ASX Announcement

14 June 2016

Mulga Rock Test Pit Bulk Sample Results

Highlights

- **Bulk sample of mineralised zone from completed test pits (Ambassador Deposit) has been analysed**
- **53% higher contained U_3O_8 in bulk sample than estimated in resource model**
- **Existing resource models are appropriate for ongoing Definitive Feasibility Study**
- **If test pit results are representative, opportunity exists for a material increase of contained U_3O_8 across current resource**

Vimy Resources Limited ("Vimy" or "the Company") is pleased to announce results of assay data from the bulk ore samples taken from the geotechnical investigation trenches ("test pits") that were completed earlier this year at the Ambassador deposit.

As mining costs are a large part of overall operating costs, understanding the cost drivers for removal of the overburden was the key reason for the location of the test pits. The test pits were excavated to assess the hydrology, geology and rheology of the overburden material, particularly hard bands of calcrete and silcrete. Each pit was also excavated into the mineralised zone providing excellent exposure of the ore zones as well as bulk sample for the metallurgical pilot plant.

The assay results from the bulk ore samples compared with the estimated resource from the most recent conducted resource estimation are outlined in the table below:

Table 1: Summary of reconciliation between bulk samples and resource model

Pit	Resource Model			Test pit bulk sample results			Change kg U_3O_8 (%)
	tonnes (dry)	U_3O_8 (ppm)	U_3O_8 (kg)	tonnes (dry)	U_3O_8 (ppm)	U_3O_8 (kg)	
East Test Pit	45	1,420	63	44	2,160	96	52%
West Test Pit	38	1,930	74	31	3,660	114	54%
Total	**83**	**1,660**	**137**	**75**	**2,780**	**210**	**53%**

[1] Rounding has been applied.

[2] Calculated dry tonnes and contained metal from the resource block model with a 50x50m parent block size have been normalised to the actual volume of the trench.

The Resource Model information in Table 1 is extracted from the Resource Estimate announced in the ASX announcement entitled "Improved economics for the Mulga Rock Project increases Mineral Resource Estimates" released on 17 September 2015 and presented at the end of this release.

While the test pits are a small part of the overall resource model, the trend observed is consistent with data from the Shogun (Mulga Rock West Mining Centre) test pit dug by the Japanese company PNC Exploration Australia Pty Ltd in the 1980s.

The assessment of the material excavated in the test pits confirms that very high grade uranium occurs immediately below the reduction-oxidation boundary as is seen in drilling, however, the tenor of the mineralisation in the test pits was above expectations.

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The early indications are that the ore zones are slightly thinner, but with higher grades and more contained metal than is indicated by drilling alone. Diamond drilling, which is done at a much broader spacing than air core, supports this observation.

Each step of the existing resource estimate requires a degree of subjective interpretation which includes, among other things:

- geological logging (i.e. ore-waste contacts),
- disequilibrium (correction for gamma logging versus chemical assays),
- dry bulk density,
- moisture content, and
- grade interpolation techniques and geostatistical assumptions.

It is appropriate that where subjective interpretation is required, a level of caution and conservatism is applied. It is therefore possible that the under-estimation of metal in the test pits is a result of the cumulative effect of conservative assumptions.

There is enough encouragement from the test pit results to conduct further drilling work to provide additional data to better inform resource estimation parameters. We expect that further close-spaced drilling will provide more precision to the factors discussed above and the possibility that this may lead to an upgraded resource estimate, and ore reserve, with increased contained metal.

This proposed program would not have any impact on feasibility or permitting works being undertaken by the Company. The existing models are at Indicated and Inferred Resource status and as such, contain a degree of inherent uncertainty. Furthermore, the results of the Test Pits confirmed the geological understanding of the deposit and uranium mineralisation, as well as the depth and nature of the overburden.
The metallurgical testwork has continued to confirm the nature of the mineralisation and suitability of the flow-sheet design.

Therefore, the Company considers that the existing resource models are entirely appropriate for the DFS work currently being undertaken.

Mike Young
Managing Director and CEO

Mulga Rock Project Mineral Resource – 17 September 2015

Deposit / Resource	Classification	Cut-off Grade (ppm U_3O_8)	Tonnes (Mt)[2]	U_3O_8 (ppm)[3]	U_3O_8 (Mlb)
Mulga Rock East					
Princess	Indicated	150	1.3	690	1.9
Princess	Inferred	150	2.5	380	2.1
Ambassador	Indicated	150	13.2	750	21.7
Ambassador	Inferred	150	16.1	460	16.3
Sub-Total			**33.1**	**580**	**42.0**
Mulga Rock West					
Emperor	Inferred	150	28.4	450	28.1
Shogun	Inferred	150	4.1	550	4.9
Sub-Total			**32.5**	**460**	**33.0**
Total Resource			**65.6**	**520**	**75.0**

1. Mineral Resources are reported inclusive of Ore Reserves

2. t = metric dry tonnes; appropriate rounding has been applied and rounding errors may occur

3. Using cut combined U_3O_8 composites (combined chemical and radiometric grades)

The information in the table above is extracted from ASX announcement entitled “Improved economics for the Mulga Rock Project increases the Mineral Resource Estimate” released on 17 September 2015 and is available to view on asx.com.au ASX:VMY. The Company confirms that it is not aware of any new information or data that materially affects the information included in the original market announcement and, in the case of estimates of Mineral Resources or Ore Reserves that all material assumptions and technical parameters underpinning the estimates in the relevant market announcement continue to apply and have not materially changed. The Company confirms that the form and context in which the Competent Person’s findings are presented have not been materially modified from the original market announcement.

Vimy Resources – Mining a Cleaner Tomorrow

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.

Vimy harnesses science and technology to maintain the environment.

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
Mal James – Non-Executive Director
Andy Haslam – Non-Executive Director
Ron Chamberlain – Chief Financial Officer and Company Secretary
Tony Chamberlain – Chief Operating Officer
Xavier Moreau – General Manager, Geology and Exploration

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