



ASX Announcement

2 December 2015

Mulga Rock Project - Definitive Feasibility Study Advances

Vimy Resources Limited ("**Vimy**" **ASX: VMY**) is pleased to provide the following operational update on the Mulga Rock Project Definitive Feasibility Study (**DFS**).

The following activities have been achieved or are underway:

- **DFS in-fill drilling program at Ambassador, Shogun and Emperor nearing completion;**
- **Open cut test pits at Ambassador East and West underway;**
- **DFS metallurgical test work continuing;**
- **Public Environmental Review (PER) document to be released for public comment shortly.**

Managing Director Mike Young said, "*With the release of the positive Pre-feasibility Study results earlier this month, the Vimy team continue to power forward with the Mulga Rock Project. The DFS in-fill drilling program and test pits are well advanced and will provide the foundation for the DFS Ore Reserve Statement and final mine design, which are critical components for project financing. The current work seeks to demonstrate the project can use simple low cost strip mining and allow the project to be developed with a high level of confidence.*"

DFS Infill Drill Program

The DFS in-fill drilling program at Ambassador, Shogun and Emperor commenced at Mulga Rock Project (MRP) on 1 September 2015. The program consists of 523 aircore drill holes and 91 diamond holes. Figure 1 shows the completed drill collars for the Ambassador deposit along with the PFS optimised pit shell overlayed. Figure 2 shows Shogun and Emperor PFS pit shells and the DFS drill collars of holes currently being completed. The program is 75% complete and it is expected that the drill rigs will demobilise in late December 2015.

The aim of the program is to increase the Resource classification for Ambassador and Shogun to Indicated or better status, which is expected to allow greater than 10 years of Ore Reserves to be established.

The DFS drilling also includes a diamond twin program to further quantify the uranium disequilibrium correction factor at Shogun and Emperor and will establish the base metal content as well. In April 2015, Vimy released a significant upgrade to the Mineral Resource Estimate for Ambassador, which resulted in a 30% increase of the average uranium grade due almost entirely to an increase in uranium disequilibrium factor. The drilling presently underway at Shogun and Emperor will quantify the uranium disequilibrium for these two deposits and the results are expected to show a similar increase to Ambassador owing to the similar geological settings and uranium mineralisation forming processes at the two deposits.

An updated Mineral Resource Estimate will be prepared for Ambassador, Emperor and Shogun and will be released in Q2 CY2016.

Separate to the DFS in-fill drill program, a maiden Ore Reserve for Princess and Ambassador is being prepared and will be released within the next 6-8 weeks. This Ore Reserve statement does not include the results from the above DFS in-fill drill program.

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

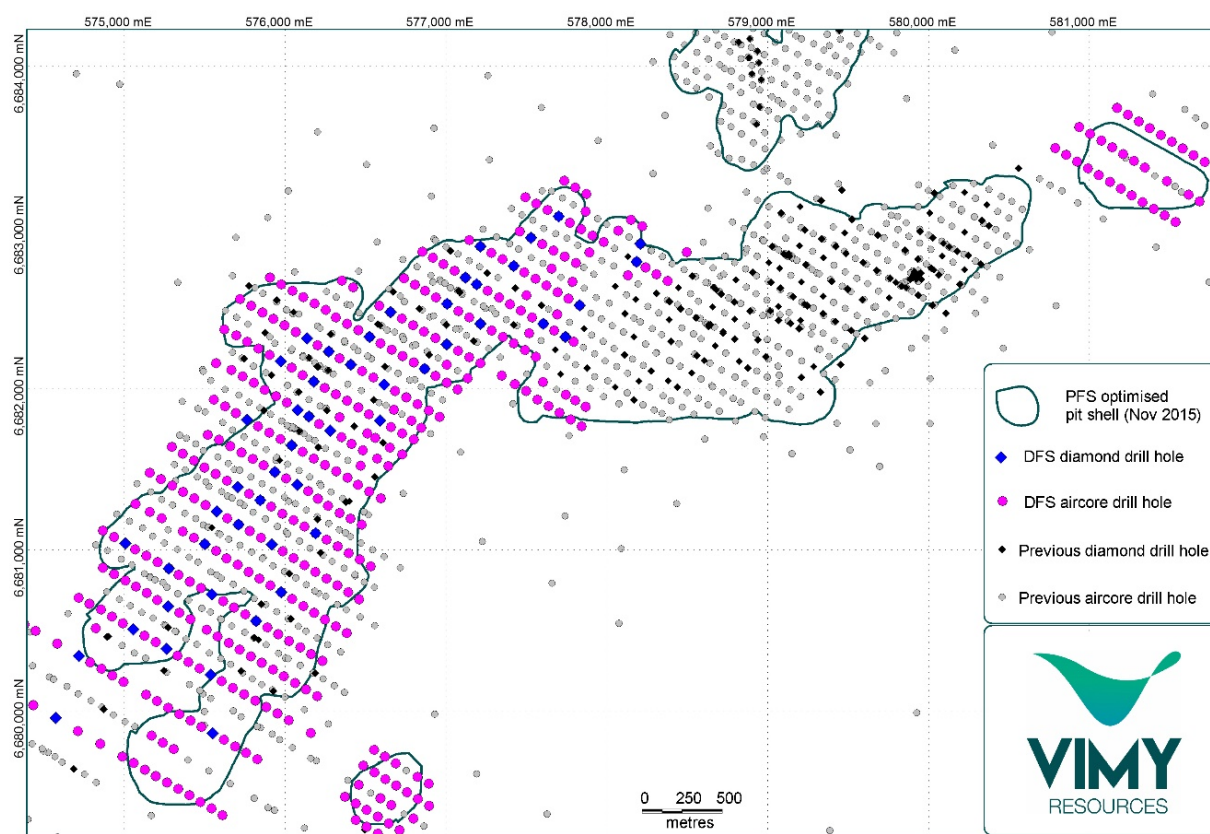


Figure 1: DFS in-fill drilling collars for the Ambassador deposit

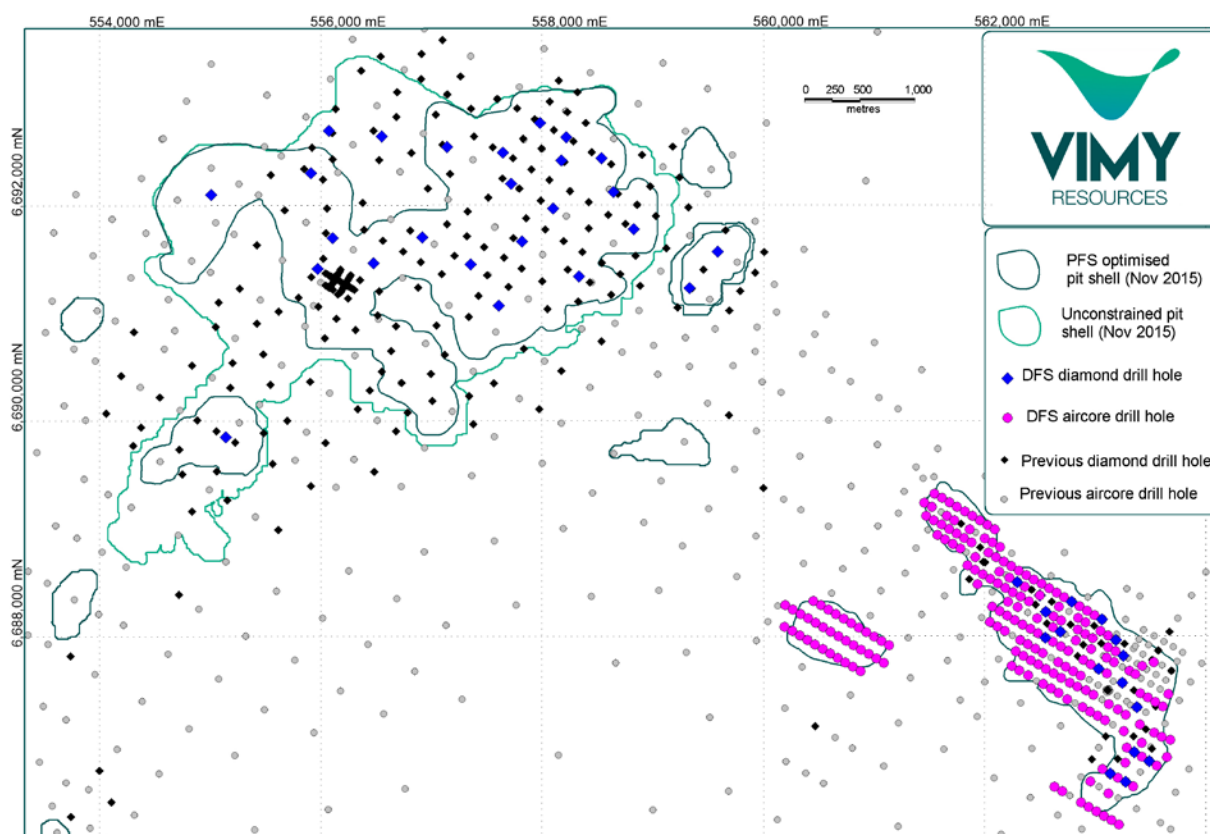


Figure 2: DFS in-fill drilling collars for Shogun and Emperor deposits

Geotechnical Test Pits

Vimy received mining approval from the Department of Minerals and Petroleum (DMP) to excavate two geotechnical test pits at Ambassador on 19 October 2015. Piacentini & Son Pty Ltd were awarded the Mining Contract on 23 October to excavate the two test pits after a competitive tendering process. Mobilisation commenced on 25 October and mining activities started on 28 October.

The key objectives of the geotechnical test pits is to provide the following information for the DFS:

- Verify geotechnical parameters such as pit wall angles and rock strengths for final pit design;
- Confirm in-situ wet bulk densities for waste and ore zones;
- Assess traffic-ability and load bearing capacity of white kaolinite clay layer directly above the ore zone;
- Confirmation of uranium grade distribution and grade control methods during mining;
- Verify swell factor of overburden material after excavation to allow full scale overburden landforms to be accurately designed;
- Obtain bulk samples for DFS pilot metallurgical test work; and
- Perform rehabilitation trials on overburden landforms.

Figure 3 show the location of the geotechnical test pits in relation to the main Ambassador deposit. The Eastern test pit is located at Year 2 of the PFS mine schedule and the Western test pit is at Year 7. The Eastern test pit is 200m (L) x 100m (W) x 35m (D), while the Western test pit is 320m (L) x 100m (W) x 40m (D). Once the test pits are completed, two bulk samples will be collected and sent to a licensed uranium testing facility for pilot test work which will be supervised by Vimy personnel. Both test pits will be completed by early February 2016. Figure 4 and Figure 5 show an aerial photo of the eastern and western test pits.

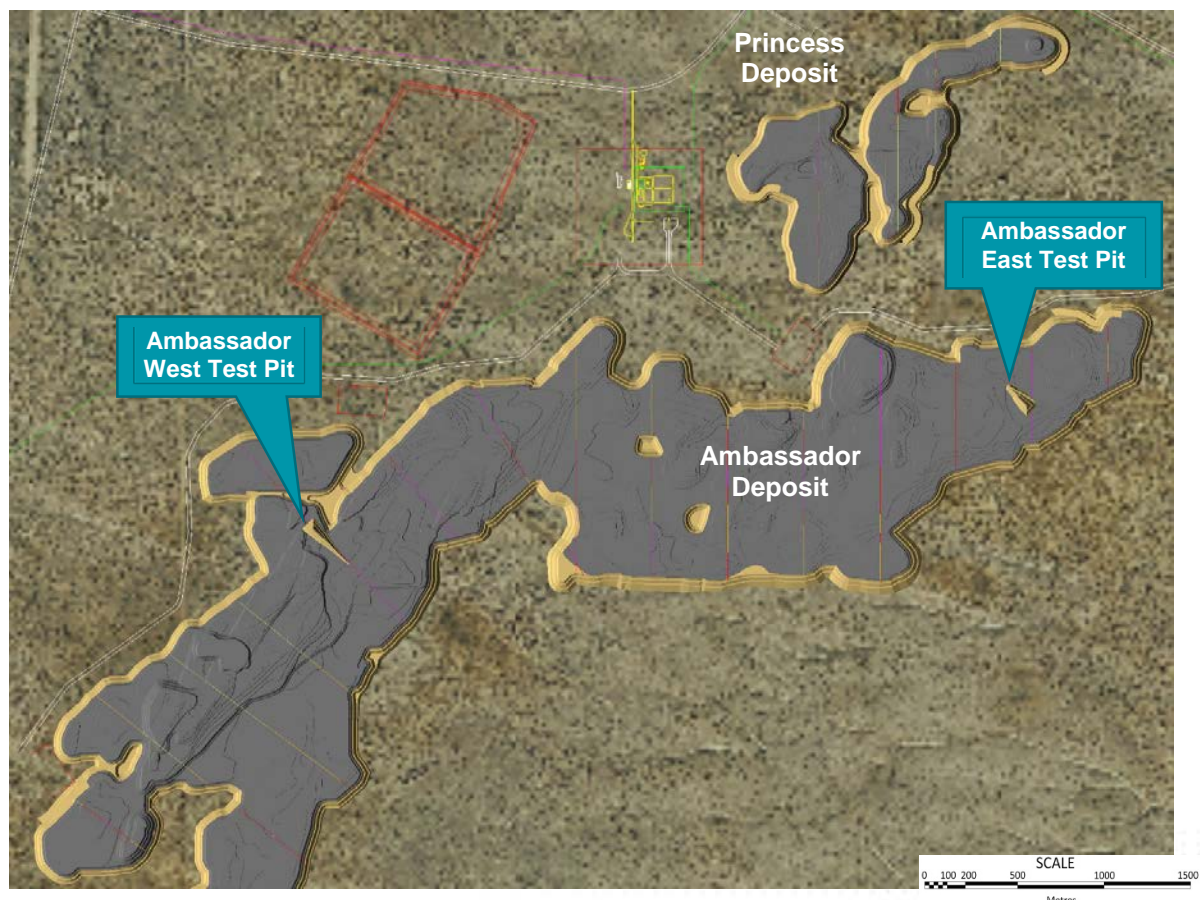


Figure 3: Location of Ambassador East and West Test Pits



Figure 4: Aerial photo of Ambassador East Test Pit on 22 November



Figure 5: Aerial photo of Ambassador West test pit taken on 18 November

Metallurgy

Metallurgical test work is continuing on beneficiated uranium ore concentrates generated from commercial scale beneficiation pilot test work earlier in the year. The following test work programs are underway:

- 1) Leach optimisation study – this program is aimed at determining the optimum acid leach conditions for the DFS pilot plant program (i.e. pH, temperature, residence times, reagent addition);
- 2) Leach feed thickening and rheology – dynamic thickening test work has been completed by Outotec on uranium ore concentrates from Princess and Ambassador. Reagent additions and thickener design information have now been confirmed. Rheological testing is also underway to allow thickener underflow pumps to be correctly sized;
- 3) Uranium Ion-exchange (IX) test work – work is continuing at ANSTO Minerals to select two ion-exchange (IX) resins to be carried through to the DFS resin-in-pulp (RIP) pilot plant trials;
- 4) Base metal (BM) recovery – evaluation of BM RIP flowsheet is being performed at ANSTO Minerals. This is an alternative flowsheet to the mixed sulphide precipitation flowsheet currently proposed for the project and is aimed at increasing the BM extraction.

In parallel with the laboratory test work program, preparation of the ore beneficiation DFS pilot test work has commenced. Equipment for the pilot plant facility has been secured and preliminary testing of the critical components is underway to confirm their suitability. It is anticipated that the first stage of pilot testing involving the ore beneficiation circuit will commence in January 2016. Figure 6 shows the continuous log washer trials being performed on high-clay ore from Princess and Ambassador.



Figure 6: Continuous log washer trials on kaolin clay material from Mulga Rock

Permitting and Approvals

Vimy received approval from the DMP to commence Mining Operations on 19 October 2015. This approval was granted on submission of a Vegetation Clearing Permit, Mining Proposal, Test Pit Mine Design, Project Management Plan and Mine Closure Plan.

In October, Vimy received comments from the various regulatory government departments on the Public Environmental Review (PER) document for the main Mulga Rock Project. Vimy has finalised the PER document incorporating these regulatory comments and the PER is pending approval from the OEPA for public release.

It is expected the EPA will make its recommendation to the WA Minister for Environment in August 2016.

Staff changes

Vimy is also pleased to announce that Tony Chamberlain has become the Chief Operations Officer for Vimy. This promotion reflects his contribution and strong leadership of the Mulga Rock Project.



Mike Young
Chief Executive Officer

Tel: +61 8 9389 2700

2 December 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 Project, one of Australia's largest undeveloped uranium resources which is located 240km ENE of Kalgoorlie in the Great Victoria Desert of Western Australia.

The Project has the capacity to produce 1,300 tonnes per annum of uranium oxide for up to seventeen 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
Aaron Hood – Non-Executive Director
Shane McBride – Chief Financial Officer and Company Secretary
Tony Chamberlain – Chief Operating Officer
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

