



# ASX Announcement

## Chairman's Letter to Shareholders

Dear Shareholder,

When I joined the Vimy Board in May last year, I was excited about the opportunity ahead of us with our Mulga Rock Uranium Project. The management team set about to increase our geological confidence in the deposit and its metallurgy, and to rapidly progress its development. I am pleased that we have progressed well on both these fronts over the last 12 months.

### Reserves & Metallurgy

The total Mulga Rock resource estimate<sup>1</sup> has been upgraded to 72.7Mlbs of contained U<sub>3</sub>O<sub>8</sub> and planning for a further drilling program in 2015 is well advanced. The program is intended to grow the current resource at Mulga Rock East, as well as provide new data for Mulga Rock West. The Vimy team is optimistic of being able to grow the resources further and we expect to release a maiden ore reserve statement around October this year.

Metallurgical test work has confirmed that simple beneficiation can significantly reduce both capital and operating costs resulting in positive benefits for the economics of the project. The test work has shown that the ore host-rock is silica-rich sand which can be removed by simple gravity separation before the ore concentrate is introduced into the processing plant.

Vimy is currently undertaking a Pre-Feasibility Study (PFS) which will finalise the metallurgical flowsheet and assess the most cost effective way to pre-strip the overburden using techniques adopted from coal and sand mining. We expect to deliver the PFS in the third calendar quarter of this year.

This test work will continue, and as our understanding of the orebody and its metallurgy continues to develop, we see scope to further optimise the ore processing and mining techniques; which we expect to increase the overall economics of the project.

### Project development, approvals and funding

The Environment Scoping Document for the project was finalised in February this year, paving the way for the Public Environmental Review (PER), which was provided to the EPA for comment late in June. We expect the 12 week public review process to be completed in the second half of this year and will be an important milestone in securing the environmental approval for our project to move forward. We are targeting Ministerial approval of the PER by mid 2016.

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<sup>1</sup>The Mineral Resource Estimate referred to above was announced to the market by the Company on 20 April 2015. The Company 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.

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Alongside our technical and approvals work, the project has been moving forward with the release of the Scoping Study on 6 May this year. Importantly, the study clearly indicated that the project is economic at current long term contract prices for uranium. The study also identified no technical flaws in the project and identified a significant number of potential improvements. The results of the Scoping Study will be incorporated into the PFS.

I believe the progress the Vimy team has made in de-risking and moving the Mulga Rock project forward has been endorsed by the introduction of Resource Capital Funds (RCF) as a new strategic investor in Vimy. In May 2015, RCF invested \$5 million by the way of an equity placement which is part of a total A\$30m funding package, the balance of which is subject to further due diligence by RCF and, if fully completed, is expected to fund Vimy through to the project financing.


RCF is a specialist resources and private equity investor with a proven track record of supporting emerging resources companies. I welcome them to the Vimy share register and look forward to their participation in the growth of our company.

### **Outlook**

The Vimy team has an aggressive development schedule and there is still much to do. However, where we stand today we have a very attractive resource which is the second largest uranium deposit in Western Australia. Its development is expected to be economic at current long term contract prices, with a long mine life, low technical risk, low cost mining and processing, and robust financials.

The project remains on-track for the commencement of project development in late 2016 and once the total RCF facility has been made available we will have funding in place that is expected to see us through to project financing. I believe we are very well positioned to see our project become reality and capitalise on the improving long term fundamentals of the uranium energy market.

I remain excited about our future and look forward to continuing to work with the Vimy team and to communicate the achievements and progress in the coming twelve months.

A handwritten signature in black ink, appearing to read "Cheryl Edwardes".

**The Hon. Cheryl Edwardes**  
Chairman  
8 July 2015

## 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.

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  
Aaron Hood – 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

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