Quarterly Activities Report

as at 31 March 2015

Highlights

- **Ore Beneficiation Breakthrough**
- **Significant In-fill Drilling Results at Ambassador**
- **Exploration Drilling Programs during the Quarter**
- **Environmental Scoping Document Approved**

Ore Beneficiation Breakthrough

During the Quarter, the Company announced excellent metallurgical test work results for its Mulga Rock Uranium Project (**MRUP**). Uranium mineralisation at the Mulga Rock Deposit is hosted by lacustrine sediments comprising organic matter, clay, silt and sand. An assessment of the distribution of size fractions and uranium grade show that the sand, which makes up 65% of the host rock volume, is barren of uranium.

Following this, it was determined that the barren sands can be removed by simple beneficiation before the uranium-bearing material is introduced to the processing plant. The results of the test work indicate that the mass of ore expected to be processed through the plant can be reduced by up to 65% of the Run of Mine (**ROM**) ore. Significantly, the test work indicates that this ore mass reduction can be achieved with minimal loss of uranium. The reduction in mass will result in significant savings on capital and operating costs.

Key highlights from the test work:

- **The Uranium resource contains a large portion of coarse sand,**
- **Uranium mineralisation is associated with light carbonaceous and clay minerals,**
- **Mass rejection of between 55-65% of ROM ore achieved,**
- **Uranium grades after beneficiation are 2.1 to 2.8 times the original ROM grade, and**
- **Beneficiated ore uranium recoveries of 97-99% to final concentrate are achieved**

Please refer to the ASX announcement of 16 March 2015 for further details of this metallurgical beneficiation test work.

address
Vimy Resources Limited
Ground Floor
10 Richardson Street
West Perth, WA 6005

telephone
+61 8 9389 2700
fax
+61 8 9389 2722

ABN
56 120 178 949
web
vimyresources.com.au

What do these results mean for the Mulga Rock Uranium Project?

The ore beneficiation results will have a significant positive impact on the Project's economics which is currently the subject of a Pre-feasibility Study (PFS). By more than doubling the ROM uranium head grade and reducing the mass of ore through the plant, many benefits are expected to result, including:

- Front-end of the process will reduce in size resulting in decreasing capital costs;
- Bore field water requirements will decrease significantly;
- Tailings volumes and storage reduced by half;
- Power costs will reduce due to a smaller process plant;
- Reagent usage is expected to decrease;
- Higher uranium resin loading capacities will be achieved during resin-in-pulp, resulting in lower resin inventory and costs, and a higher quality yellowcake product; and
- Equipment wear rates will reduce as the abrasive sand component has been removed from the process plant feed.

Next steps

Continuous full-scale spiral test work has subsequently been completed on large (400kg) samples of Princess and Ambassador East ROM ores. The work proved that the concept of gravity separation of sands is valid and results for this work will be published during the June quarter.

In-fill drilling Results at Ambassador

During the Quarter, the Company announced assay results for the Ambassador in-fill drill program conducted during the December Quarter at the Mulga Rock Uranium Project.

A total of 144 air core and 37 diamond core holes were completed across Ambassador for a total of 11,277 metres. Geological logging and assay results have reaffirmed the Company's understanding of the mineralisation.

A total of 32 drill holes out of 181 returned intercepts above 1,000 ppm (0.10%) U_3O_8, with the highest interval recorded from hole NND5781, with an intercept of 2.5m at 6,774 ppm (0.68%) U_3O_8 from 38.5 metres.

The drilling results include the following significant intersections:

NNA5858	5m	@	995	ppm (0.10%) U_3O_8	from 52.0m
NNA5871	6.5m	@	813	ppm (0.08%) U_3O_8	from 41.5m
NNA5876	6m	@	1,143	ppm (0.11%) U_3O_8	from 50.0m
NNA5895	3m	@	2,100	ppm (0.21%) U_3O_8	from 43.5m
NNA5896	3m	@	1,194	ppm (0.12%) U_3O_8	from 46.0m
NNA5928	1.5m	@	2,388	ppm (0.24%) U_3O_8	from 40.0m
NNA5952	8.5m	@	795	ppm (0.08%) U_3O_8	from 37.5m
NND5777	4m	@	2,938	ppm (0.29%) U_3O_8	from 36.5m
NND5781	2.5m	@	6,774	ppm (0.68%) U_3O_8	from 38.5m
NND5782	3.2m	@	1,476	ppm (0.15%) U_3O_8	from 44.5m
NND5794	2.5m	@	2,626	ppm (0.26%) U_3O_8	from 44.5m
NND5809	1.5m	@	2,185	ppm (0.22%) U_3O_8	from 37.5m
NND5879	2.5m	@	2,006	ppm (0.20%) U_3O_8	from 39.6m
NND5888	3.2m	@	1,965	ppm (0.20%) U_3O_8	from 34.2m

NND5910	3.3m	@	2,387	ppm (0.24%) U_3O_8	from 41.7m
NND5923	5.5m	@	2,167	ppm (0.22%) U_3O_8	from 40.4m
NND5933	3.5m	@	1,651	ppm (0.16%) U_3O_8	from 43.0m
NND5953	2.3m	@	3,033	ppm (0.30%) U_3O_8	from 39.2m

Mineralised uranium intervals have been determined using a 200ppm chemical U_3O_8 cut-off grade.

Please refer to the ASX Announcement of 4 March 2015 for complete details of the drilling results.

Groundwater drilling and high-flow pump test work

During the Quarter, three large diameter, mud rotary, water bores were completed, as follows:

- One 60m deep hole in the Kakarook North proposed extraction borefield area (approximately 30km to the northeast of the proposed processing plant)
- Two 100m plus deep holes in the proposed re-injection borefield area (approximately 10km south of Ambassador)

All three holes aimed to test the nature of the aquifers for extraction and ground water re-injection. The holes showed excellent transmissivities and high flow rates during pumping.

The potential of the southern borefield for re-injection of mine de-watering will be further refined in coming quarters via a re-injection trial.

Permitting

The Environmental Protection Authority of Western Australia (**EPA**) approved the Environmental Scoping Document (**ESD**) for the Mulga Rock Uranium Project on 26 February 2015. The ESD is being used as the basis for preparation of the Public Environmental Review document, with the first draft expected to be lodged with the EPA during the June quarter.

Regional exploration and geophysical survey

During the Quarter, the Company completed an aircore drilling exploration program to test potential extensions to the northern portion of the Emperor Mineral Resource, the presence of a potential stand-alone prospect north of Shogun and a potential extension of an incised channel to the northeast of the Princess deposit.

Twenty-five aircore holes were drilled for a total of 1,468 metres. Preliminary total gamma wireline results were received at north of Emperor, with potential mineralisation identified up to 700m north of the current Emperor Mineral Resource outline.

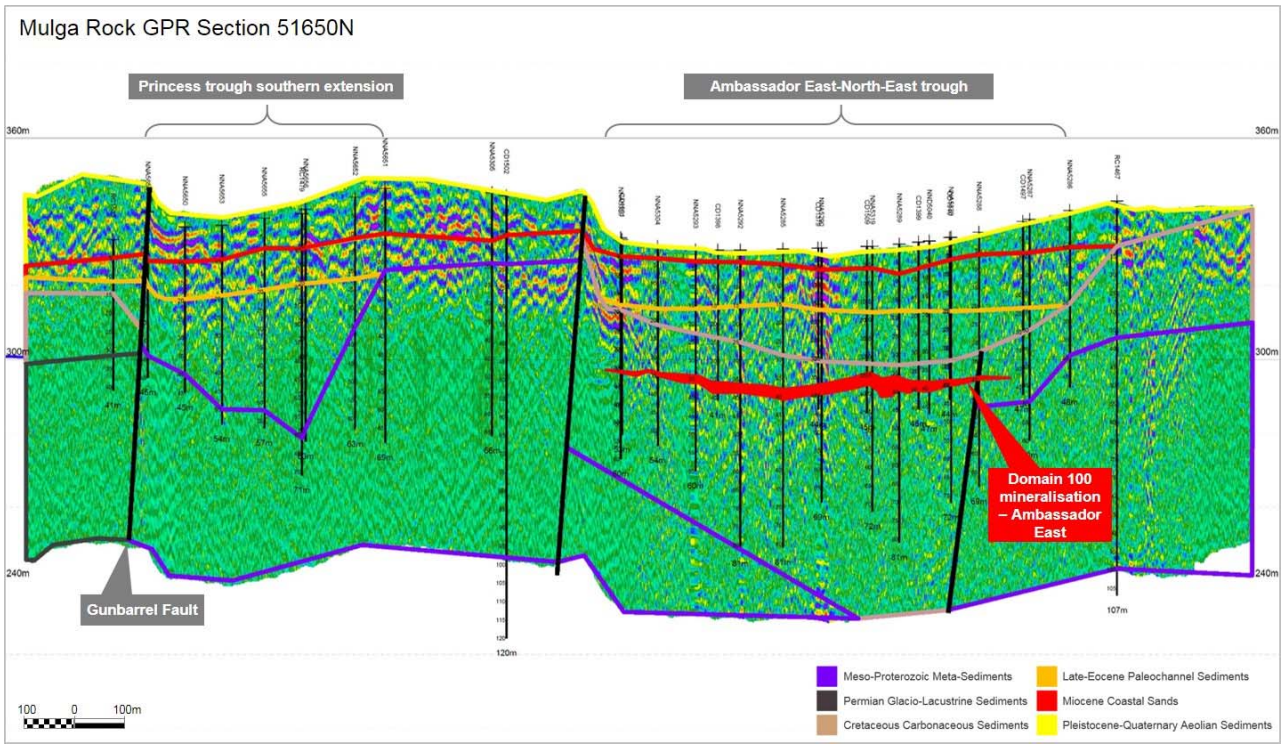
Anomalous intercepts were also recorded about 2km north-east of the Shogun deposit in what appears to be a separate tributary to the main Mulga Rock paleovalley, filled with fine-grained Eocene sediments.

Analysis of those anomalous intercepts using the Company's portable XRF unit will be carried out during the June quarter, to be followed up by independent laboratory analyses.

A total of 21 Ground Penetrating Radar (**Ultra-GPR**) traverses were completed during the Quarter for a total of 45 line kilometres, primarily over the eastern part of the Project. This program tested the potential for electrical contrasts between shallow rock types and main weathering profiles to be resolved using this fast, low-cost technique. The Ultra-GPR operates on a 30MHz waveform and achieved increased depth of penetration compared to conventional GPR systems.

There is good evidence that this system can quickly, and cheaply, identify the weathering and sedimentary profiles, and controls on mineralisation for the Mulga Rock Uranium Project. The system has the potential to help optimise future resource drill-out programs and mine planning.

Figure 1 Mulga Rock GPR Section 51650N



Tenure

Tenement	Nature of Interest	Mineral Field	Interest at Beginning of Quarter	Interest at End of Quarter
M39/1080	Current	Mt Margaret	100%	100%
M39/1081	Current	Mt Margaret	100%	100%
E39/876	Current	Mt Margaret	100%	100%
E39/877	Current	Mt Margaret	100%	100%
E39/1148	Current	Mt Margaret	100%	100%
E39/1149	Current	Mt Margaret	100%	100%
E39/1150	Current	Mt Margaret	100%	100%
E39/1551	Current	Mt Margaret	100%	100%
P39/4877	Current	Mt Margaret	100%	100%
P39/4878	Current	Mt Margaret	100%	100%
P39/4879	Current	Mt Margaret	100%	100%
P39/4880	Current	Mt Margaret	100%	100%
P39/4881	Current	Mt Margaret	100%	100%
P39/4882	Current	Mt Margaret	100%	100%
L39/193	Current	Mt Margaret	100%	100%
L39/219	Current	Mt Margaret	100%	100%

There were no changes to tenure during the Quarter.

Exploration and development expenditure for the Quarter was $2,328,332.

Mike Young
Managing Director and CEO

Tel: +61 8 9389 2700

28 April 2015

The information in this announcement relates to the Exploration Results, is based on information compiled by Xavier Moreau, who is a Member of the Australian Institute of Geoscientists. Mr Moreau is a full time employee of Vimy Resources. Mr Moreau has experience relevant to the style of mineralisation and type of deposit under consideration and to the activity which is being undertaken to qualify as Competent Persons as defined in the 2012 Edition of the JORC 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Moreau consents to the inclusion in the announcement of the matters based on his information in the form and context in which it appears.

About Vimy

Vimy Resources Limited (**ASX: VMY**) is a Perth-based resource development company. Vimy's primary focus is the development of the Mulga Rock Uranium Project. Mulga Rock is one of Australia's largest undeveloped uranium resources and is located 240km ENE of Kalgoorlie in the Great Victoria Desert of Western Australia.

The Company has an aspirational target to produce 1,300 tonnes per annum of uranium oxide for up to twelve years.

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.

Directors and Management

The Hon. Cheryl Edwardes – Chairman
Mike Young – CEO and Managing Director
Julian Tapp – Executive Director
David Cornell – Non-Executive Director
Felicity Gooding – Non-Executive Director
Shane McBride – Chief Financial Officer and Company Secretary
Tony Chamberlain – Project Manager, Mulga Rock Project
Xavier Moreau – General Manager, Geology and Exploration

Principal Place of Business

Ground Floor, 10 Richardson Street
West Perth WA 6005

T: +61 8 9389 2700

F: +61 8 9389 2722

E: info@vimyresources.com.au

Postal Address

PO Box 23
West Perth WA 6872

Share Registry

Security Transfer Registrars Pty Ltd
770 Canning Highway
Applecross WA 6153

T: +61 8 9315 2333

F: +61 8 9315 2233