

For personal use only

ASX Announcement

15 July 2019



Excellent Outcome of Section 232 Investigation

Vimy Resources Limited (ASX: VMY) is very pleased to provide details on the outcome of the Section 232 investigation by the US Department of Commerce concerning foreign imports of uranium products into the United States. President Trump does not agree with the US Secretary of Commerce's findings that imports of uranium impair US national security. Furthermore, he has not imposed any punitive measures on imported uranium and the investigation is closed.

The President's Section 232 entire decision is appended to this announcement. The key findings of the decision are:

- That the President does not agree with the US Department of Commerce's finding that uranium imports threaten to impair the national security of the United States as defined under section 232 of the Act;
- That a fuller analysis of national security considerations with respect to the entire nuclear fuel supply chain is necessary at this time; and
- That a Nuclear Fuel Working Group will be established to develop recommendations for reviving and expanding the entire domestic nuclear fuel production chain.

As the attached Memorandum shows, the President is concerned about challenges faced by the entire US domestic uranium industry in producing uranium fuel so has established the Nuclear Fuel Working Group to expand domestic nuclear fuel production in the United States. The Working Group will report to the President by 10 October 2019.

This is a very positive outcome for the Australian uranium industry as any sort of tariff or quota would have been prejudicial to uranium sales within the US market which accounts for 30% of uranium consumption. Furthermore, the establishment of the Nuclear Fuel Working Group will address the entire nuclear fuel supply chain in the United States.

It is Vimy's very strong opinion that this will include an assessment of the important contribution that the US nuclear fleet makes to reducing pollution and emissions in electrical generation. A possible outcome is a recommendation from the Nuclear Fuel Working Group for the government to encourage and support nuclear power.

Now that the Section 232 investigation is closed, the US utilities will re-engage in contract negotiations with global uranium suppliers. Vimy has been very proactive in its engagement with the utilities despite contracting having been frozen during the investigation and expects a good reception in the coming months as contracting recommences.

"This is fantastic news," said CEO Mike Young, "It is the starting gun to the uranium revival that had been picking up steam before this Section 232 investigation stopped everything in its tracks. I'm pleased that the President, a businessman himself, saw fit to address the bigger issue of the US nuclear fuel supply chain rather than providing a short-term sugar-hit."

"Despite the hiatus, Vimy has been very busy engaging with US utilities as we negotiate contracts that will underpin the development of the Mulga Rock uranium project."

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

Mike Young
Managing Director and CEO

Tel: +61 8 9389 2700

Vimy Resources Limited
First Floor, 1209 Hay Street
West Perth Western Australia 6005

Telephone: +61 8 9389 2700
Website: vimyresources.com.au



PRESIDENTIAL MEMORANDA

Memorandum on the Effect of Uranium Imports on the National Security and Establishment of the United States Nuclear Fuel Working Group

NATIONAL SECURITY & DEFENSE

Issued on: July 12, 2019



- MEMORANDUM FOR THE SECRETARY OF STATE
- THE SECRETARY OF THE TREASURY
- THE SECRETARY OF DEFENSE
- THE SECRETARY OF THE INTERIOR
- THE SECRETARY OF COMMERCE
- THE SECRETARY OF ENERGY
- THE DIRECTOR OF THE OFFICE OF MANAGEMENT AND BUDGET
- THE ASSISTANT TO THE PRESIDENT FOR NATIONAL SECURITY AFFAIRS
- THE ASSISTANT TO THE PRESIDENT FOR ECONOMIC POLICY
- THE DIRECTOR OF THE OFFICE OF SCIENCE AND TECHNOLOGY POLICY
- THE CHAIRMAN OF THE COUNCIL OF ECONOMIC ADVISERS
- THE CHAIRMAN OF THE NUCLEAR REGULATORY COMMISSION
- THE CHAIRMAN OF THE FEDERAL ENERGY REGULATORY COMMISSION

SUBJECT: The Effect of Uranium Imports on the National Security and Establishment of the United States Nuclear Fuel Working Group

For personal use only

By the authority vested in me as President by the Constitution and the laws of the United States of America, including section 232 of the Trade Expansion Act of 1962, as amended (19 U.S.C. 1862) (the “Act”), it is hereby ordered as follows:

Section 1. The Secretary of Commerce’s Investigation into the Effect of Uranium Imports on the National Security. (a) On April 14, 2019, the Secretary of Commerce (Secretary) transmitted to me a report on his investigation into the effect of imports of uranium (uranium ore, uranium concentrate, uranium hexafluoride, enriched uranium, and enriched uranium in fuel assemblies) on the national security of the United States under section 232 of the Act.

(b) The Secretary found and advised me of his opinion that uranium is being imported into the United States in such quantities and under such circumstances as to threaten to impair the national security of the United States as defined under section 232 of the Act. Currently, the United States imports approximately 93 percent of its commercial uranium, compared to 85.8 percent in 2009. The Secretary found that this figure is because of increased production by foreign state-owned enterprises, which have distorted global prices and made it more difficult for domestic mines to compete.

(c) At this time, I do not concur with the Secretary’s finding that uranium imports threaten to impair the national security of the United States as defined under section 232 of the Act.

Although I agree that the Secretary’s findings raise significant concerns regarding the impact of uranium imports on the national security with respect to domestic mining, I find that a fuller analysis of national security considerations with respect to the entire nuclear fuel supply chain is necessary at this time.

Sec. 2. Establishment of the United States Nuclear Fuel Working Group. (a) I agree with the Secretary that the United States uranium industry faces significant challenges in producing uranium domestically and that this is an issue of national security. The United States requires domestically produced uranium to satisfy Department of Defense (DOD) requirements for maintaining effective military capabilities — including nuclear fuel for the United States Navy’s fleet of nuclear-powered aircraft carriers and nuclear-powered submarines, source material for nuclear weapons, and other functions. Domestic mining, milling, and conversion of uranium, however, while significant, are only a part of the nuclear supply chain necessary for national security, including DOD needs.

(b) On June 29, 2017, I announced an initiative to revive and expand the nuclear energy sector and directed a complete review of United States nuclear energy policy to help find new ways to

revitalize this crucial energy resource. Nuclear fuel production is critical to a vibrant nuclear energy sector. Over many prior administrations, the Federal Government has neglected to consider the impacts on key components of our nuclear fuel production infrastructure, while simultaneously increasing regulatory barriers for private-sector innovation in this technology.

(c) To address the concerns identified by the Secretary regarding domestic uranium production and to ensure a comprehensive review of the entire domestic nuclear supply chain:

(i) The Assistant to the President for National Security Affairs and the Assistant to the President for Economic Policy shall establish a United States Nuclear Fuel Working Group (Working Group) to develop recommendations for reviving and expanding domestic nuclear fuel production.

(ii) The Working Group shall include the following members or their designees:

(A) the Assistant to the President for National Security Affairs, who shall serve as one of the Co-Chairs;

(B) the Assistant to the President for Economic Policy, who shall serve as the other Co-Chair;

(C) the Secretary of State;

(D) the Secretary of the Treasury;

(E) the Secretary of Defense;

(F) the Secretary of the Interior;

(G) the Secretary of Commerce;

(H) the Secretary of Energy;

(I) a designee of the Nuclear Regulatory Commission;

(J) a designee of the Federal Energy Regulatory Commission;

(K) the Director of the Office of Management and Budget;

(L) the Director of the Office of Science and Technology Policy;

(M) the Chairman of the Council of Economic Advisers; and

(N) such other officials of the Federal Government as the Assistant to the President for National Security Affairs or the Assistant to the President for Economic Policy may invite to participate.

(iii) The Working Group shall examine the current state of domestic nuclear fuel production to reinvigorate the entire nuclear fuel supply chain, consistent with United States national security and nonproliferation goals.

(iv) Within 90 days of the date of this memorandum, the Working Group, through the Assistant to the President for National Security Affairs and the Assistant to the President for Economic Policy, shall submit a report to the President setting forth the Working Group's findings and making recommendations to further enable domestic nuclear fuel production if needed.

Sec. 3. General Provisions. (a) Nothing in this memorandum shall be construed to impair or otherwise affect:

- (i) the authority granted by law to an executive department or agency, or the head thereof;
- (ii) the functions of the Director of the Office of Management and Budget relating to budgetary, administrative, or legislative proposals; or
- (iii) existing rights or obligations under international agreements.

(b) This memorandum shall be implemented consistent with applicable law and subject to the availability of appropriations.

(c) This memorandum is not intended to, and does not, create any right or benefit, substantive or procedural, enforceable at law or in equity by any party against the United States, its departments, agencies, or entities, its officers, employees, or agents, or any other person.

DONALD J. TRUMP

For personal use only



Summary Information

The following disclaimer applies to this announcement and any information contained in it (the Information). The Information in this announcement is of general background and does not purport to be complete. It should be read in conjunction with the Company's other periodic and continuous disclosure announcements lodged with ASX Limited, which are available at www.asx.com.au. You are advised to read this disclaimer carefully before reading or making any other use of this announcement or any information contained in this announcement. In accepting this announcement, you agree to be bound by the following terms and conditions including any modifications to them.

Forward-Looking Statements

This announcement includes forward-looking statements. These statements relate to the Company's expectations, beliefs, intentions or strategies regarding the future. These statements can be identified by the use of words like "will", "potential", "progress", "aim", "anticipate", "believe", "intend", "estimate", "expect", "may", "plan", "project", "should", "seek" and similar words or expressions containing same.

The forward-looking statements reflect the Company's views and assumptions with respect to future events as of the date of this announcement and are subject to a variety of unpredictable risks, uncertainties, and other unknowns. Actual and future results and trends could differ materially from those set forth in such statements due to various factors, many of which are beyond our ability to control or predict. Given these uncertainties, no one should place undue reliance on any forward-looking statements attributable to the Company, or any of its affiliates or persons acting on its behalf. The Company does not undertake any obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise. Neither the Company nor any other person, gives any representation, warranty, assurance, nor will guarantee that the occurrence of the events expressed or implied in any forward-looking statement will actually occur. To the maximum extent permitted by law, the Company and each of its advisors, affiliates, related bodies corporate, directors, officers, partners, employees and agents disclaim any responsibility for the accuracy or completeness of any forward-looking statements whether as a result of new information, future events or results or otherwise.

Note for Release or Distribution in the United States

This announcement has been prepared for publication in Australia and may not be released in the United States or to any US newswire service. This announcement does not constitute an offer to sell, or a solicitation of an offer to buy, securities in the United States or any other jurisdiction. Any securities described in this announcement have not been, and will not be, registered under the US Securities Act of 1933 and may not be offered or sold in the United States except in transactions exempt from, or not subject to, registration under the US Securities Act and applicable US state securities laws.

For personal use only



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 (78%) 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
Non-Executive Chairman

Mike Young
CEO and Managing Director

David Cornell
Non-Executive Director

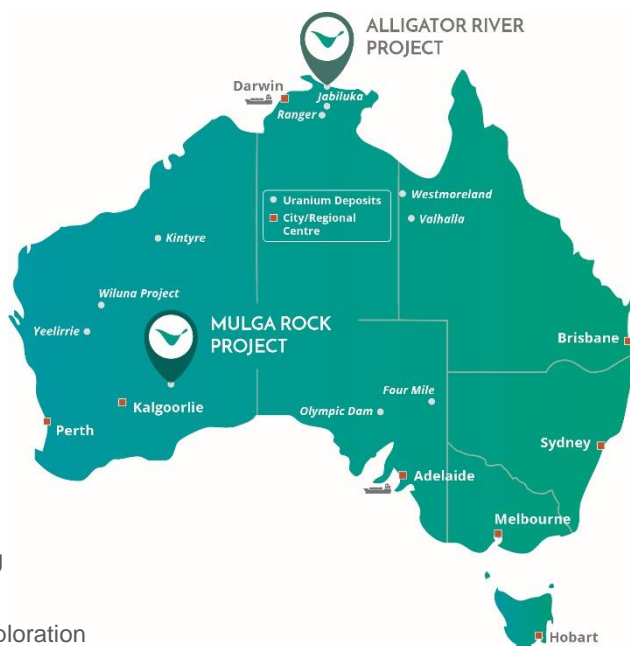
Tony Chamberlain
Non-Executive Director

Marcel Hilmer
Chief Financial Officer
and Company Secretary

Julian Tapp
Chief Nuclear Officer

Scott Hyman
Vice President Sales and Marketing

Xavier Moreau
General Manager, Geology and Exploration



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.

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.

Principal Place of Business

First Floor
1209 Hay Street
West Perth WA 6005

Postal Address:

PO Box 23
West Perth WA 6872

T: +61 8 9389 2700
F: +61 8 9389 2722
E: info@vimyresources.com.au

ABN: 56 120 178 949

Share Registry

Computershare Investor Services

T: 1300 850 505 (within Australia)
+61 3 9415 4000 (outside Australia)
F: +61 3 9473 2500
W: www.computershare.com
E: www.investorcentre.com/contact



**STATE & FEDERAL
MINISTERIAL
APPROVALS**

Secondary Approvals
being progressed