



# ASX Announcement

25 February 2016

## Mulga Rock Project – Definitive Feasibility Study Update

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 key milestones have been completed:

- **DFS in-fill resource drilling program at Ambassador, Shogun and Emperor completed;**
- **First bulk ore sample obtain from Ambassador East test pit;**
- **Geotechnical drilling completed; and**
- **DFS ore beneficiation pilot plant program awarded.**

Managing Director Mike Young said, “*The Mulga Rock Project team have had an outstanding six months and this announcement highlights those efforts. The infill drilling and the test pits continue to confirm our views of the mineralisation and overburden. In the coming months, we will shift focus from the field to our Maiden Ore Reserve Statement, the final mine design and metallurgical pilot plant.*

*I would like to congratulate our whole team on an amazing effort and look forward to providing further updates on the MRP as we power forward.”*

### DFS Infill Drill Program

The DFS in-fill drilling program at Ambassador, Shogun and Emperor was completed on 13 February 2016. Table 1 provides the total number of drill holes completed and meterage. Figure 1 shows the drill collar locations 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 hole collars completed.

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.

**Table 1: Summary of DFS drilling completed**

Resource	Drill Hole Type	Number of Holes	Actual Metres
Ambassador	Aircore	425	24,238
Ambassador	Diamond	52	3,112
Shogun	Aircore	167	6,783
Shogun	Diamond	15	587
Emperor	Aircore	34	1,740
Emperor	Diamond	25	1,158

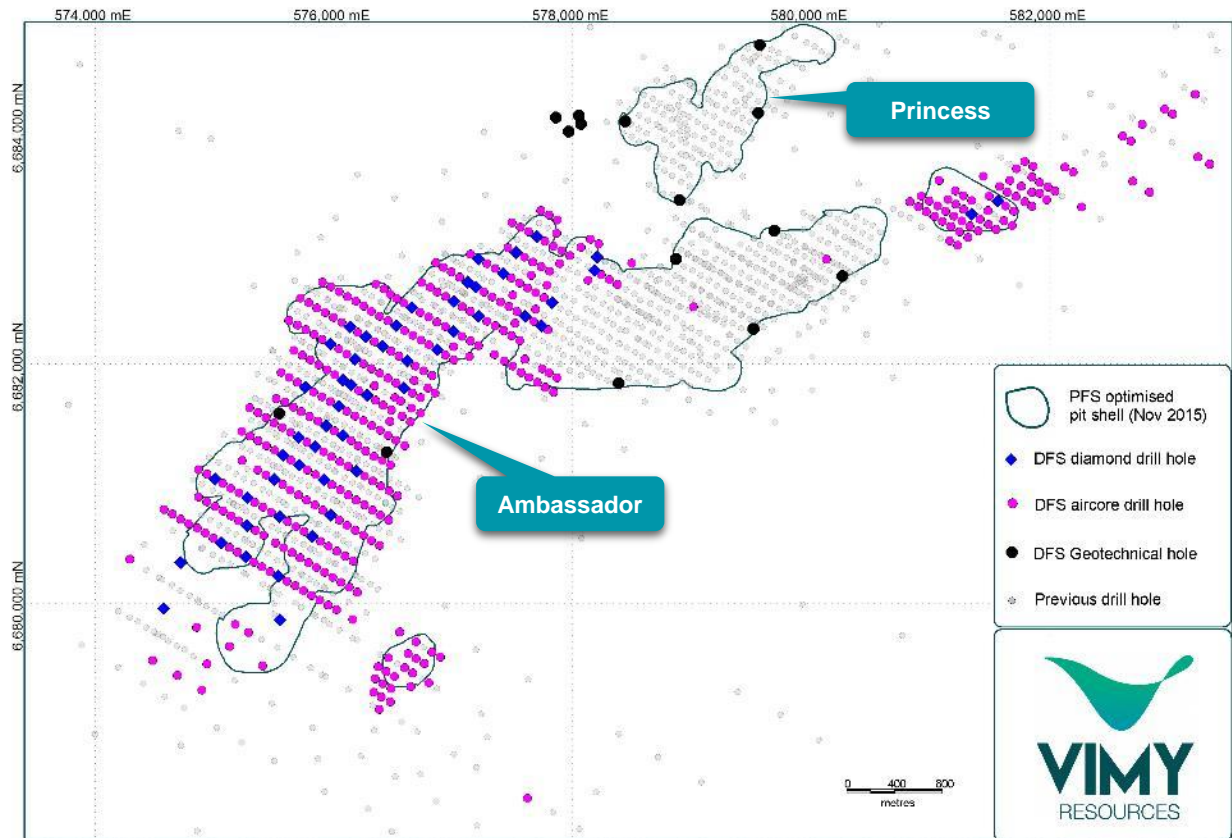


Figure 1: DFS in-fill drilling collars for the Ambassador deposit

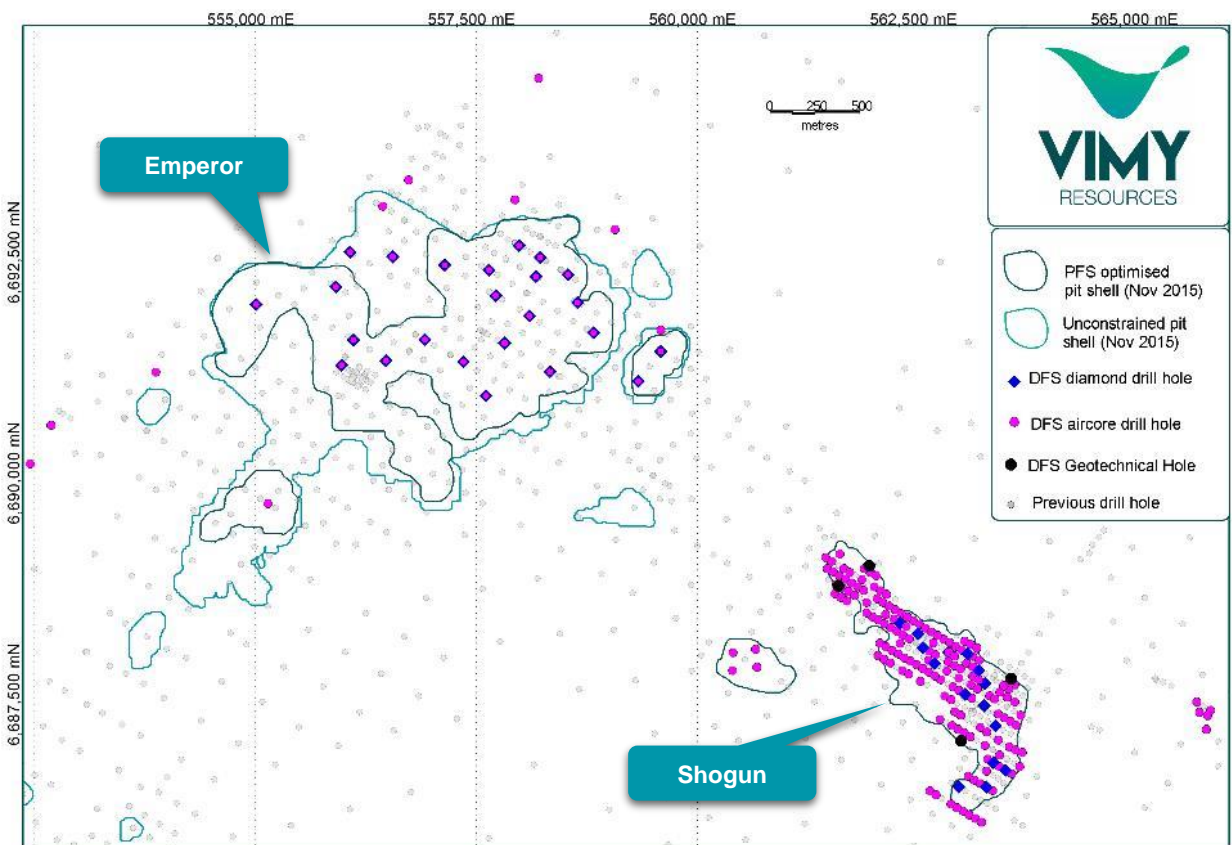


Figure 2: DFS in-fill drilling collars for Shogun and Emperor deposits

The DFS drilling also includes a diamond twin program to further quantify the uranium disequilibrium correction factor at Shogun and Emperor. 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. Results from this drill program will quantify the uranium disequilibrium for Shogun and Emperor, and it is 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.

### Ambassador 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. Excavation of the first test pit commenced on 28 October 2015 and the ore zone was reached on 27 January 2016.

Figure 3 shows the location of the 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).

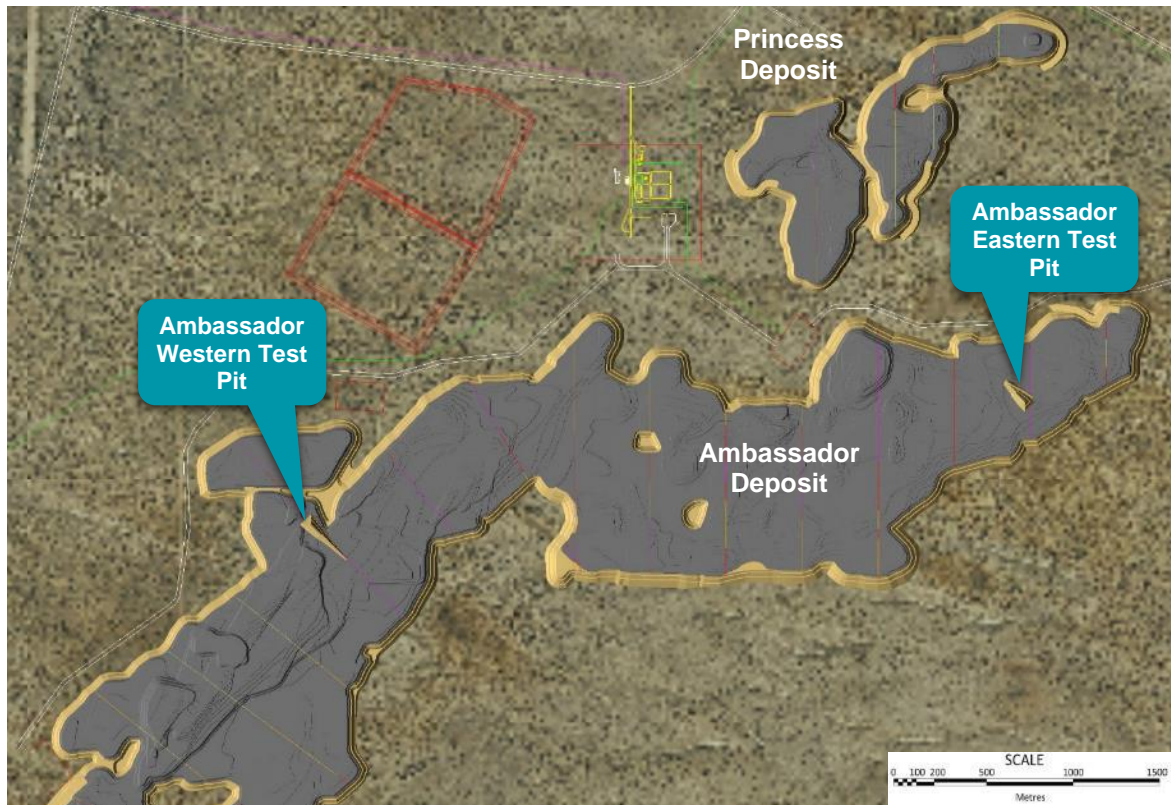
The Eastern test pit took approximately 55 days to excavate at an average rate of 3255 BCM/day versus a planned rate of 3260 BCM/day based on equipment capacity. Actual dig rates exceeded expectations but slowed markedly at the base of the pit owing to its narrow nature. This would not occur in the actual pits which are much broader and open. The entire pit was essentially free dig with some minor dozer ripping required within the upper weathered zone located from 3 - 13 metres from surface.

Figure 4 shows an aerial photo of the Eastern test pit with the base of pit at the contact interface of the ore zone. The water table was just above the ore zone. Figure 5 shows the excavator digging the ore box cut and the dewatering sump located adjacent to the box cut. Figures 6 to 8 show the surface haulage of the uranium ore, bagging and packaging of the bulk ore sample. Approximately 20 tonnes of ore has been transported to the pilot testing facility in Perth.

Bulk densities and geotechnical data have been collected at 2.5 metre intervals for the total depth of the test pit. Grade control drilling was also completed prior to excavating the ore sample.

The Western test pit is currently 65% complete and the second bulk sample is expected to be excavated in late March.





**Figure 3: Location of Ambassador East and West Test Pits**



**Figure 4: Aerial photo of Ambassador East Test Pit on 17 February 2016**





Figure 5: Excavation of bulk ore sample from Ambassador East test pit



Figure 6: Truck hauling ore to surface from Ambassador East test pit





**Figure 7: Loading ore sample into bulk bags for transportation.**



**Figure 8: Bulk ore consignment dispatched from Mulga Rock Project.**

### Geotech Diamond Drilling

A 17 hole diamond geotech drilling program was completed on 31 January 2016 for a total of 686 metres of core from surface. The program included 5 diamond holes across the process plant location, 4 holes at Princess, 5 holes at Ambassador and 3 holes at Shogun proposed mine pits.

All diamond core samples have been dispatched to a geotechnical testing laboratory to determine rock strength and shear force failure. The results will allow final pit wall angles to be determined and civil engineering requirements for the process plant.

### Metallurgical Pilot Testing

Metallurgical piloting will be performed on two 15 tonne bulk ore samples representing Years 2 and 7 of the mine schedule. The program will be performed in four (4) stages consisting of the following:

- Stage 1 – Ore beneficiation circuit;
- Stage 2 – Uranium leaching, resin-in-pulp and uranium elution;
- Stage 3 – Uranium precipitation; and
- Stage 4 – Base metal recovery and product precipitation.

Stage 1 has been awarded to ALS Metallurgy and Allied Mineral Laboratory (AML). All equipment has been laid out in the pilot plant facility and is currently being water commissioned. Piloting will commence in late February and will take approximately 3 weeks to complete the first bulk sample, which will correspond with the arrival of the second bulk sample in late March.

### DFS Engineering Tender

Five engineering companies were invited to tender for the DFS engineering study. The companies were selected based on relevant uranium experience and construction capability. Tenders have now closed and the contract will be awarded by the end of February. It is expected the DFS engineering will be completed in Q1 2017.



**Mike Young**  
**Managing Director and CEO**

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25 February 2016

## 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 will have the capacity to produce 1,360 tonnes per annum of uranium oxide for up to seventeen years. The Project is expected to result in the creation of approximately 490 new jobs in Western Australia and to create payments of around A\$19m per year to the State government in the form of royalty payments and payroll tax. The amount of uranium produced if used in nuclear reactors to displace coal fired electricity would offset more than 50 million tonnes of carbon dioxide equivalent emissions which is around 10% of Australia's total greenhouse gas emissions.

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

Ron Chamberlain – Chief Financial Officer and Company Secretary

Tony Chamberlain – Chief Operating Officer

Xavier Moreau – General Manager, Geology and Exploration

## Principal Place of Business

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