



Chairman's speech

Ladies and gentleman, good morning.

My name is Cheryl Edwardes.

As your Chairman, it is my pleasure to welcome you to the Annual General Meeting of Vimy Resources.

Let me say how pleased I am to be holding our first Annual General Meeting with the Company's new name. Together with the Board last year we decided a fresh start was needed, so we rebranded to Vimy Resources.

The CEO and Managing Director Mike Young couldn't be here unfortunately, as he is in Canada meeting with investors who have an interest in uranium and in our Mulga Rock Project.

At our meeting today I will report to you on the Company's performance and the outlook for the year ahead.

2014-2015 has been a challenging year for the resources sector, but I am pleased to report that despite the general market, Vimy has continued to make substantial progress in developing the Mulga Rock Project into a world-class uranium mine.

We have a great deposit which is the 3rd largest undeveloped uranium deposit in Australia.

As mentioned earlier, during the year we **rebranded** our Company to reflect our core values of responsibility and positive environmental impact, and this is outlined in our vision "Mining a Cleaner Tomorrow". Uranium is one of the cheapest and cleanest fuels for generating baseload power; and once in production, the Mulga Rock Project will produce enough uranium to fuel seven typical reactors and offset 50Mt of carbon dioxide emissions. This is equivalent to around 9% of Australia's CO2 emissions.

An important milestone completed in May this year was our **Scoping Study**.

The Study supports our view that the Project is one of the best undeveloped uranium projects in Australia, confirming a mine life of 17 years with an estimated total production of 50.4Mlbs

It also highlights the simplicity of the geology, mining and metallurgical process.

The **metallurgy** has always been the biggest question people have had about our Project, and this year we made a big **beneficiation breakthrough**, resulting in significant volume reduction and uranium grade enrichment of the ore, whilst keeping costs down.

Our **drilling program** has also driven **resource upgrades**. Since the start of the financial year the amount of contained uranium in our resource has increased by a total of 21%.

In the year we also had two significant shareholders come on board, **Forrest Family Investments** and **Resource Capital Fund VI (RCF)**, both of whom have given us their full support for the Project, and have provided cash injections into the Company.

The financing brought by Andrew Forrest's family investment group has allowed us to retire \$24m in debt, and the new equity provided the opportunity to bolster our technical team.

While in May this year, Resource Capital Fund VI, provided us with a \$30m funding package, including a \$15m debt package, which together with the Board, we've decided to use as a matter of last resort. The backing from RCF is extremely significant as it will fund Vimy during the feasibility study phase through to our project financing stage.

Returning to our operational developments, this week we announced the results from our **Pre-feasibility Study** which has allowed us to present detailed mining and processing plans, and the cost of operations for the Mulga Rock Project.

The C1 operating cost for the life of mine is around US\$31/lb U3O8 including by-product credits. While the estimated capital cost to build the processing plant and infrastructure is US\$254M including a growth allowance and contingency of US\$42M.

Most importantly, the PFS has demonstrated that the Project has no technical flaws, and the Definitive Feasibility Study is expected to be completed in the fourth quarter of 2016.

As we now move forward with the **Definitive Feasibility Study**, a significant drilling program, covering Ambassador West, Shogun and a small part of the large Emperor deposit, will be completed by the end of December.

Earlier last month, we also received approval to commence Mining Operations at Mulga Rock for two small test pits. The pits will be excavated by the end of January 2016. This is a significant step as the approvals are true mining approvals and the exercise was completed quickly.

The Public Environmental Review process has continued to make good progress and is expected to be completed by mid 2016.

Project planning and development are also well underway. Our pilot plant will be under construction in the second half of next year and we are targeting first **production in 2018**.

Not least importantly, employee safety will always be a priority and I am pleased to disclose that we had another year of no lost time injuries reported.

I would like to take a quick step back and remind you why we are developing the Mulga Rock Project. We are truly excited about uranium's suitability as a cheap and clean source of baseload power which is a key factor for its demand and outlook.

China is one of the key leaders in this growth and has stated a target of obtaining 20% of its primary energy from non-fossil sources by 2030. China is planning to increase its number of nuclear reactors from the 29 currently operating, to at least **150** by 2030.

Our target markets include not only China but South Korea, and the USA. America still has the largest nuclear fleet by far with 99 operating reactors and a further 5 under construction; so it will

remain the largest market for uranium for most of the next decade. The US utilities forecast their own requirements for uranium to increase by 12% over this period.

South Korea has 24 operating nuclear reactors with a further 4 under construction and 8 more planned; it is also a significant player in the export market for nuclear technology with 4 of its reactors currently under construction in the UAE.

There is a very big opportunity, and we are well positioned to capitalise on this unprecedented demand.

In closing, I would like to acknowledge the outstanding contributions made by my fellow Directors, and all the staff working at Vimy. I am privileged as Chairman to have the opportunity to work with such a talented and professional team. This year's results reflect the quality, commitment and hard work of all of our people. Thank you.

The best way that we can add value for our shareholders is to bring the Mulga Rock Project to production as soon as we can.

We have an excellent uranium project, with low risk and low cost, have funding secured through to project financing, and we are on track as we progress towards development.

I look forward to continuing to work with the Vimy team and stakeholders, and to communicate our progress in the coming twelve months.