



ASX Announcement

15 November 2018



Launch of Vélo Resources to explore for base metals Vimy Board and Executive update

Highlights

- Vimy has identified an exciting new and unexplored region with prospectivity for base metals to the northeast of its flagship Mulga Rock Uranium Project in Western Australia
- Exploration and development will be carried out by Vélo Resources Pty Ltd, a wholly-owned subsidiary of Vimy as a precursor to a possible divestment
- Vimy continues to focus on Mulga Rock and its recently acquired Alligator River Uranium Project in the Northern Territory
- Vimy advises of Board changes, which will take effect at the AGM later this month to reflect the nature of current activities

Launch of Vélo Resources

Vimy Resources Limited ("Vimy" or "the Company") is pleased to announce the acquisition of a large land holding thought to be highly prospective for base metals and located close to its flagship Mulga Rock Project through a separate corporate entity, Vélo Resources Pty Ltd (**Vélo**).

Vélo is a wholly-owned entity of Vimy and has one granted exploration lease, and several exploration lease applications covering 1,700km² to the northeast of Mulga Rock. Mulga Rock is located 290km east-northeast of Kalgoorlie in Western Australia.

Vimy will look to structure a future co-investment or divestment of Vélo and will consider all options including a farm-in, merger, or an initial public offering for the benefit of all Vimy shareholders.

The ownership structure of the base metals acquisition will allow Vimy to maintain its focus on uranium exploration and development at Mulga Rock and its recently acquired Alligator River Project in the Northern Territory.

The new base metals project presents a unique opportunity to apply modern exploration techniques across an entire geological province which, until now, has not been recognised as prospective for sediment-hosted base metals under shallow cover. Vélo will leverage Vimy's knowledge of local and regional geology and appropriate exploration techniques.

The target deposit type is sedimentary exhalative base metal (SEDEX) which accounts for more than 50% of the world's zinc and lead reserves and more than 25% of global production. SEDEX deposits are characterised by their large size, high grades and significant silver credits. Typical deposits globally include Red Dog (Alaska), Sullivan (British Columbia); and McArthur River, Mount Isa, and Broken Hill (Australia).



Vélo has lodged applications over all of the prospective sedimentary sequence along a belt that extends for 130km, giving it a significant first mover advantage. One of the exploration leases was granted (E38/3203) in September 2018. Vimy expects the remaining applications to be granted in the coming months.

Vimy is pleased to advise that Andrew Haslam has joined the Board of Vélo as Non-Executive Chairman. Andrew has a great deal of experience in mining project development, having held senior executive positions in Australian junior mining companies and as head of operations for large mining contractors. He has been a member of Vimy's Board since April 2016.

Vimy Board Changes

Vimy also advises of changes to its Board, which will take effect at the Company's Annual General Meeting, scheduled for Friday, 30 November 2018.

Andrew Haslam, Julian Tapp and Dr Vanessa Guthrie will resign from the Board. Andrew will remain with the Vimy Group as Non-Executive Chairman of Vélo while Julian will continue in his present executive role as Chief Nuclear Officer, managing uranium markets and economics, stakeholder engagement and approvals.

Vanessa is the shareholder nominee representative of Resource Capital Funds VI L.P. who have indicated they currently do not require Board representation.

Post-restructure, the Board will comprise The Hon. Cheryl Edwardes AM as Independent Non-Executive Chairman; Mike Young as Managing Director and CEO; David Cornell as Independent Non-Executive Director and Malcolm James as Non-Executive Director and representative of shareholder Forrest Family Investments Pty Ltd (FFI), demonstrating the continued commitment of FFI to Vimy.

The Board would like to thank Andrew, Julian and Vanessa for their valuable support and contribution to the Board. During their tenure, the Company released the Definitive Feasibility Study for Mulga Rock and completed the acquisition of the Alligator River Project. The Board looks forward to the ongoing contribution from both Andrew and Julian in their ongoing roles.

Executive Team Contracts

As announced on 29 June 2018, Vimy has modified the executive contracts for Mike Young, Managing Director and CEO; Julian Tapp, Executive Director; Tony Chamberlain, Chief Operating Officer and Ron Chamberlain, CFO and Company Secretary, in order to provide flexibility to respond to uranium market conditions next year.

From November 2018 the Company has reduced ongoing remuneration expenditure under these executive contracts by an average of 35%.

Vimy's Chairman, The Hon. Cheryl Edwardes AM, commented:

"On behalf of the Board I would like to thank Andrew, Julian and Vanessa for their commitment to Vimy and the valuable contributions they have made to the Company. Going forward Julian remains a key executive for Vimy on both the Mulga Rock and Alligator River projects."

The launch of Vélo Resources represents another exciting chapter for our company. We look forward to providing updates about the region's prospectivity for base metals in the new year."

The Hon. Cheryl Edwardes AM
Non-Executive Chairman

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About Vimy Resources

Vimy Resources Limited (ASX: VMY) is a Perth-based resource development company. Vimy's flagship project is the Mulga Rock Project, one of Australia's largest undeveloped uranium resources which is located 290km ENE of Kalgoorlie in the Great Victoria Desert of Western Australia.

Vimy also owns (75%) and operates the largest granted uranium exploration package in the world-class Alligator River uranium district, located in the Northern Territory. Vimy is exploring for large high-grade uranium unconformity deposits identical to those found in the Athabasca Basin in Canada.

Directors and Management

The Hon. Cheryl Edwardes AM
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

Dr Vanessa Guthrie
Non-Executive Director

Ron Chamberlain
Chief Financial Officer and Company Secretary

Tony Chamberlain
Chief Operating Officer

Scott Hyman
Vice President Sales and Marketing

Xavier Moreau
General Manager, Geology and Exploration



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.

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F: +61 3 9473 2500
W: www.computershare.com
E: www.investorcentre.com/contact

THE MULGA ROCK PROJECT

RESOURCE OF



U₃O₈



The creation of approximately
350 direct site jobs
IN WESTERN AUSTRALIA

Royalty and payroll tax
payments of around

A\$17m

PER YEAR TO THE
STATE GOVERNMENT

The amount of uranium produced
when used in nuclear power plants to
displace coal fired electricity would
offset more than



64 million tonnes
of carbon dioxide equivalent
emissions which is
around 12%

of Australia's total greenhouse
gas emissions.



**STATE & FEDERAL
MINISTERIAL
APPROVALS**