Vimy Resources Limited

Diggers and Dealers – 5 August 2015

Mike Young, Managing Director and CEO

Uranium myths

“I can assure you that none of us are in the pay of the nuclear industry.
I was very anti-nuclear until I worked on the after effects of the Chernobyl accident –
now I am very pro-nuclear as I realise that we have an unwarrented fear of radiation, probably due to all the rubbish about a nuclear winter we were fed during the Cold War.”

Professor Geraldine Thomas

London’s Imperial College.

Member of the UNSCEAR committee
on the health effects of the Chernobyl accident

Uranium

Nuclear power

- A non-fossil fuel for base load power
  - > Easy to transport, no particulates, no pollution
  - > Extremely high energy density
  - > Lower CO_2 emissions than all but hydro and wind energy
- One of the cheapest forms of electricity
  - > Fuel costs approximately 6% of total cost of electricity

Uranium

- Natural Uranium occurs as the isotopes U_{238} (99.3%) and U_{235} (0.7%)
- Fuel for most common reactors requires U_{235} @ 5%

One kilogram of Uranium

- 45 MWh of electricity
- 7 average Aussie homes for one year
- 16 t of coal
- 45 t CO_2
- *MRUP will produce enough UOX to fuel 7 reactors and offset 50 Mt CO_2 – 8% of Aus CO_2*

Power Fundamentals

Watts the story

- Watt = V x A (60 W light globe)
  - > Capacity measured in Watts electric (kWe, MWe, GWe)
  - > Output measured as Watt-hours (kWh, MWh GWh)
- Power generation
  - > Power plants labeled by “Installed Capacity” (5MW, 800MW, 1000 MW = 1GW)
  - > “Capacity Factor” is measure of availability (fuel fill, maintenance, wind, sun, etc)
  - > Example 1 – 1 GWe reactor @ 90% CF for 1 year (8760 hr) = 8,000 GWh electricity
  - > Example 2 – MWF – 420 MWe @ 27% CF for 1 year = 977 GWh electricy
  - > $16.2 B = cost to build a windfarm capable of producing 8,000 GWh per year for 60 years - 400 km^2 and 1,500 WTGs

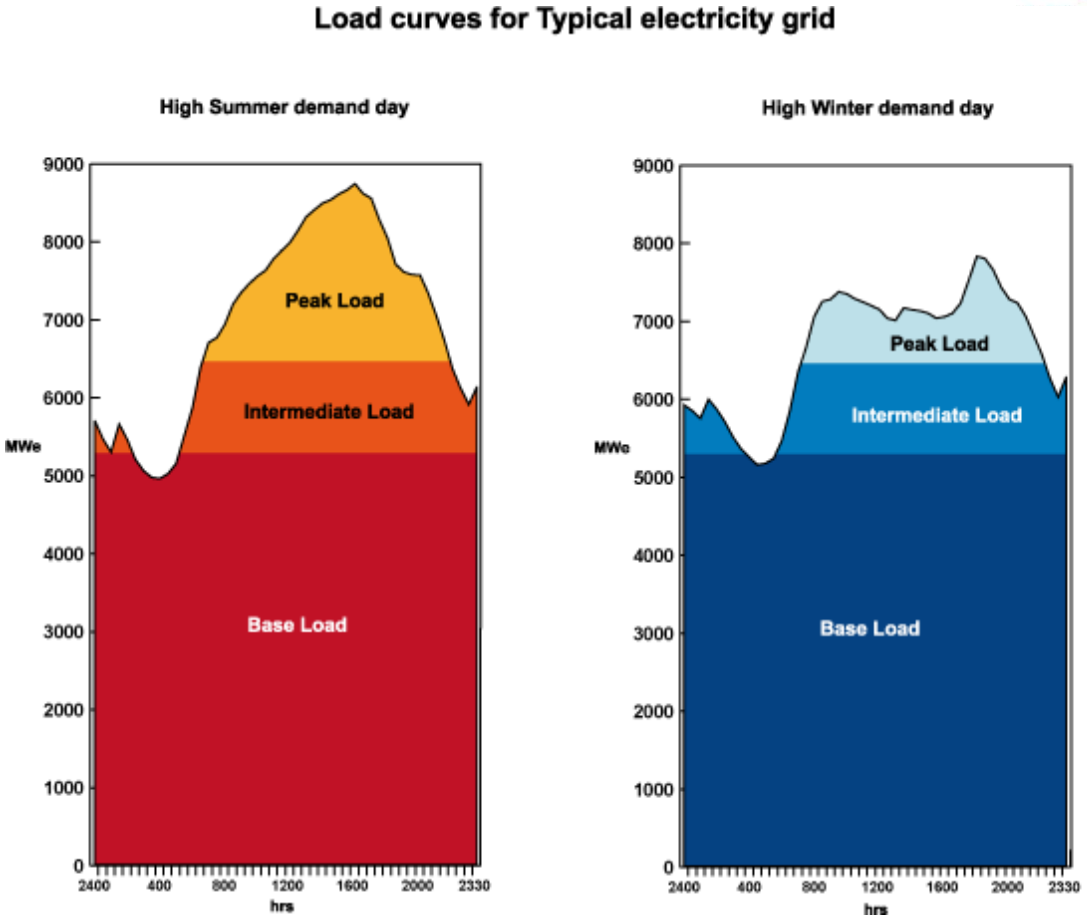
Power Fundamentals

Base load

- Minimum capacity required on an ongoing continuous basis
- Fossil fuels, Hydroelectric, nuclear are the ONLY options – cost & reliability

Peak demand

- Additional capacity to meet relatively short periods of high demand
- Higher cost capacity that can be switched on an off quickly to match demand is more effective than generating “24 hr base load”
- Base load + solar, wind



Uranium

A paradigm shift is coming

- Global market balance switching to an overall shortage
  - > New reactors cause big increase in demand
  - > 3 years' supply to initially fill core + 1 year's stock in supply chain
- Increased demand mainly from China
  - > China expected to add **15 GWe** of capacity in 2015
  - > Circa12,000t concentrate (as fuel stock) when a reactor is switched on

Uranium trading at 10 year lows – unsustainable

- Project delays and closures creating tightening supply
- Long term prices expected to be at least US$75/lb
- Growing demand *but slowing current investment*

Uranium myths, lies and in between

- Minerals Council of Australia (http://www.minerals.org.au).
- WA DMP (http://www.dmp.wa.gov.au)
- World Nuclear Association

"The uranium market balance is expected to tighten substantially due to a delay in the development of major uranium mining projects and the rise in China's nuclear capacity. China and India alone have a total of 267 reactors slated for construction over coming years."
Gary Gray MP

China’s coal use – 5 Bt p.a. by 2020

- Daquin Rail – 20,000 t and 3.2km long
- 6,250 t per km
- 5Bt = 800,000 km of coal trains
- Distance to moon = 384,400 km
- Nearly half of China’s RR used for movement of coal
- Rail network can’t sustain China’s energy growth using coal

- What would a train look like carrying one day’s worth of coal?

China one day's coal use would fill a train 2200 km long

Demand for reliable clean power – the next China boom

China continues to grow

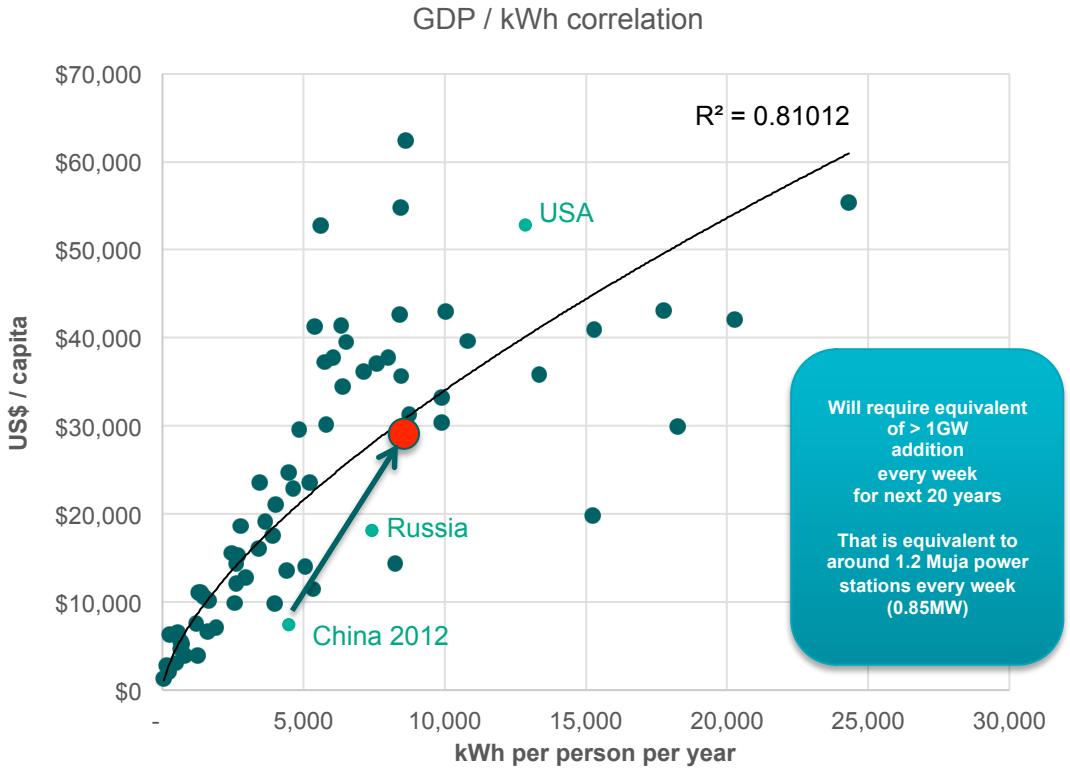
- China's rate of growth this century is c.10% pa
- Expected to average 5% to 6% y-o-y over next 20 years – *economy will still treble in size*
- By 2035 – average wealth as measured by GDP / capita will be approaching US$30,000 per person

China – BP Energy Outlook 2015

- 2035 – World's largest energy importer
- Energy production rises by 47%
- Consumption grows by 60%

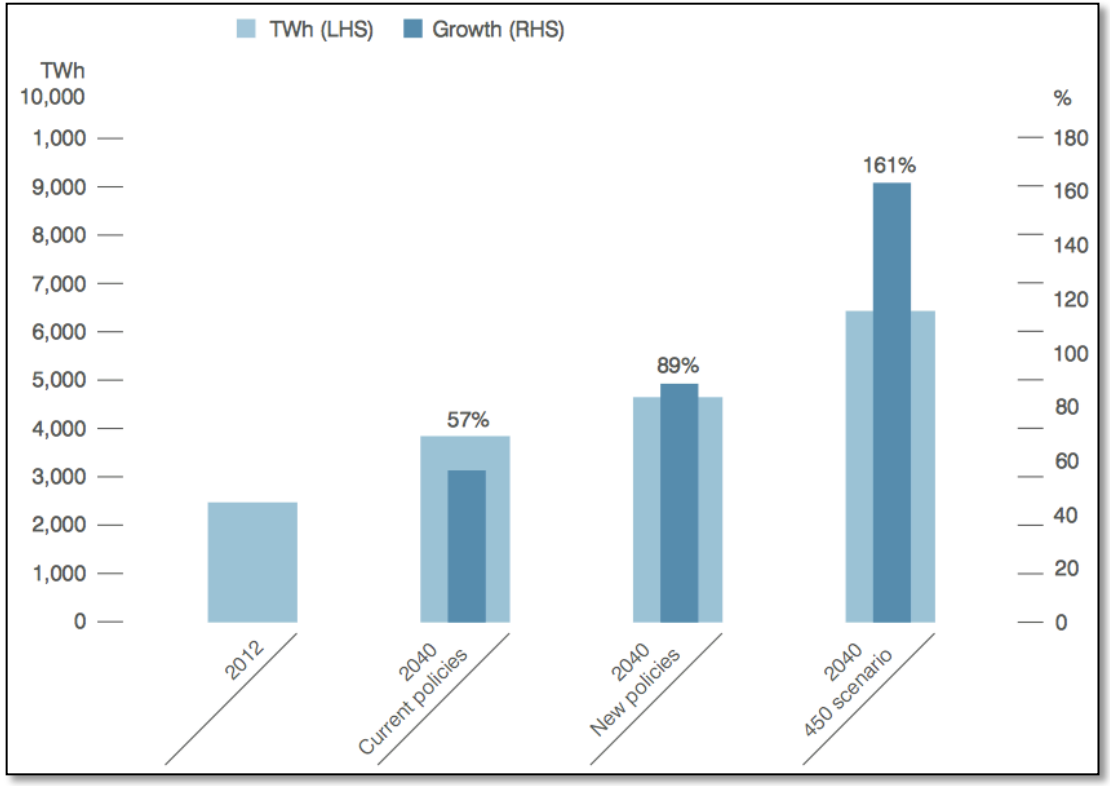
China – other developments

- Population reaches peak around 1.45b
- Electricity consumption increases with wealth per person 7,000kWh
- China will therefore require capacity > 2,500 GW – ***roughly doubling from current 1,250 GW***
- ***24 existing, 26 under construction, 150 by 2030***



Source: CIA World Fact Book; Vimy

International Energy Agency World Energy Outlook 2012-2040



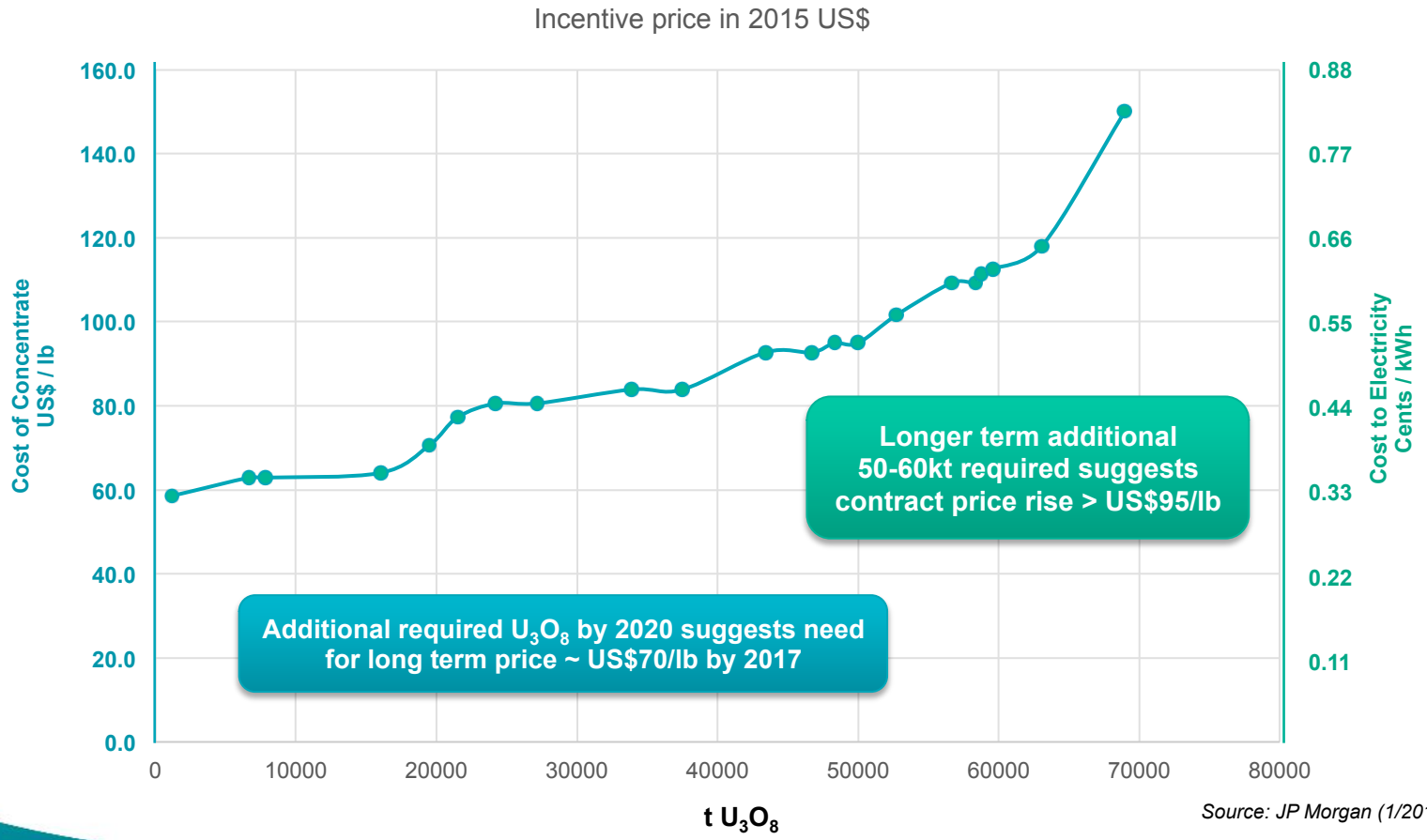
Source: MCA, IEA – World Energy Outlook 2014

Growth in Nuclear Energy

Three Scenario energy projections to 2040:

- Current policies
- New Policies
- 450 Scenario which seeks to limit the LT increase in average global temperature to 2°C by keeping CO_2 at 450 ppm

Uranium incentive price for new production



Source: JP Morgan (1/2012) ; Vimy

Mulga Rock Uranium Project, Western Australia

The second largest uranium deposit in Western Australia

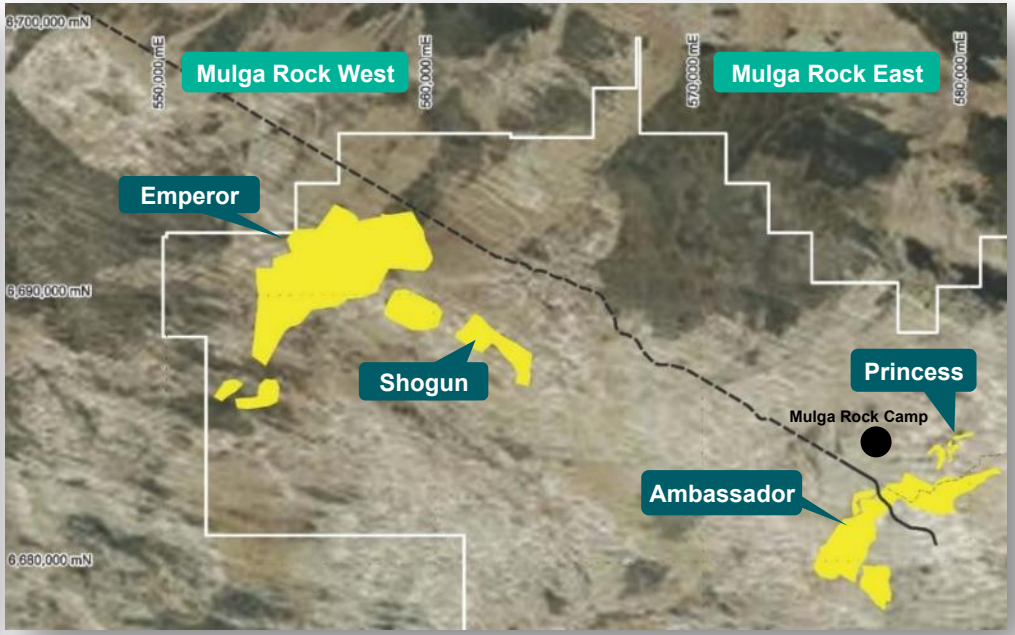
- Large, low-cost, long life asset
- 59.7 Mt @ 550ppm U_3O_8 for 73 Mlb (32,800t) U_3O_8*
- Clear cut geology, mining and metallurgy
- 16 year LOM with estimated total production 47 Mlb U_3O_8
- PFS identifies upside on Resource, costs, and LOM

Targeting first production 2018

- Pre-feasibility Study to be completed Q3 2015 with Feasibility Study to commence September 2015
- Investment decision and commencement of earthworks anticipated in 2H 2016
- State and Federal Government support for uranium mining and export including China and India
- Experienced management team with focus on production and development – *proven track record of building mines*

* *See appendix for full details of mineral resource estimate*

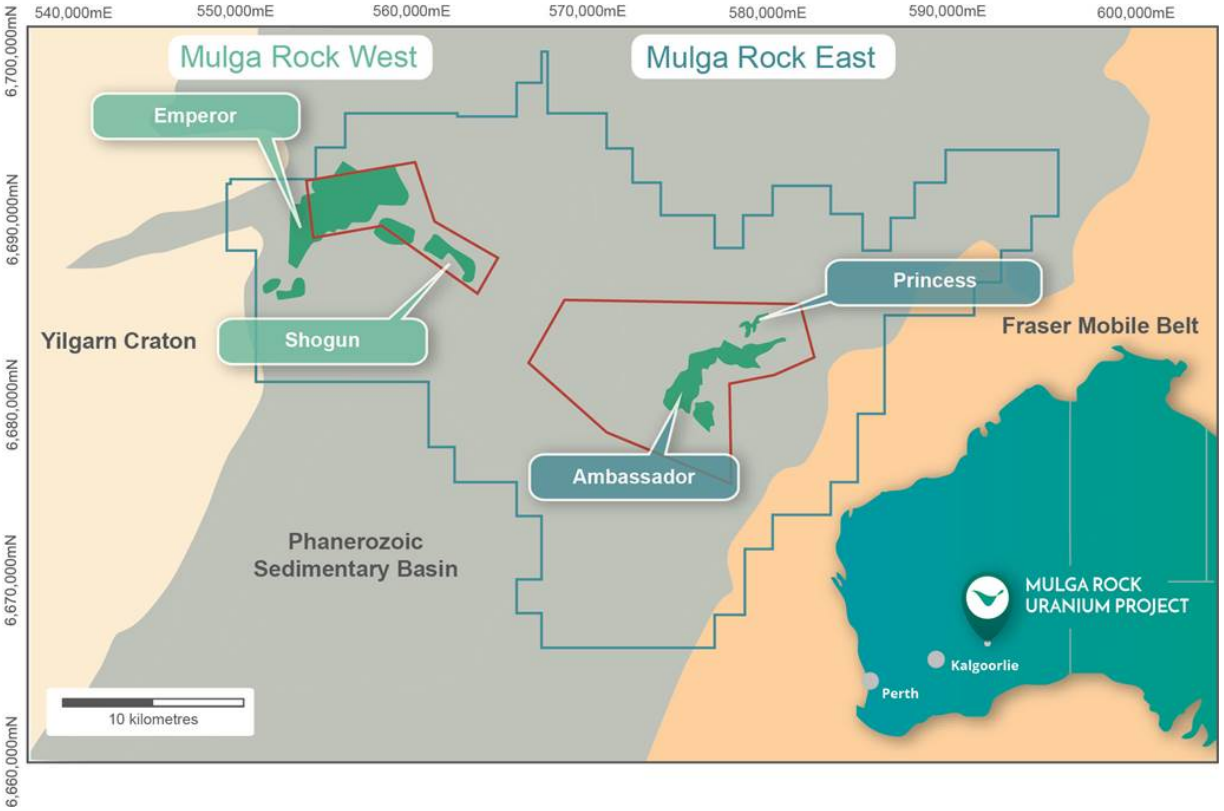
Mulga Rock Uranium Project



- Remote, arid location with no local inhabitants + 200km to nearest town
- Deposits covered by granted Mining Leases
- Access is via the Tropicana Mine Road – AngloGold Ashanti

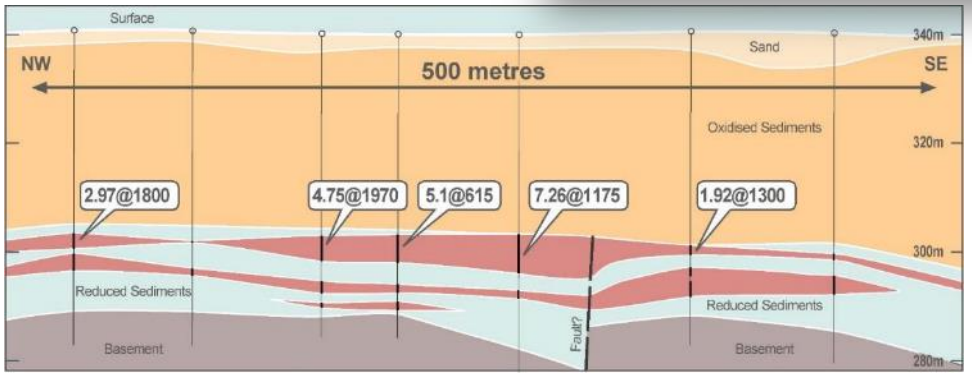
Project plan of deposits

- **Initial focus on Mulga Rock East**



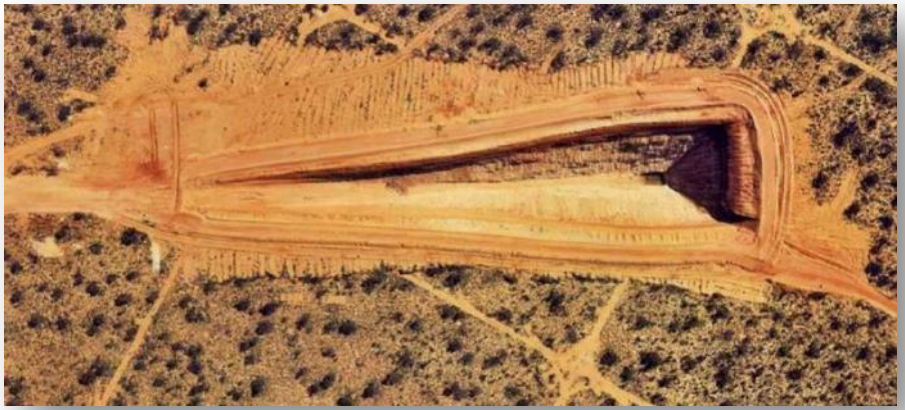
Geology – flat and simple

- Hosted within deeply weathered sediments comprising carbonaceous sandstone; silt; sandy lignites
- Mostly **Uraninite (UO_2)** associated with carbonaceous material and lignite – no complex silicate minerals
- Deep weathering = *soft friable rock*
- Deep pit voids to provide tailings disposal and waste dumps

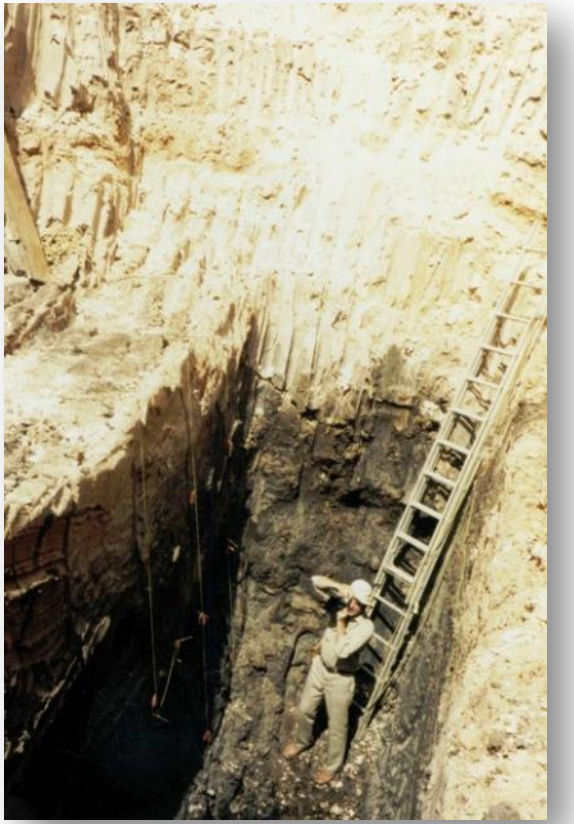


Mining – open pit

- Recent in-fill drilling confirmed continuity and grade
- Japanese test pit at Shogun in 1980s shows clear demarcation between carbon-rich mineralisation and oxidised overburden
- Deep weathering allowed for free dig mining methods
- PFS/DFS to explore bulk mining methods for overburden excavation using coal mining technology
- Strip mining allows waste dumping in pit voids



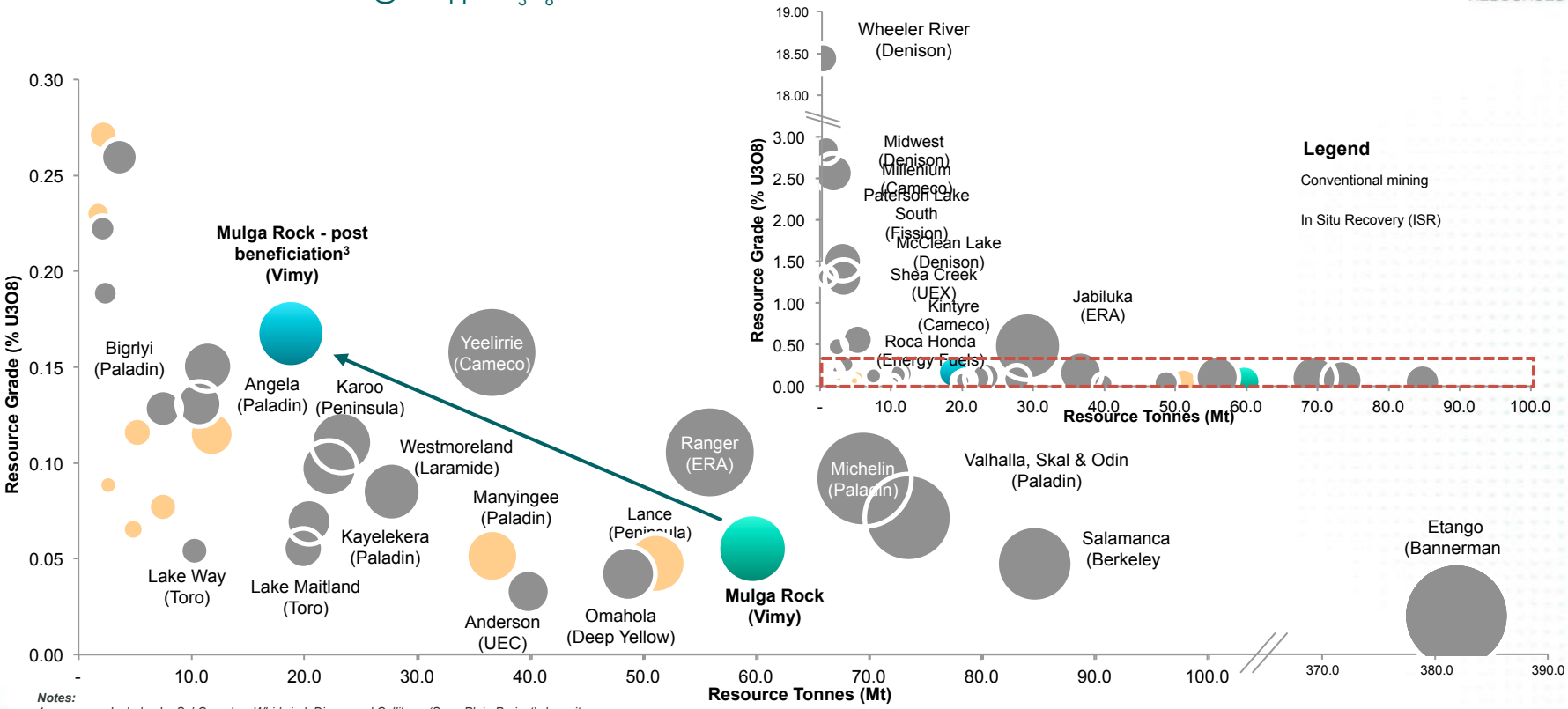
Test pit at Shogun dug by PNC in the 1980s



Close-up in test pit showing carbon-rich ore and free dig nature of material

Where is Vimy placed: peer comparison of global projects

– Total Resources – 59.7 Mt @ 550 ppm U_3O_8 for 72.7 Mlbs



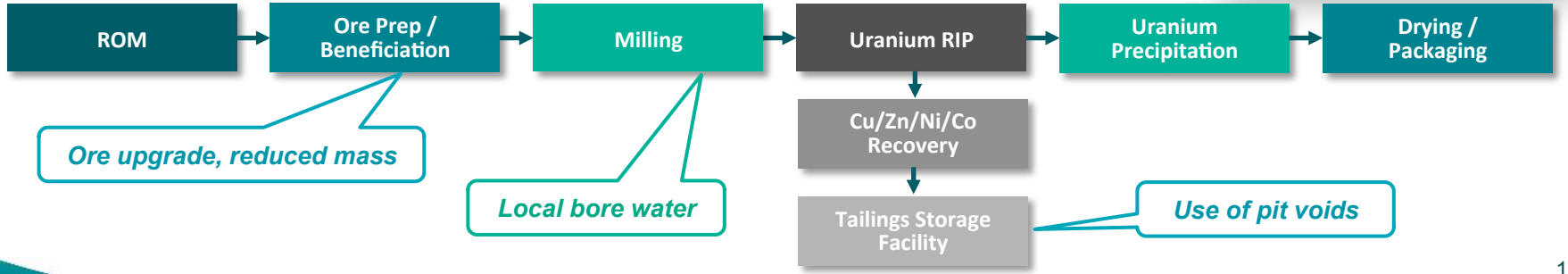
Notes:

1. *Includes La Sal Complex, Whirlwind, Diners and Calliham (Sage Plain Project) deposits.*
2. *Includes Sheep Mountain, Juniper Ridge and Gas Hills deposits.*
3. *Assumes reduction of 68.5% of ore with 96% recovery of U_3O_8 in resource.*

Source: *Company reports and filings.*

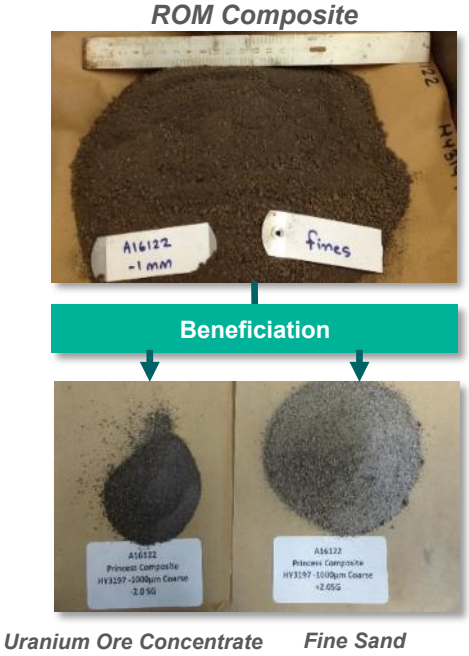
Simple metallurgy – acid leach and resin-in-pulp

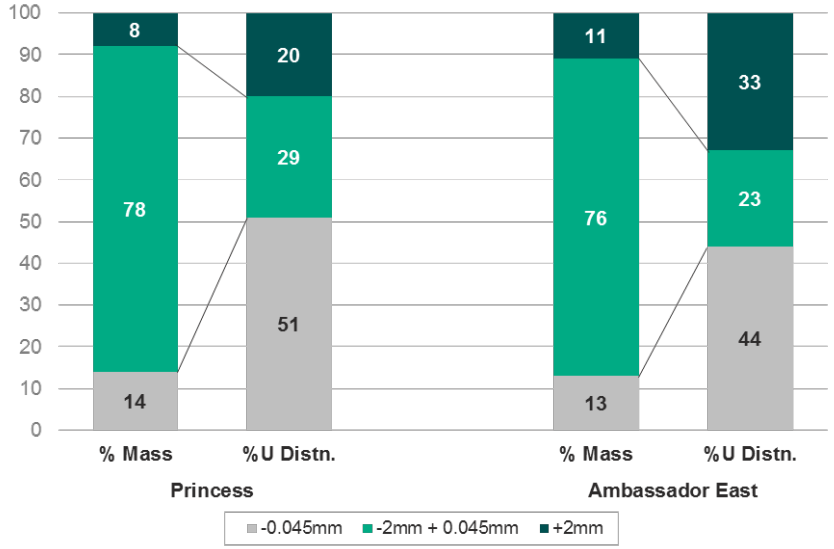
- Beneficiation removes >65% of gangue prior to leach circuit
- Preliminary flow-sheet developed – acid leach and RIP
- Acid leach uranium extraction:
  - *Acid leach = proven technology*
- Acid leach exhibits fast kinetics at ambient temperatures
  - *Simple process and simple plant design*
- Resin-in-pulp best for use in carbonaceous ore
- Base metal recovery as mixed carbonates
  - *By-product credits from Cu/Zn + Ni/Co*
- PFS test work for completion September 2015



Simple metallurgy – myth busting

- **Beneficiation breakthrough:**
  - Ore is amenable to beneficiation = ***higher grade feed and smaller process plant***
  - Significant improvements in reagent consumption and leach kenetics = ***reduced costs***
  - Significant reduction in water usage and tailings volume





Percentage of mass and uranium distribution in sized ROM material

Simple metallurgy – myth busting

Key highlights from the test work:

- Uranium resource contains a large portion of coarse, unmineralised silicate sand
- Uranium mineralisation is associated with light carbonaceous and clay minerals
- Uranium grades resulting from beneficiation are 2.7 – 3.4 times the original grade
- Mass rejection of 65-72% of ROM ore achieved
- Beneficiated ore uranium recoveries of 95-96% to final concentrate achieved

Final beneficiation results on a run of mine ore basis

Deposit	Initial Head Grade ppm U_3O_8	Beneficiated Ore Grade ppm U_3O_8	Uranium Upgrade *	% Mass Rejected	% Uranium Loss
Princess	657	2252	3.43	72	5.1
Ambassador	723	1980	2.74	65	4.1

* *Calculated by dividing beneficiated uranium grade by initial head grade*

Recent achievements

Successful Mulga Rock Scoping Study

- Supports Vimy's view that the MRUP is Australia's best undeveloped uranium project
- Indicates that the project is economic at current long-term contract prices for uranium
- Simple mining process, production growth potential, resource growth potential

Key Financials – *see appendix for details*	
Capex	A$332m plus A$46m pre-strip
C1 cost (first 7 years)	US$25/lb U_3O_8 *
C1 cost (LoM)	US$29/lb U_3O_8 *
Average annual EBITDA	A$161m at US$75/lb U_3O_8 price
NPV (10% DCF)	A$764m **
IRR	39% **
Payback from start of production	2.6 years

* *Including by-product credits* ** *Inclusive of royalty, pre-tax*

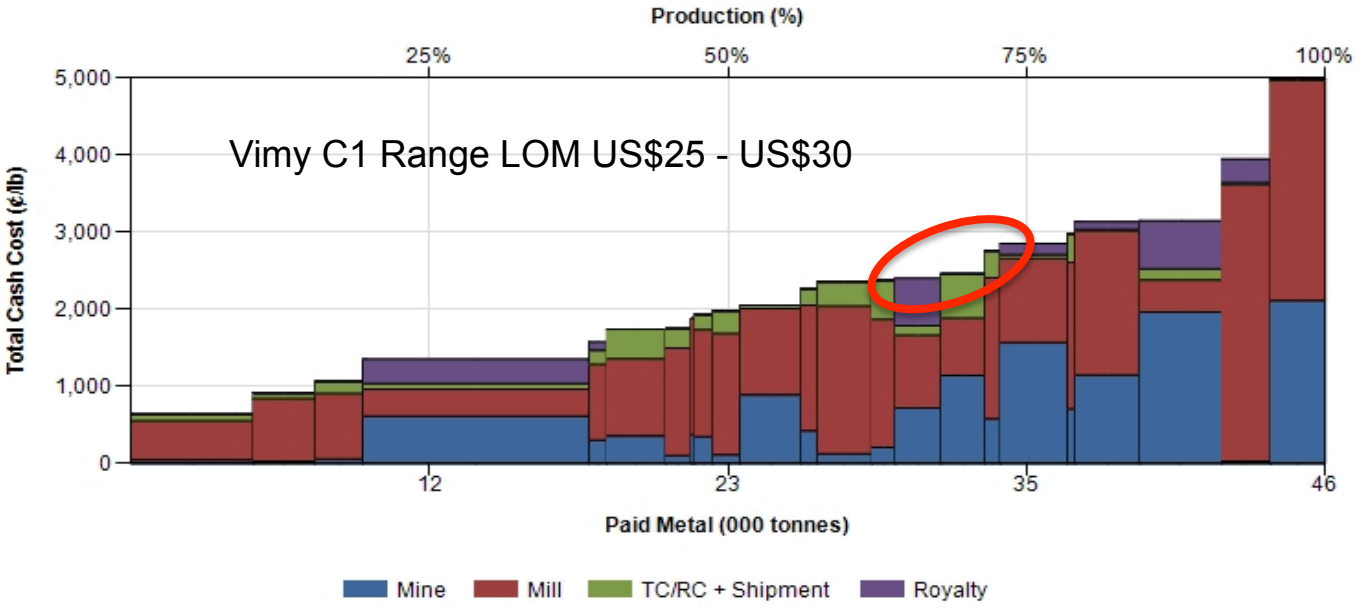
Financing – Resource Capital Fund

- A$30 million funding package agreed with Resource Capital Fund VI
- Intended to fund Vimy through to project financing of Mulga Rock Uranium Project
- Initial A$5 million via share placement for Mulga Rock Pre-Feasibility Study with in-principle terms agreed for additional funding of $25 million – *subject to remaining DD and FIRB*

Where is Vimy placed? Cash cost curve – SNL.COM

SNL Mine Economics Cost Curve

Modeled Cost and Production
Period: 2015



Corporate overview

Capital structure [1]	
Shares on issue [1]	227.7 million
Share price (14 July 15)	$ 0.40
Market cap [1]	$ 91 million
Cash [1]	$ 8.9 million
Bank debt	$ 0 million
Options (unlisted)	57 million @ 35c (June 2016)
	0.2 million @ 126c (Jan 2017)
	2.9 million @ 35c (June 2018)
	8.7 million @ 154c (Dec 2018)
	8.7 million @ 70c (Dec 2018)
	1.4 million @ 80c (Dec 2019)

Share Price

Volume

asx.com.au

Board and technical team [2]	
The Hon. Cheryl Edwardes	Non-Executive Chairman
Mike Young	CEO and Managing Director
Julian Tapp	Executive Director
David Cornell	Non-Executive Director
Aaron Hood	Non-Executive Director
Shane McBride	CFO and Company Secretary
Tony Chamberlain	Project Manager MRUP
Xavier Moreau	GM - Geology and Exploration

Significant shareholders [1]	
Forrest Family Investments	25%
Acorn Capital	21%
Macquarie	19%
Michael Fewster	16%
Resource Capital Funds VI [1]	8%
Directors	3.5%

[1] Includes issue of 18.2m shares to RCF associated on 21 May 2015. Cash is pro forma 31 March 2015 including $5m RCF placement proceeds.

[2] RCF has a right to nominate a Director after providing >$10m as contemplated in funding package or >10% of Vimy issued shares.

People : The Board

The Hon. Cheryl Edwardes – Non-Executive Chairman

- Former WA State Government Minister holding Ministries of Environment, Labour Relations and Attorney General
- Providing statutory and approvals advice to Atlas Iron, Hancock Prospecting, FTI Consulting
- Significant networks in State and Federal Government and broad experience and networks in China's business community

Mike Young – Chief Executive Officer and Managing Director

- Founding Managing Director of BC Iron Limited (ASX200:BCI) from 2006 – 2013. BC Iron went from first drill hole to first ore on ship in under four years and now exports 6 Mtpa of Iron Ore from a JV with FMG (75:25 BCI:FMG)
- Experienced Mining Consultant – Resource Modelling and Estimation – with Golder Associates
- Founding director of uranium developer Bannerman Resources and currently non-executive Chairman of Cassini Resources
- Studied at Queens University, Ontario and worked on uranium exploration projects and mines in Canada

Julian Tapp – Executive Director

- Head of Government Relations and Director of Strategy at Fortescue Metals Group until 2012 with special responsibility for expediting approvals
- Trained as an economist in London, lectured at a number of universities including the London School of Economics
- Economist and later Chief Economist for Ford Europe, BP and Rover Group before transitioning into role as Director, New Business Development

David Cornell – Non-Executive Director

- Founding director of the Element Group with significant commercial and financial experience in the mining and oil and gas sectors
- Previously an associate director at the LinQ group which managed Australia's largest listed resource fund
- Specialist in providing corporate and professional services to both WA junior explorers and international mining companies

Aaron Hood – Non-Executive Director

- BEng (Mechanical) and BCom both from the University of Western Australia and MBA from INSEAD
- Ten years in Sydney and Perth as executive director of a private equity firm with investments in mining services, oil and gas
- Chief Investment Officer for Squadron Resources, part of the Minderoo Group of companies

People : The Team

Shane McBride – Chief Financial Officer and Company Secretary

- Certified Practicing Accountant with over 33 years of commercial management experience gained in listed Australian companies
- Served as CFO, company secretary and director in exploration, development and producing mining companies
- Fellow of CPA Australia, Governance Institute of Australia and the Institute of Chartered Secretaries and Administrators

Xavier Moreau – Geology and Exploration

- General Manager of Geology and Exploration at Vimy since February 2010
- Valuable uranium project management experience with Areva and U3O8 Limited
- Extensive experience in uranium and gold exploration with Areva and Afmeco with significant time spent on Goldfields projects
- Educated in France and Canada and holds an Honours degree in Geology

Tony Chamberlain – Project Manager, Mulga Rock Project

- Involved in a number of uranium projects in Australia, Asia, Africa and Eurasia
- Extensive operational and process engineering experience with WMC and BHP Billiton projects
- Delivered pre-feasibility and feasibility studies and process design packages for Goldfields, Barrick, Paladin and Mega Uranium

Investment summary

A unique uranium development

Located in a safe jurisdiction, with low risk and low costs mining process

Attractive deposit with sufficient scale and long mine life

Funding agreed through to project financing

Investment decision anticipated in H2 2016

Targeting first concentrate production in 2018

Robust financials, low cash costs

Excellent leverage opportunity to growing uranium demand, mainly from Chinese reactor builds

Experienced management team with proven track records in mining and production

VIMY RESOURCES

Appendix

Resource tables, project metrics and biographies

Pre-feasibility study and schedule

Metallurgical test work – key breakthrough

- **Beneficiation work yields excellent results – significant upgrade**
- Leach and U extraction test work (underway)
- Uranium and base metal recovery (underway)

Environmental approvals

- Draft Public Environmental Review (**PER**) submitted
- PER approval expected mid-CY2016

Feasibility study – 2H CY15 to 2H CY16

- Infill drilling, resource estimation, and mine optimisation and scheduling
- Geotechnical investigation trenches – geotec, hydrogeology, bulk sampling
- Recovery optimisation and pilot plant to confirm up-scaling of front-end processing
- Engineering studies and long lead items

Key physical and financial metrics

The Scoping Study results confirm the potential for the MRUP to be a low-cost uranium producer over a 16 year mine-life

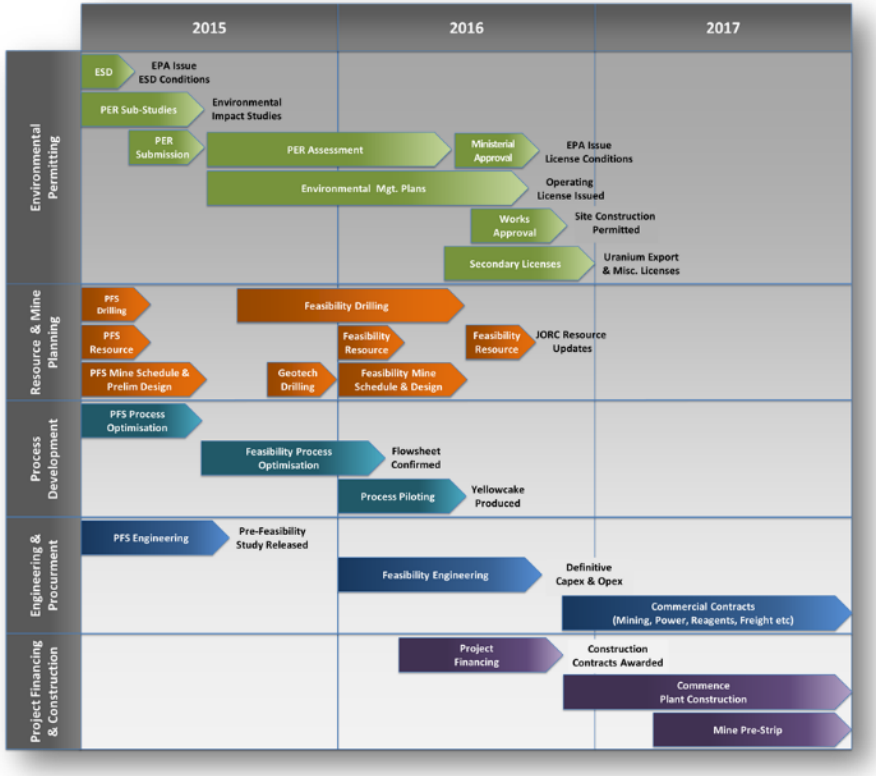
A flat exchange rate of A$1.00 : US0.76 and a flat uranium price of US$75/lb U_3O_8 have been assumed across the entire project life for the Scoping Study. The uranium price used represents a consensus view of the market analysts' long-term price to incentivise new uranium production.

Life of Mine (LOM)	16 years
Nameplate Run-of-Mine	2.55 Mtpa
ROM Uranium Grade (Years 1-7)	640 ppm U_3O_8
ROM Uranium Grade (LOM)	498 ppm U_3O_8
Average Strip Ratio LOM (waste tonne / ore tonne)	13.6
Overall Metallurgical Recoveries	
Uranium	89%
Copper	41%
Zinc	61%
Nickel	48%
Cobalt	46%
Annual Production – Uranium as U_3O_8	3.00 Mlbs U_3O_8
Process plant and infrastructure capital costs	A$332M
Mine pre-strip cost (additional to process plant capital)	A$46M
Sustaining capital (LOM)	A$108M
Uranium Opex Years 1 - 7 (after by-product credits)	US$25.24 / lb U_3O_8
Uranium Opex Years 1 - 7 (before by-product credits)	US$29.43 / lb U_3O_8
Uranium Opex LOM (after by-product credits)	US$29.11 / lb U_3O_8
Uranium Opex LPM (before by-product credits)	US$31.37 / lb U_3O_8
Base Case Uranium Price	US$75.00 / lb U_3O_8
Exchange Rate A$:US$	0.76
NPV (inclusive of royalty, pre-tax @ 10% DCF)	**A$764M**
IRR (inclusive royalty, pre-tax)	**39.1%**
Payback from start of production	**2.6 years**

The scoping study was released to the ASX on 6 May 2015. Please see http://www.asx.com.au/asxpdf/20150506/pdf/42yd6q5ljq8jq9.pdf

Pre-feasibility Study snapshot July 2015

- Mulga Rock – a significant deposit > 72.7Mlb U_3O_8 (59.7Mt @ 550ppm U_3O_8)*
- Vimy aims to produce >1,300 tpa U_3O_8 for +15 years
- Capital and operating costs competitive and falling
- Considered possible to produce concentrate (and by-products) at low costs
- Could be under construction in 2H 2016 – "*First shovel in ground*"



** See appendix for full details of mineral resource estimate*

U_3O_8 Mineral Resource Estimate

Deposit / Resource	Classification	Cut-off Grade (ppm U_3O_8)	Tonnes (Mt)	U_3O_8 (ppm)	U_3O_8 (Mlb)
Mulga Rock East					
Princess	Indicated	200	1.3	690	1.9
Princess	Inferred	200	2.5	380	2.1
Ambassador	Indicated	200	13.0	750	21.6
Ambassador	Inferred	200	15.1	480	15.9
Sub-total			**31.9**	**590**	**41.5**
Mulga Rock West					
Emperor	Inferred	200	24.1	500	26.4
Shogun	Inferred	200	3.7	590	4.8
Sub-total			**27.8**	**510**	**31.2**
Total Resource			**59.7**	**550**	**72.7**

This resource estimate was released to the ASX on 20 April 2015. Please see http://www.asx.com.au/asxpdf/20150420/pdf/42xzgjl1tgfsvy.pdf

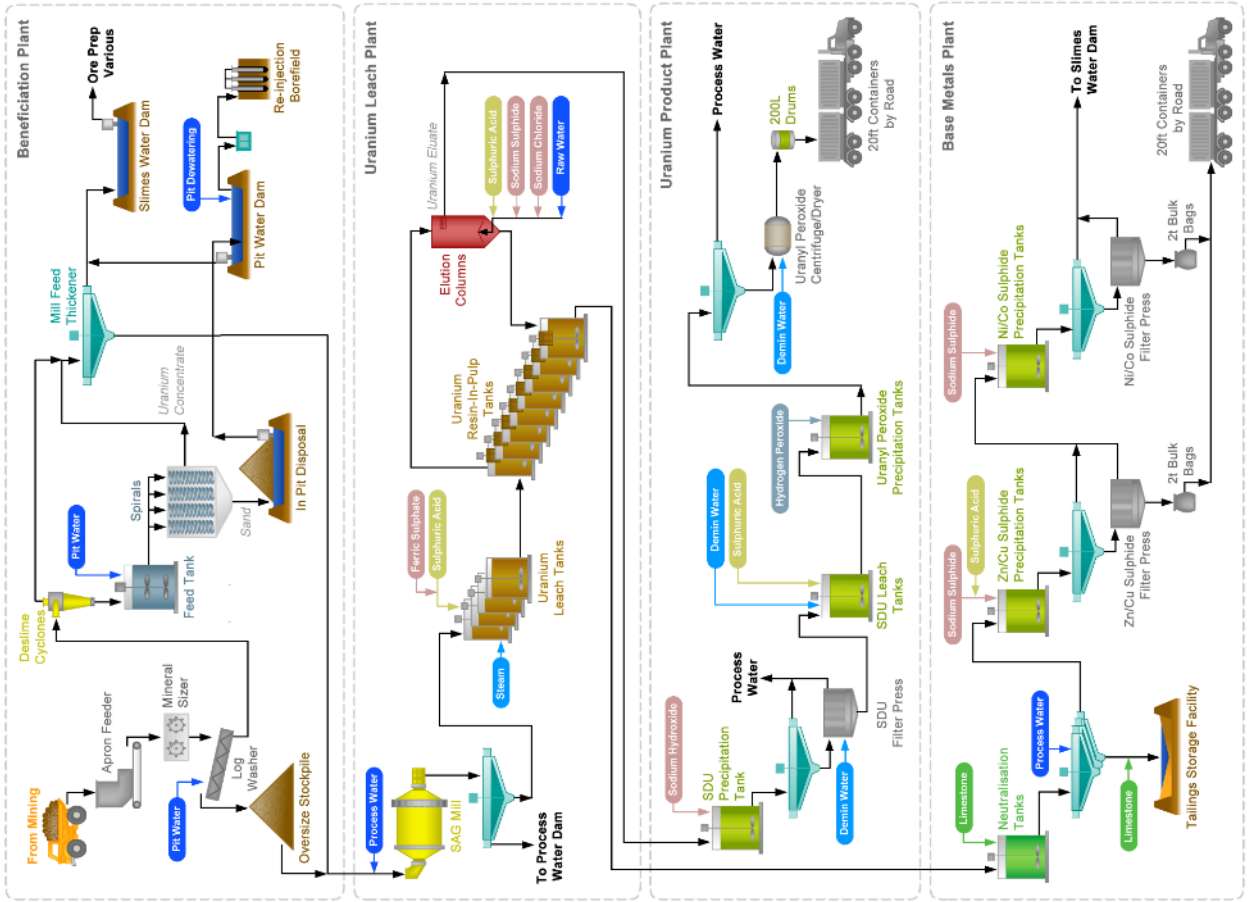
Base Metal Mineral Resource Estimate

Deposit / Resource	Tonnes (Mt)	Cu (ppm)	Zn (ppm)	Ni (ppm)	Co (ppm)
Mulga Rock East – tonnes and grade					
Princess – Indicated	1.3	750	1280	440	210
Princess – Inferred	2.5	270	500	250	140
Ambassador – Indicated	13.0	340	1350	600	250
Ambassador – Inferred	15.1	170	320	300	160
Total	**31.9**	**270**	**790**	**420**	**200**

Deposit / Resource	Status	Cu (kt)	Zn (kt)	Ni (kt)	Co (kt)
Mulga Rock East – contained metal					
Princess	Indicated	0.9	1.6	0.6	0.3
Princess	Inferred	0.7	1.3	0.6	0.4
Ambassador	Indicated	4.4	17.5	7.8	3.3
Ambassador	Inferred	2.6	4.8	4.6	2.4
Total		**8.6**	**25.2**	**13.6**	**6.4**

This resource estimate was released to the ASX on 20 April 2015. Please see http://www.asx.com.au/asxpdf/20150420/pdf/42xzgjl1tgfsvy.pdf

Schematic of Mulga Rock process plant



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The information in this announcement that relates to the Exploration Results for the Mulga Rock Resource Estimate (U_3O_8), Resource Database, Geology and Bulk Densities are 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 sufficient 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.

The information in this announcement that relates to the Mulga Rock Mineral Resource estimates (U_3O_8) is based on information compiled under the supervision of Coffey Mining as consultants to the Company and reviewed by Ingvar Kirchner an employee of Coffey Mining. Mr Kirchner consents to the inclusion, form and context of the relevant information herein as derived from the original resource reports. Mr Kirchner has sufficient experience relevant to the style of mineralisation and type of deposit under consideration and to the activity which is being undertaken to qualify as a Competent Person as defined in the 2012 Edition of the JORC 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'.