



ASX Announcement

17 August 2015

Vimy completes \$30 million funding package with Resource Capital Fund VI

Vimy Resources Limited (ASX: VMY) ("**Vimy**" or the "**Company**") is pleased to announce that it has entered legally binding agreements with Resource Capital Fund VI L.P. ("**RCF VI**") for the provision of the final \$25 million of the \$30 million funding package announced on 20 May 2015.

The total \$30 million funding package is expected to fund Vimy through to project financing of the Mulga Rock Uranium Project northeast of Kalgoorlie in Western Australia ("**MRUP**").

In addition to the \$5m placement to RCF VI undertaken in May, the funding package comprises a \$15 million unsecured bridging loan ("**Bridging Loan**") and a \$10 million payment in return for a 1.15% royalty ("**Royalty**"). The Bridging Loan and the Royalty will become available to Vimy following the satisfaction of customary conditions precedent.

The \$10 million Royalty payment will be immediately drawn by Vimy, whereas Vimy intends to draw on the Bridge Loan only when and if required.

Vimy's CEO and Managing Director, Mike Young, said: *"The completion of the funding agreements with RCF VI complements the progress Vimy has been making on ore beneficiation and environmental approvals. We are now well placed from a funding perspective to continue to progress the Mulga Rock Uranium Project to project financing."*

Bridging Loan

The Bridging Loan will be used to fund the capital and operating expenditure of the MRUP and for Vimy's working capital purposes. The Bridging Loan principal has a maturity date of 31 March 2017 ("**Maturity Date**").

Interest on the Bridging Loan is payable quarterly up until the Maturity Date at a rate of 15% per annum. However, interest payments are deferred to 31 March 2018 at discounted rates in the following circumstances:

- the interest rate is reduced to 4% per annum if, prior to 31 March 2018:
 - RCF VI is granted the Participation Opportunity¹ on all equity issues,
 - Vimy completes a project financing for MRUP,
 - there is no event of default, and
 - Vimy has repaid all of the drawn loans before the first anniversary of the first draw down ("**First Anniversary**"); or

¹ The Participation Opportunity comprises the opportunity for RCF VI to subscribe for 1/3rd of the shares the subject of an equity raising (or in the case of a pro rata rights offer, an opportunity to subscribe for 1/3rd of any shortfall) ("**Participation Opportunity**"). If RCF VI cannot lawfully take up the Participation Opportunity (because it needs FIRB approval or because it would have a relevant interest in more than 20% of Vimy's issued capital) Vimy will be deemed to have offered the Participation Opportunity.

- the interest rate is reduced to 8% per annum if, prior to 31 March 2018:
 - RCF VI is granted the Participation Opportunity on all equity issues,
 - Vimy completes a project financing for MRUP,
 - there is no event of default, but
 - Vimy has not repaid all of the drawn loans before the First Anniversary.

In addition to the rights set out above:

- there are no penalty fees for early repayment of the Bridging Loan;
- Vimy is not required to draw down on the Bridging Loan;
- Vimy can elect to pay interest in cash or by the issue of Vimy shares to RCF VI at the 20 day VWAP at the time the interest is due for payment; and
- if, prior to 31 March 2018, Vimy has not offered the Participation Opportunity or completed the project financing for MRUP, RCF VI can elect to have the interest paid in Vimy shares at an issue price of \$0.30 per Share.

Royalty

In return for a cash payment \$10 million, Vimy's wholly owned subsidiary (Narnoo Mining Pty Ltd) will grant to RCF VI a Royalty of 1.15% of gross revenue from all products produced from the MRUP. The Royalty is secured by a mortgage over MRUP tenements.

Completion

The \$25 million of the RCF VI funding package will become available following satisfaction of customary conditions precedent for financings of this nature.

-Ends-



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About RCF

Resource Capital Funds (“**RCF**”) is a group of commonly managed private equity funds, established in 1998 with a mining sector specific investment mandate spanning all hard mineral commodities and geographic regions. Since inception, RCF has supported 135 mining companies, with projects located in 44 countries and across 29 commodities. The sixth fund, Resource Capital Fund VI L.P. (“**RCF VI**”) with committed capital of \$2.04 billion, is now being invested. Further information about RCF can be found on its website (resourcecapitalfunds.com).

RCF has a strong team of investment professionals, with wide ranging industry and technical expertise and a demonstrated history of investments in mining globally. RCF's track record is based on its ability to pick technically and commercially compelling assets and support management to achieve desired outcomes whilst remaining throughout a source of patient capital. RCF aims to partner with companies to build strong, successful and sustainable businesses and in doing so strives to earn superior returns for all shareholders.

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

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