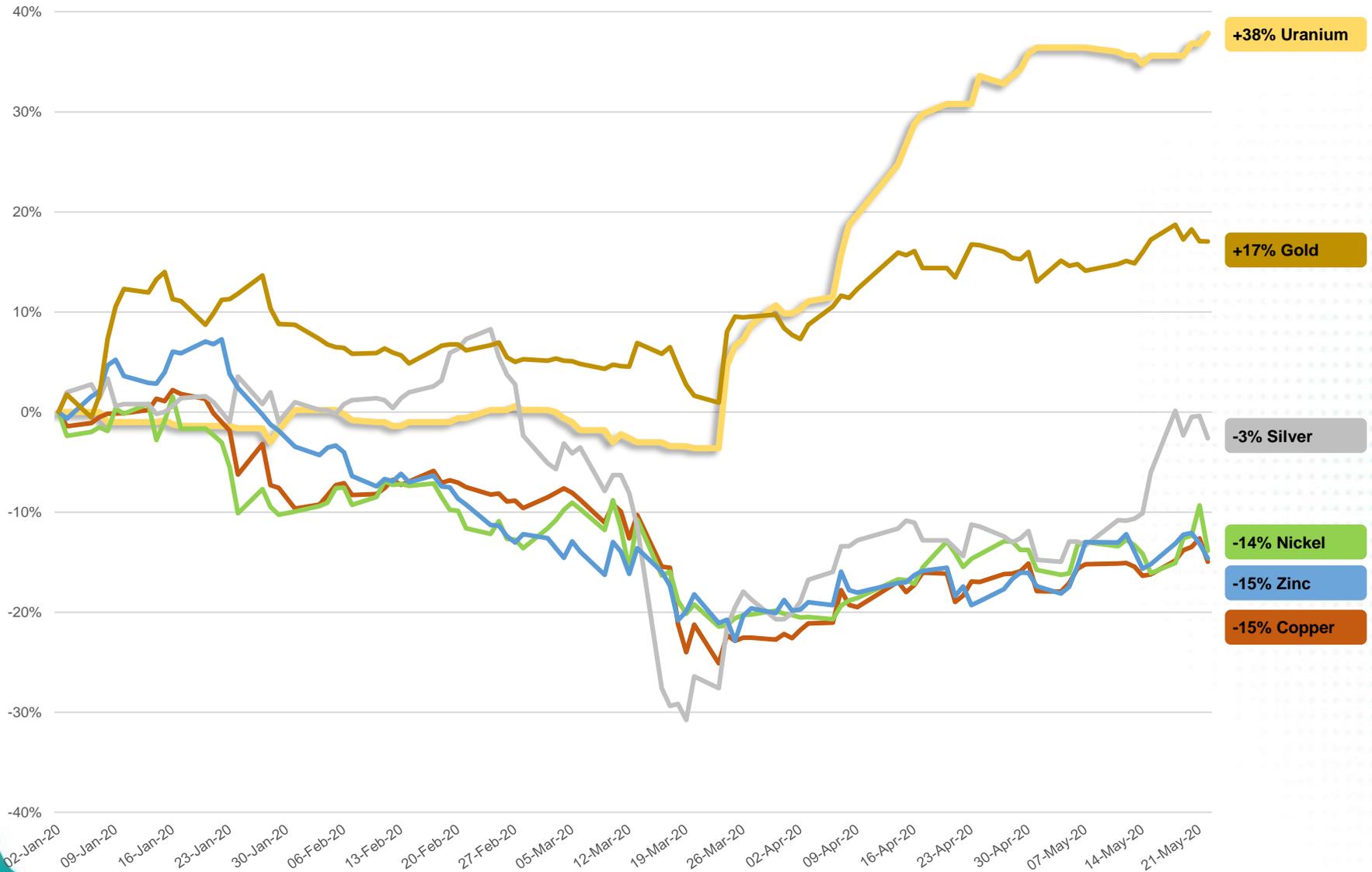


Source: 1. ASX: 26 May 2020 2. U<sub>3</sub>O<sub>8</sub> price US\$/lb from TradeTech 26 May 2020

# URANIUM

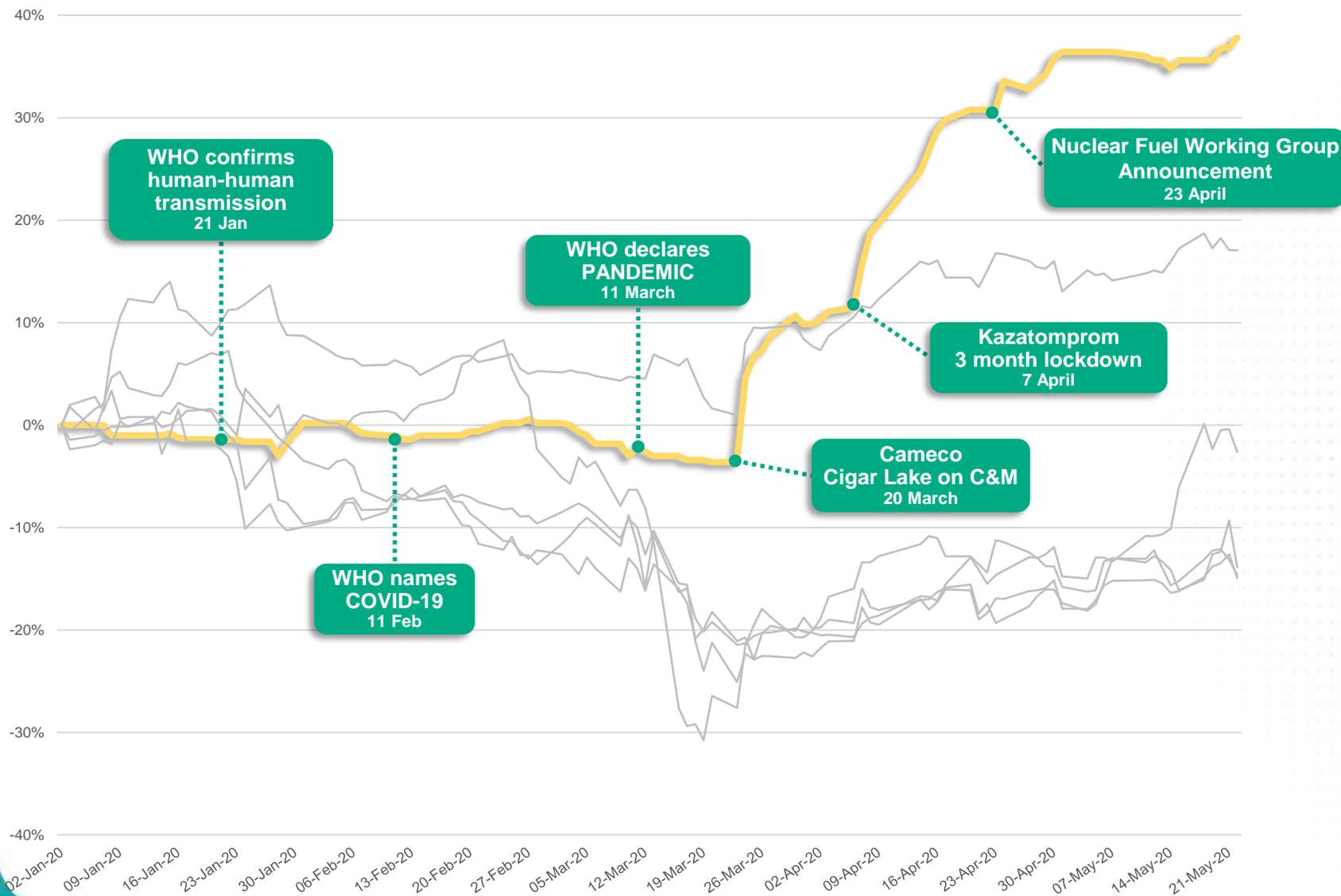


# COMMODITY PRICE PERFORMANCE YEAR TO DATE



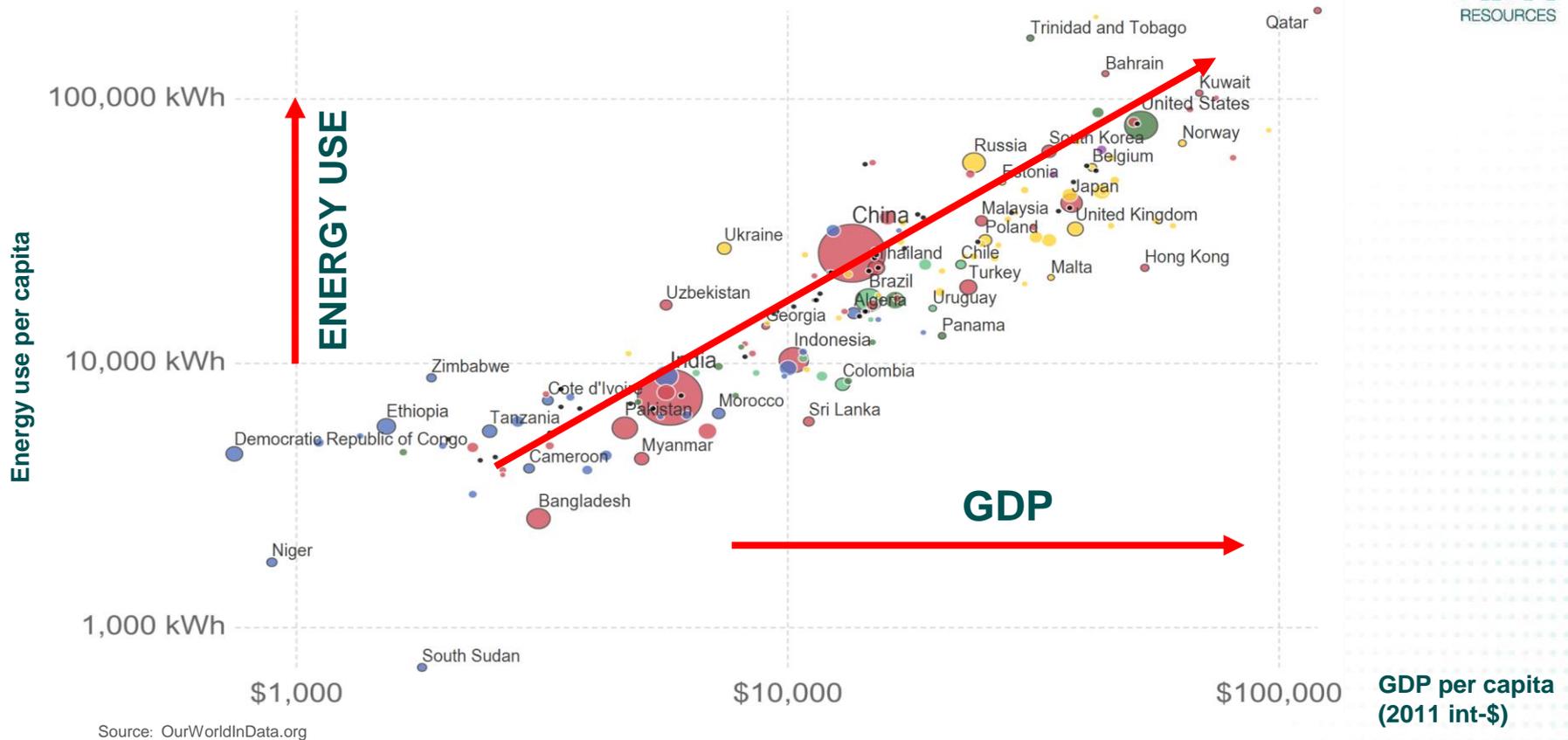
Source: Westmetall, TradeTech : 26 May 2020

# COMMODITY PRICE PERFORMANCE YEAR TO DATE



Source: Westmetall, TradeTech : 26 May 2020

# ELECTRICITY DEMAND



- Global demand to increase at 1.5% pa – but possibly more with growth of electric vehicles
- Push for clean energy is growing - **IPCC 1.5°C target will NOT BE MET without nuclear**
- Nuclear is second largest source (10%) of world's emissions-free electricity after hydro (18%)

# ELECTRIC VEHICLES

Only as clean as your electricity!



*Volvo sedan*

● 25,500g-CO<sub>2</sub>/100km using a **petrol** engine

● 17,500g-CO<sub>2</sub>/100km in **Queensland**

● 9,022g-CO<sub>2</sub>/100km in **Germany**

● 8,752g-CO<sub>2</sub>/100km in **South Australia**

● 6,953g-CO<sub>2</sub>/100km in **California**

● 770g-CO<sub>2</sub>/100km in **Ontario**

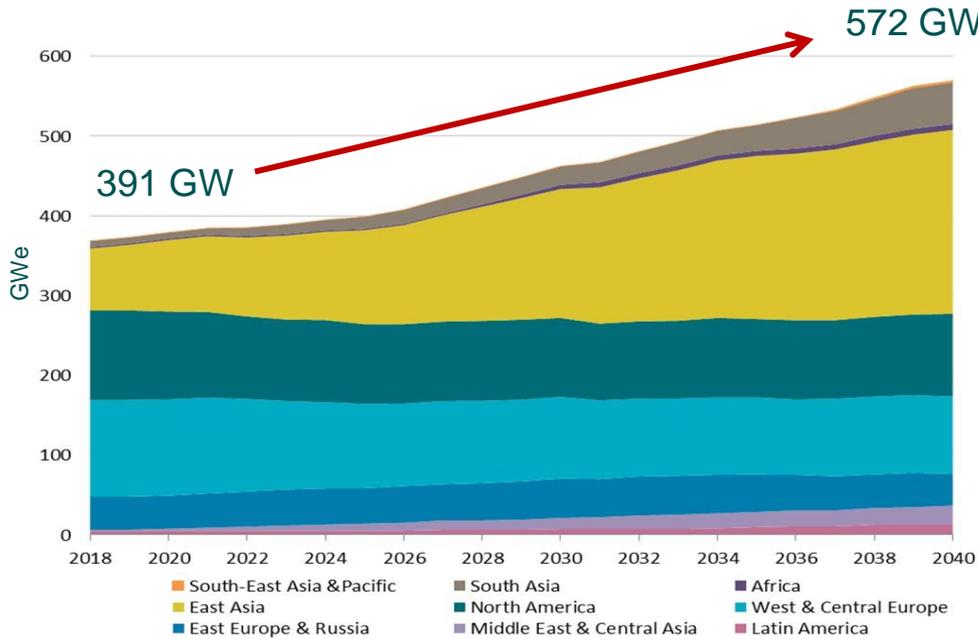
*\* A single Soda Stream bottle contains 0.15g of CO<sub>2</sub>*

**Average e-car consumes: 3.4 MWh p.a.**

**Average home consumes: 6.4 MWh p.a.**

Sources: electricitymap.org; tesla.com; ABS; roymorgan.com; ntc.gov.au

# DEMAND GROWTH VS SUPPLY GROWTH



Reactor growth (Reference Case)

Today → 391GW (180 Mlbs)

Under Con. → 63 GW (+28Mlbs)

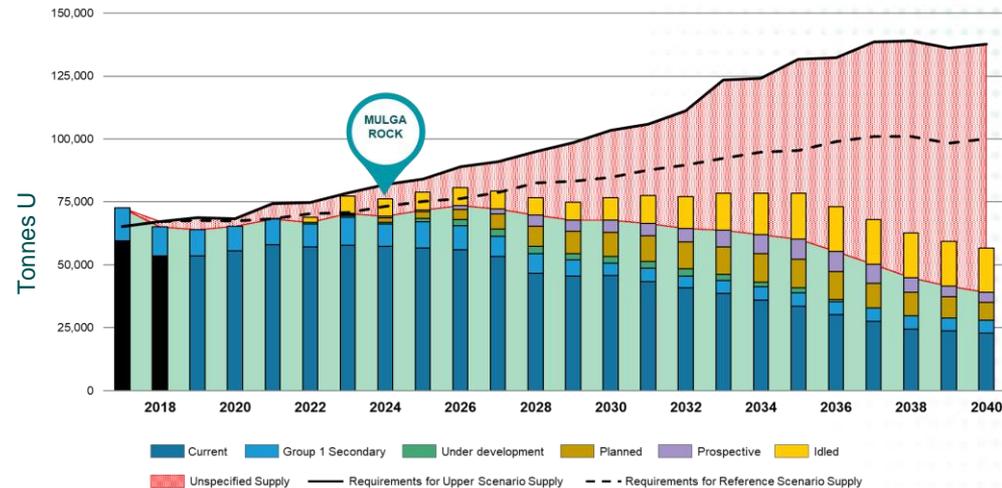
Planned → 118 GW (+53Mlbs)

Growth → 2% CAGR or 46% by 2040

Supply versus reactor requirements (Reference Case + Upper Case)

Existing mines → Depleting or shutting  
→ requires higher prices just to sustain today's mining operations

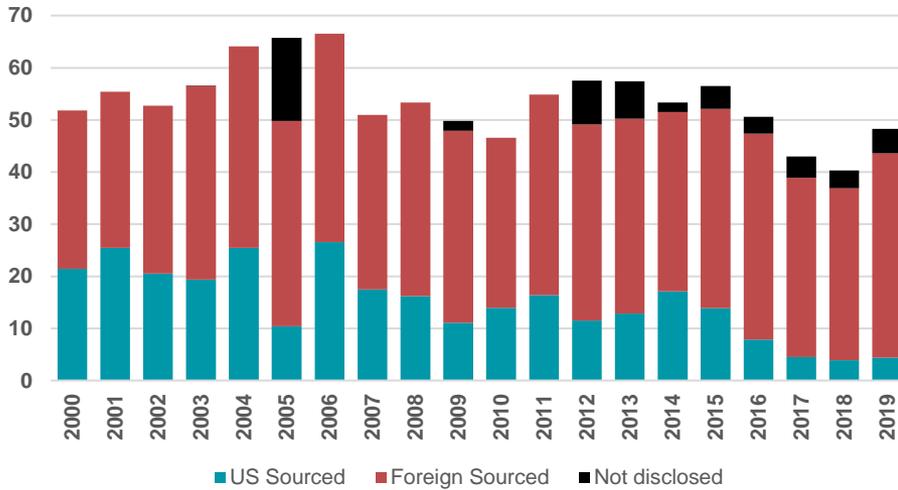
Exploration → Few new projects!  
WNA lists just 10 under development or planned *includes Mulga Rock*



# US UTILITIES – SUPPLY AND CONTRACTING



Source: U.S. EIA.GOV UMAR 2020



## US Utility Purchasing

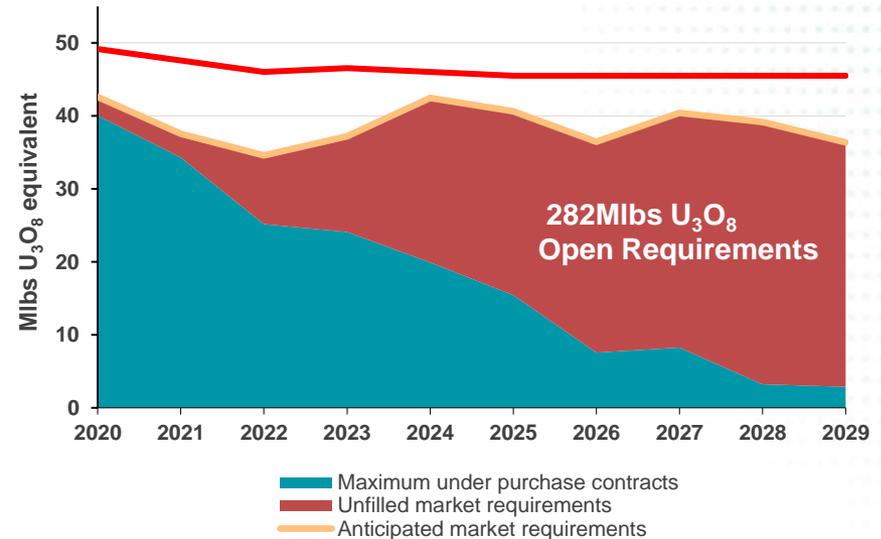
US consumption dominate by foreign supply  
 → COVID highlights security of supply

**Australian mining DID NOT STOP**

US sourced → mainly traders and utilities –  
 primary supply <0.4 Mlbs in 2019

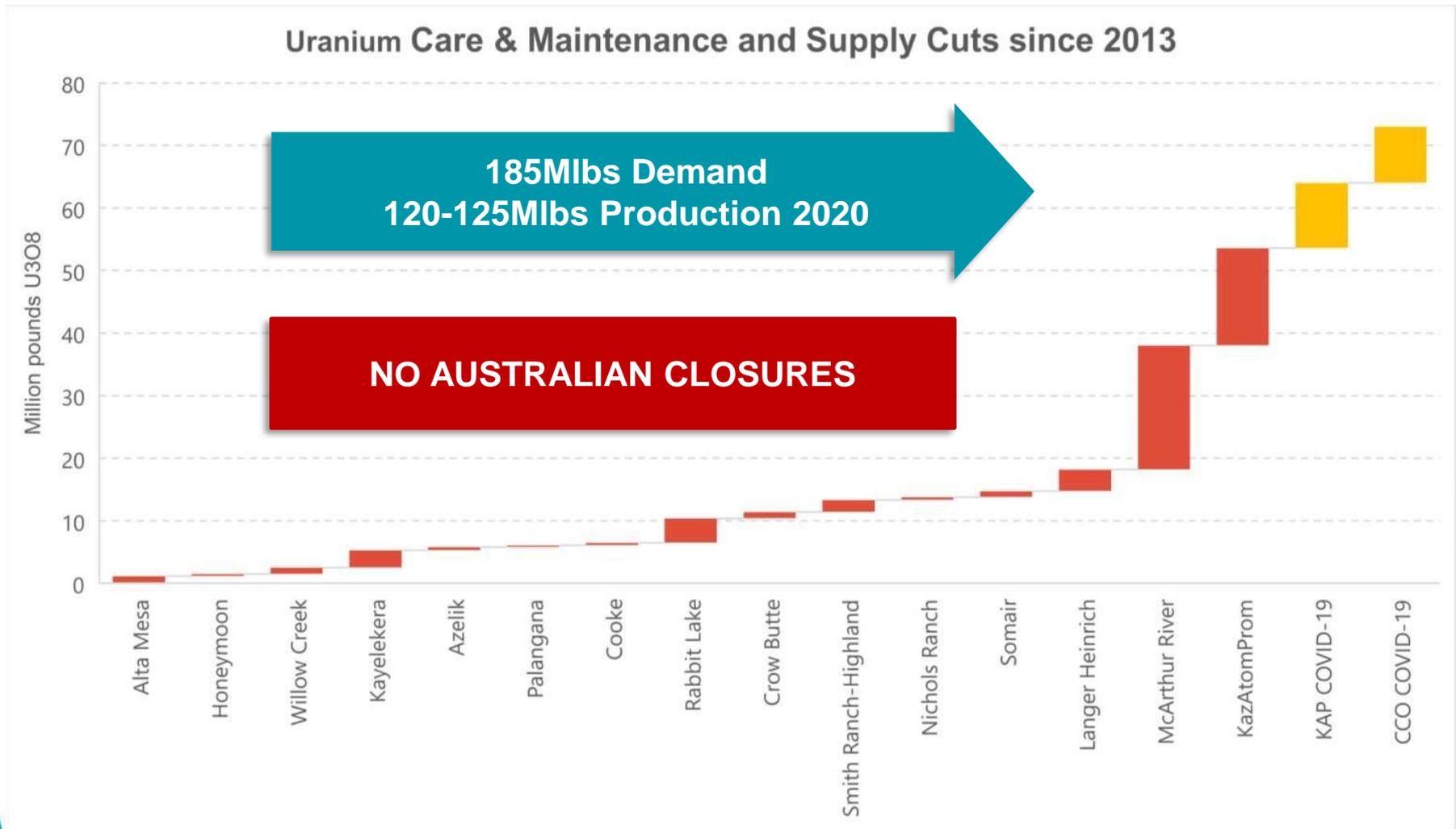
## US Utility Contract Coverage

- 90% purchased on long-term contracts
- Open requirements for Vimy’s uranium
- Uncontracted uranium 2020-2029 → 282Mlbs U<sub>3</sub>O<sub>8</sub>
- Security of supply = multiple sources/countries



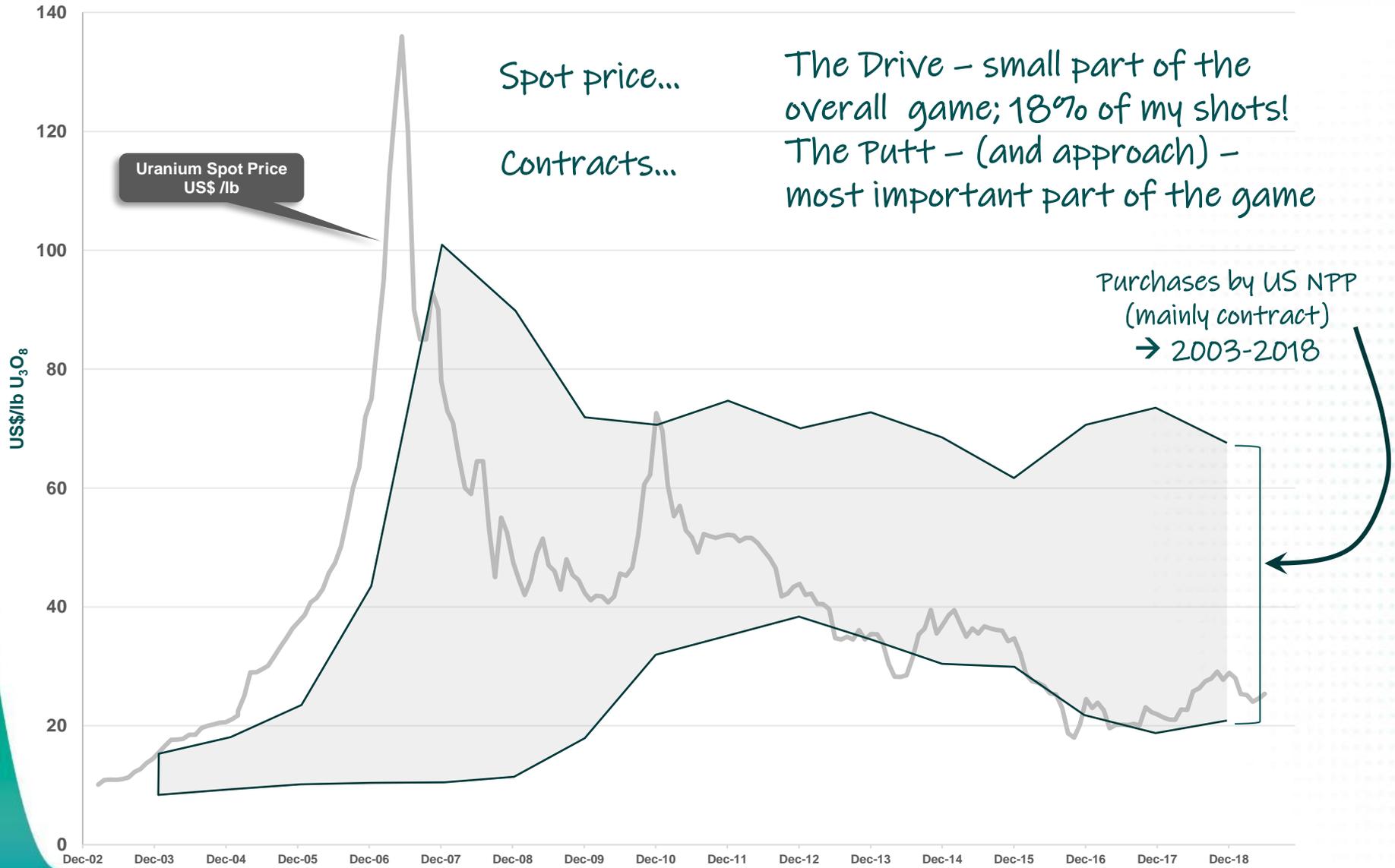
Source: U.S. EIA.GOV UMAR 2020 and WNA Fuel Report 2019

# URANIUM FUNDAMENTALS



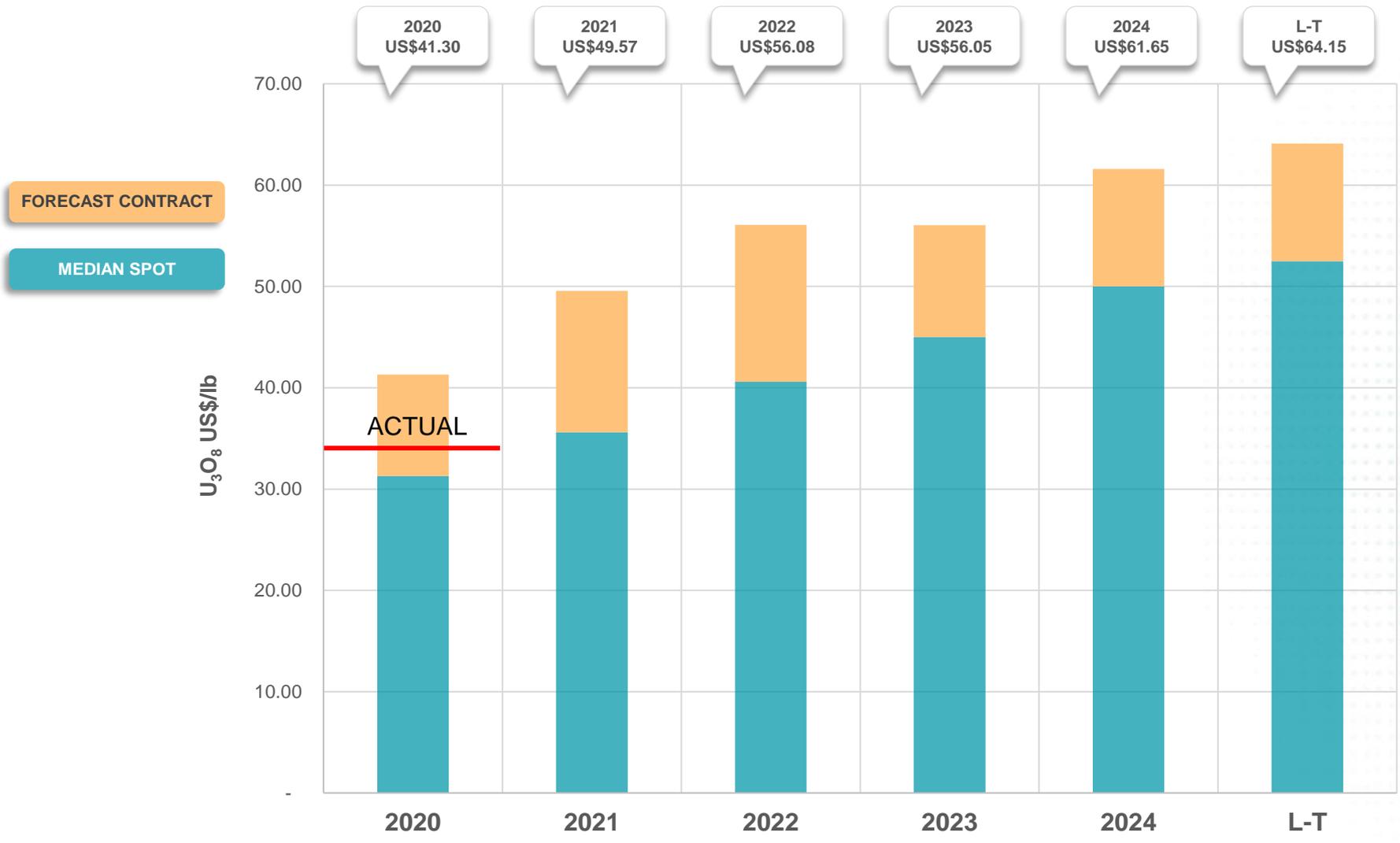
Source: Tribeca 2019 & Vimy Resources

# U PRICE - Drive for show, putt for dough...



Source: Cameco, Table 6a IEA UMAR (2003-2018)

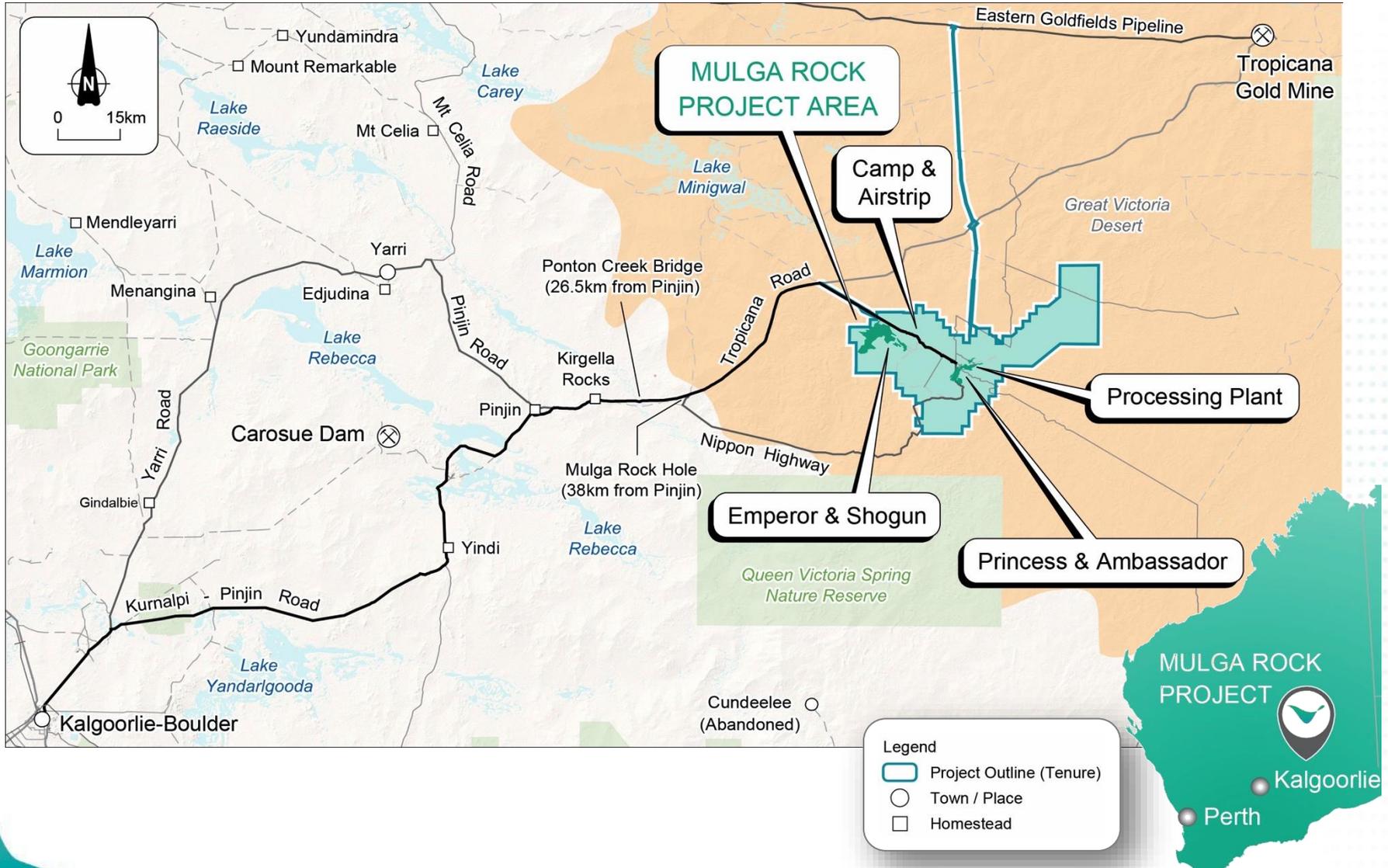
# STREET CONSENSUS URANIUM OUTLOOK



Notes:  
Median Spot - BMO Capital Markets – February 2020

# MULGA ROCK PROJECT

Australia's largest advanced U project



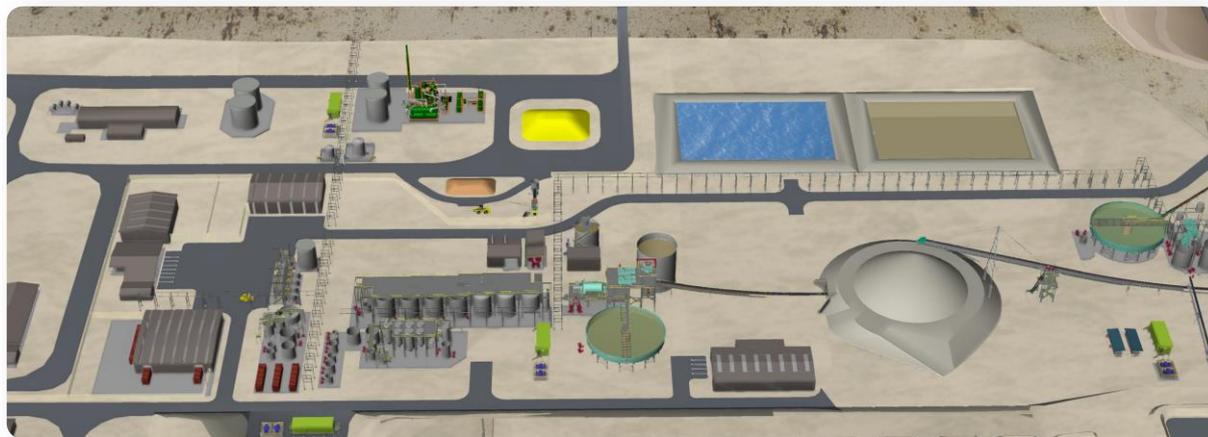
# MULGA ROCK PROJECT

## Australia's *largest* advanced U project

- **BIG** → 90Mlbs U<sub>3</sub>O<sub>8</sub> / 15 year mine life / 3.5Mlbs pa
- **SIMPLE** → simple geology, free-dig open pit mining
- **DE-RISKED** → test pits, ore samples, pilot plant
- **ROBUST ECONOMICS** → **A\$504m NPV** at US\$55/lb and \$0.65 AUD:USD
- *State and Federal approvals → secondary plans and licenses are being approved*

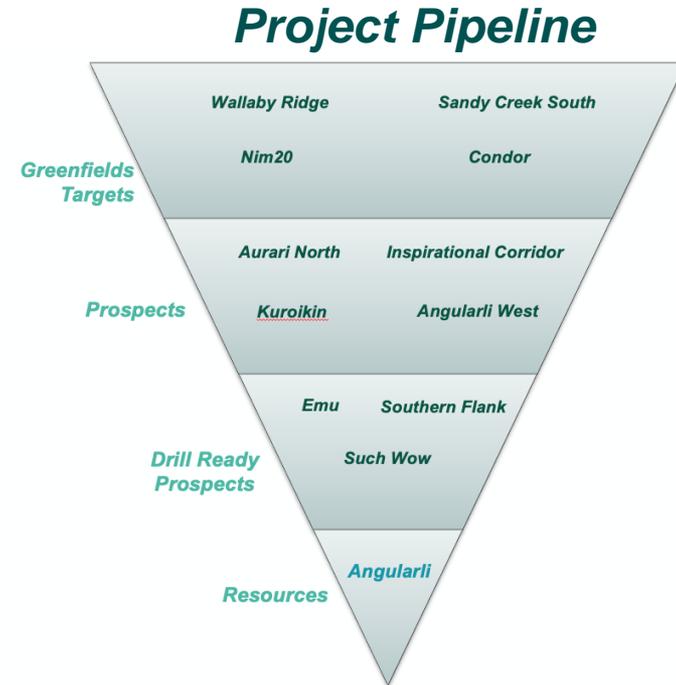
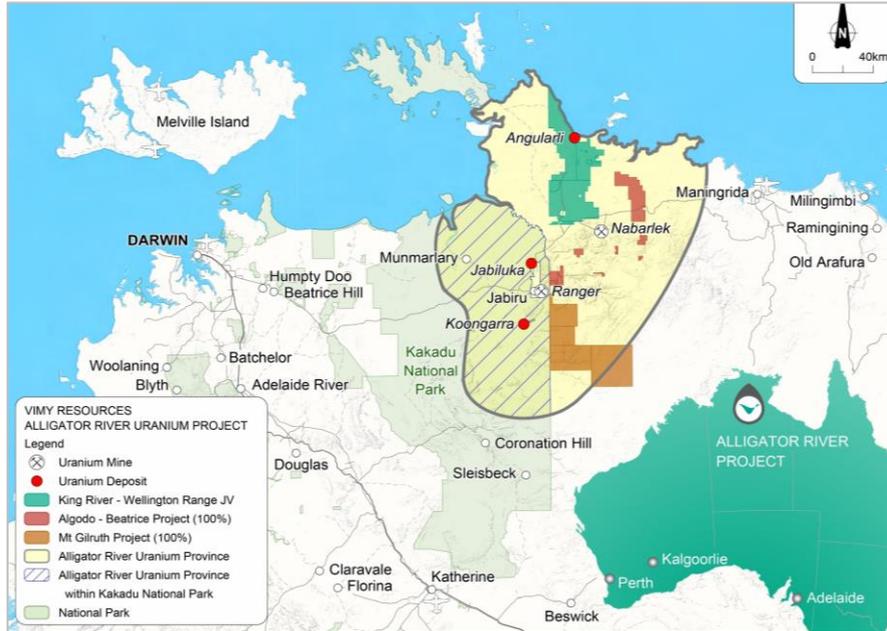


Test pits – 2017  
Assessed the digability  
of overburden and mined  
100t of uranium ore



Plant layout

# ALLIGATOR RIVER URANIUM PROVINCE



## Alligator River – high-grade, world-class uranium mining district

- **BIG** → Alligator U Province, NT. Big existing mines and deposits (Ranger and Jabiluka) with 750 Mlbs  $U_3O_8$
- **SIMPLE** → geological setting same as world-class Athabasca Basin in Canada → *world's richest U mines*
- **UNDER-EXPLORED** → historical government policies leave Vimy a target-rich environment → **big pipeline of projects**
- **TIER 1 DEPOSIT** → Mineral Resources and Scoping Study released @ Angularli 26Mlbs @ 1.3%  $U_3O_8$  – robust, tier-1 economics



## WHY URANIUM?

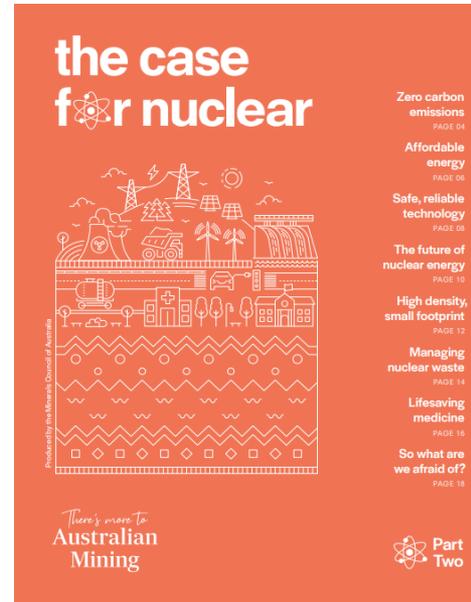
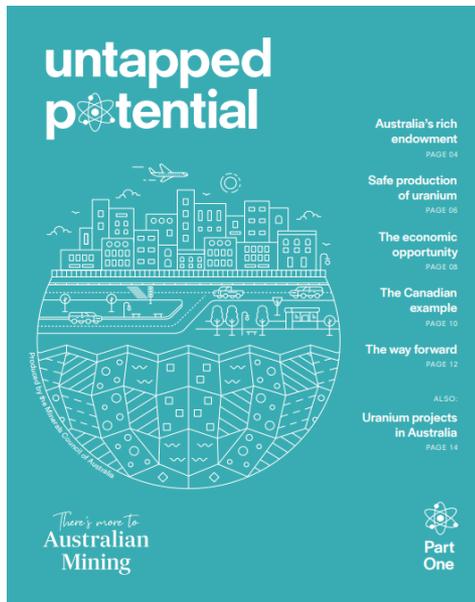
- Nuclear is the best source of electricity with the lowest CO<sub>2</sub> emissions of ANY power source
- **DEMAND GROWTH** → 450 reactors in operation, 54 under construction, 111 reactors planned
- **SUPPLY SHORTAGE** → COVID-19 accelerates chronic undersupply due to 5 year bear market

## WHY VIMY?

- Vimy has one of the **most advanced uranium projects** in the world – **Mulga Rock Project WA**
  - > Globally → only 4 projects ‘under development’ and 6 ‘planned’ *including Mulga Rock*
- **Experienced mining management team and URANIUM SALES** - “ahead of the curve”
- **First world jurisdiction** against a rapidly changing geopolitical backdrop – Russia, Iran, ‘Stans
- A **significant pipeline** of projects targeting 30+ years of supply – **Alligator River Project, NT**

# FANTASTIC SOURCES

- Vimy Resources [www.vimyresources.com.au](http://www.vimyresources.com.au)
-  [twitter.com/Vimy\\_Resources](https://twitter.com/Vimy_Resources)
- World Nuclear Association [www.world-nuclear.org](http://www.world-nuclear.org)
- Minerals Council of Australia [www.minerals.org.au](http://www.minerals.org.au)
- Nuclear energy <https://minerals.org.au/nuclear>



- Nuclear Energy Institute <https://www.nei.org>
- World Nuclear News <https://www.world-nuclear-news.org/>
- US Energy Information Administration <https://www.eia.gov/>

# 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. Vimy does not warranty that the Project as built will conform exactly to the DFS.

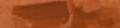
**No new information:** The Mulga Rock Project Uranium Resource Estimate referred to in this presentation was released to the ASX on 12 July 2017.

The Mulga Rock Project Uranium Reserve Estimate referred to in this presentation was released to the ASX on 4 September 2017. The Mulga Rock Project Definitive Feasibility Study referred to in this presentation was released to the ASX on 28 January 2018.

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 these announcements and that all material assumptions and technical parameters underpinning the estimates, targets and economics continue to apply and have not materially changed.

# PROJECTS



# 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>**

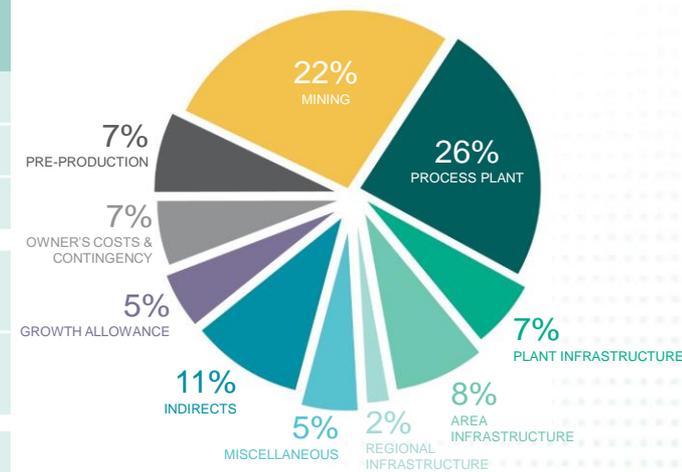
Ore Reserve released to ASX on 4 September 2017

- Ore Reserves 42.3Mlbs U<sub>3</sub>O<sub>8</sub> → 22.7Mt at 845ppm U<sub>3</sub>O<sub>8</sub>
- Proved Ore Reserve of 12.3Mlbs → 5.3Mt at 1,055ppm U<sub>3</sub>O<sub>8</sub>

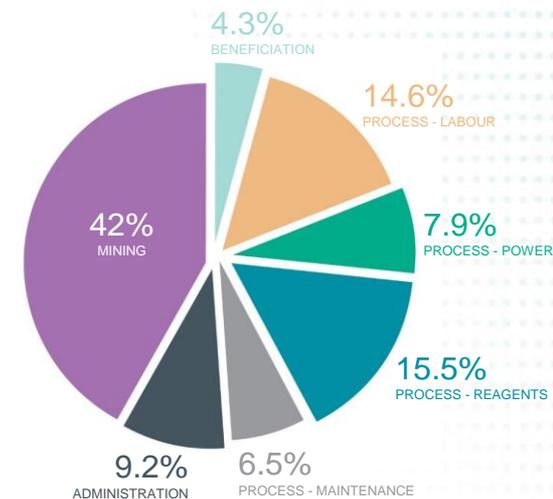
Deposit / Resource	Classification	Cut-off grade (ppm U <sub>3</sub> O <sub>8</sub> )	Tonnes (Mt)	U <sub>3</sub> O <sub>8</sub> (ppm)	Total metal U <sub>3</sub> O <sub>8</sub> (Mlb)
<b>Mulga Rock East</b>					
Ambassador	Proved	150	5.3	1,055	12.3
	Probable	150	14.1	775	24.0
Princess	Probable	150	1.7	870	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 – JANUARY 2018

	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

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

Deposit	Resource Estimate Classification	Cut-off grade (% U <sub>3</sub> O <sub>8</sub> )	Tonnes (Mt) <sup>1</sup>	U <sub>3</sub> O <sub>8</sub> (%) <sup>2</sup>	U <sub>3</sub> O <sub>8</sub> (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<sub>3</sub>O<sub>8</sub> 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 <sub>3</sub> O <sub>8</sub> )	Metal Range (Mlb U <sub>3</sub> O <sub>8</sub> )
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.



# Thank you



**For further Vimy Resources information:**

P: +61 8 9389 2700

E: [info@vimyresources.com.au](mailto:info@vimyresources.com.au)

[vimyresources.com.au](http://vimyresources.com.au)

