

# ASX Announcement

15 August 2016

## Final Drawdown of Resource Capital Fund VI Bridge Loan

### Highlights

- **Final drawdown of funds to maintain progress on the Definitive Feasibility Study (DFS) for the Mulga Rock Project**
- **On track to deliver DFS by Q1 CY 17**

Vimy Resources Limited ("**Vimy**" or "the Company") announces that final drawdown of funds from the Resource Capital Fund VI ("RCF VI") unsecured bridging loan ("Bridging Loan") of \$7.5 million has occurred to fund the capital and operating expenditure of the Mulga Rock Project ("MRP").

The Bridging Loan was part of a \$30 million funding package from RCF VI that was announced to the ASX on 20 May 2015. The funding package comprises a \$5 million placement to RCF VI undertaken in May 2015, a \$10 million payment received in September 2015 in return for a 1.15% royalty, and a \$15 million Bridging Loan.

The total \$30 million funding package is expected to fund Vimy through to completion of the DFS for the Mulga Rock Project. Following the drawdown, the Bridging Loan is fully utilised.

As announced on 29 July 2016 in the most recent quarterly activities report, the Company continues to complete key milestones in relation to the MRP DFS which will be completed in Q1 2017. Significant work has been undertaken this calendar year, with \$9.3 million spent on exploration and evaluation activities for the half year to 30 June 2016.

Vimy's CEO and Managing Director, Mike Young, said: *"We are very happy to have RCF's continued support and the funding package allows us to complete the Mulga Rock Project Definitive Feasibility Study on time and progress the Mulga Rock Project to project financing."*

A handwritten signature in blue ink, appearing to read "M Young".

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

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15 August 2016

## About Resource Capital Funds

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 155 mining companies, with projects located in 49 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](http://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 the RCF Bridging Loan

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 a discounted rate in the following circumstance:

- the interest rate is reduced to 4% per annum if, prior to 31 March 2018:
  - RCF VI is granted the Participation Opportunity<sup>1</sup> on all equity issues;
  - Vimy completes a project financing for MRP;
  - there is no event of default; and
  - Vimy has repaid all of the drawn loans before the first anniversary of the first draw down.

In addition to the rights set out above:

- there are no penalty fees for early repayment of 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 MRP, RCF VI can elect to have the interest paid in Vimy shares at an issue price of \$0.30 per share.

<sup>1</sup> The Participation Opportunity comprises the opportunity for RCF VI to subscribe for 1/3<sup>rd</sup> of the shares the subject of an equity raising (or in the case of a pro rata rights offer, an opportunity to subscribe for 1/3<sup>rd</sup> 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.

## 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

### Principal Place of Business

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