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# Mining a Cleaner Tomorrow

RIU RESURGENCE CONFERENCE, SEPTEMBER 2020

*Mike Young, CEO*



# VIMY RESOURCES LIMITED

## A URANIUM DEVELOPMENT COMPANY



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### **VIMY → Focused on development**

- World-class uranium deposits
- Significantly improved Capex and Opex after DFS Refresh
- State and Federal Environmental Approvals
- Mine-building team → been there, done it
- Uranium marketing → +30 years in USA
- Capex funding → contracted sales; higher gearing, lower dilution
- KPMG reinforces efforts to bring in strategic partners

## ● ● VIMY MOVING FORWARD



**Mulga Rock 2020 DFS Refresh**



**State Environmental Approvals**



**KPMG Partnership Process**

**Alligator River Ore Sorting at Angularli**

**Alligator River Exploration Update**

**Uranium Contracts and Funding**

**VIMY – MOVING TOWARDS MINING**

# WORLD CLASS URANIUM PROJECTS

Advanced projects *in a First World Country*

## Mulga Rock Project, Western Australia

- Australia's largest uranium development project
- 90Mlbs U<sub>3</sub>O<sub>8</sub> Resources and 42Mlbs U<sub>3</sub>O<sub>8</sub> Ore Reserves
- **DFS A\$605m NPV<sub>8</sub> (pre-tax) at US\$55/lb**
- Operating costs in middle of cost curve
- State and Federal environmental approvals done → *the only one in WA*

## Alligator River Project, Northern Territory

- High-grade, world-class unconformity U deposits
- Potential for large, Tier 1 assets (Jabiluka, Ranger, McArthur River, etc)
- Angularli 26Mlbs @ 1.3% U<sub>3</sub>O<sub>8</sub> – **Tier 1 potential economics**
- Multiple walk up targets → *ideal for incoming partner*

Development and Exploration:  
Alligator River Project

Near-term Production:  
Mulga Rock Project



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# MULGA ROCK PROJECT

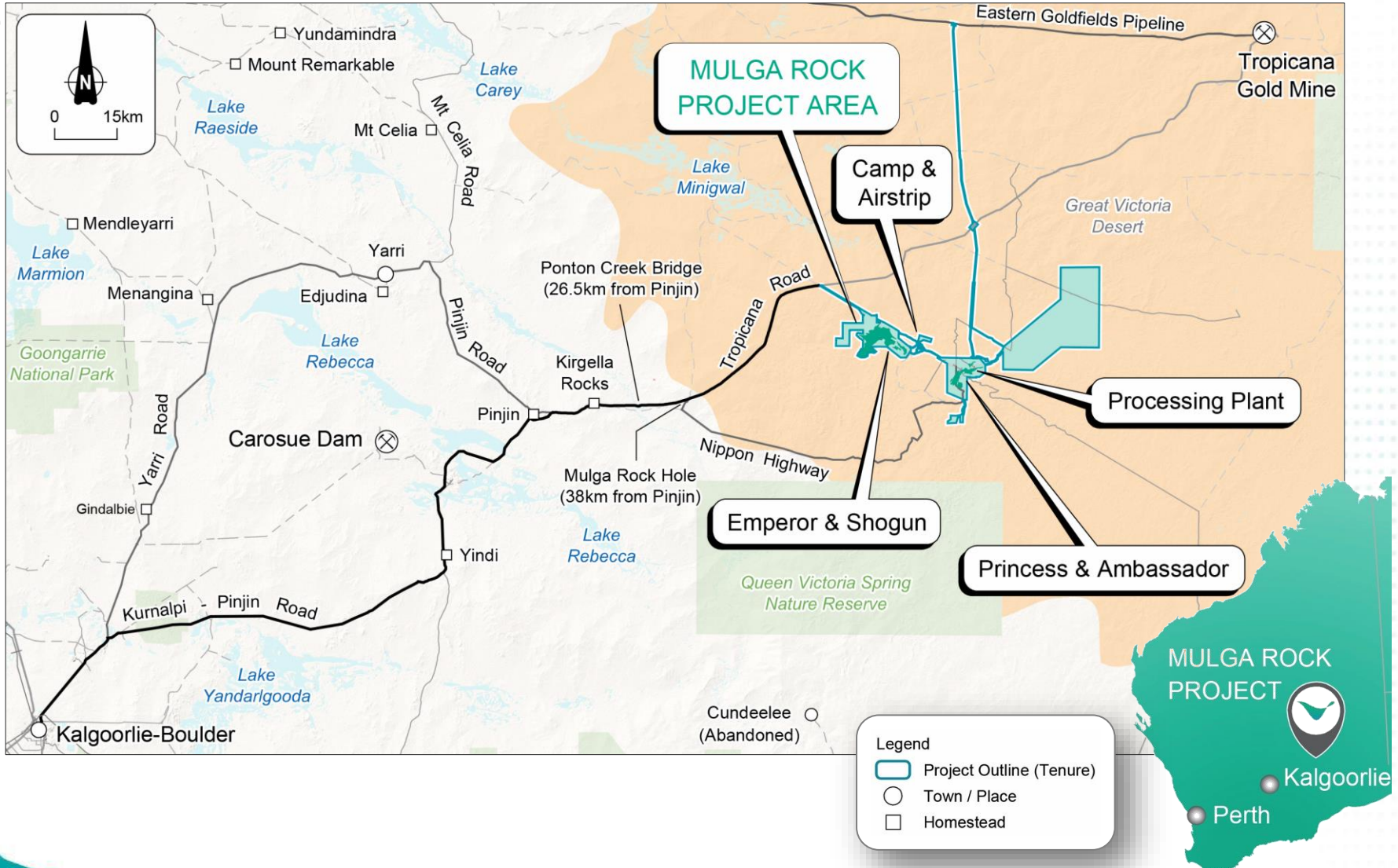
GREAT VICTORIA DESERT,  
WESTERN AUSTRALIA

*A WORLD-CLASS URANIUM PROJECT*

# MULGA ROCK PROJECT

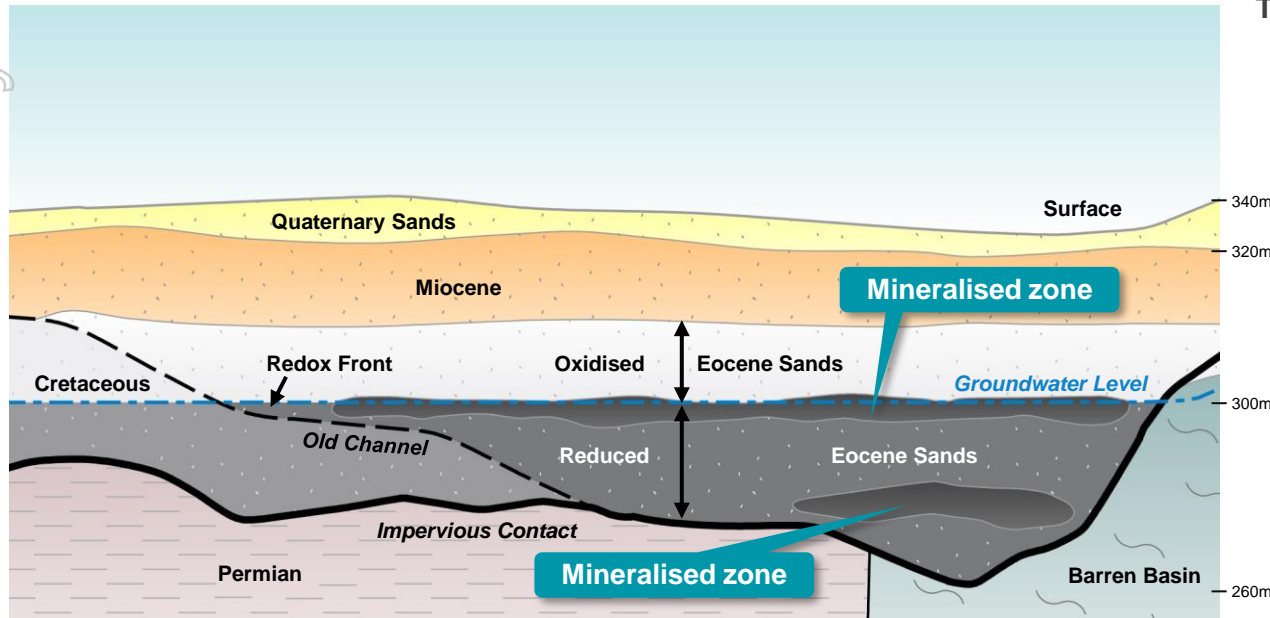


Australia's largest advanced U project



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# ● ● GEOLOGY – CARBON-RICH SEDIMENT HOST ROCK



Typical aircore drill hole



Overburden  
– oxidised  
sediments

Redox boundary

Supergene  
enrichment

Uranium-  
bearing  
carbonaceous  
sandstone

- Hosted within deeply weathered sediments comprising carbonaceous sandstone; silt; sandy lignites
- Mostly **Uraninite (UO<sub>2</sub>)** associated with carbonaceous material and lignite – no complex silicate minerals
- Significant supergene enrichment at Redox Zone
- Deep weathering = *soft friable rock*

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# ● ● MINING – RISK-FREE, OPEN PIT

- Open pit bulk mining methods → 15 years +
- Free digging overburden and ore
- Highly selective mining and grade control
- Pit voids to be used for tailings disposal
- In-pit overburden storage = small rehab liability



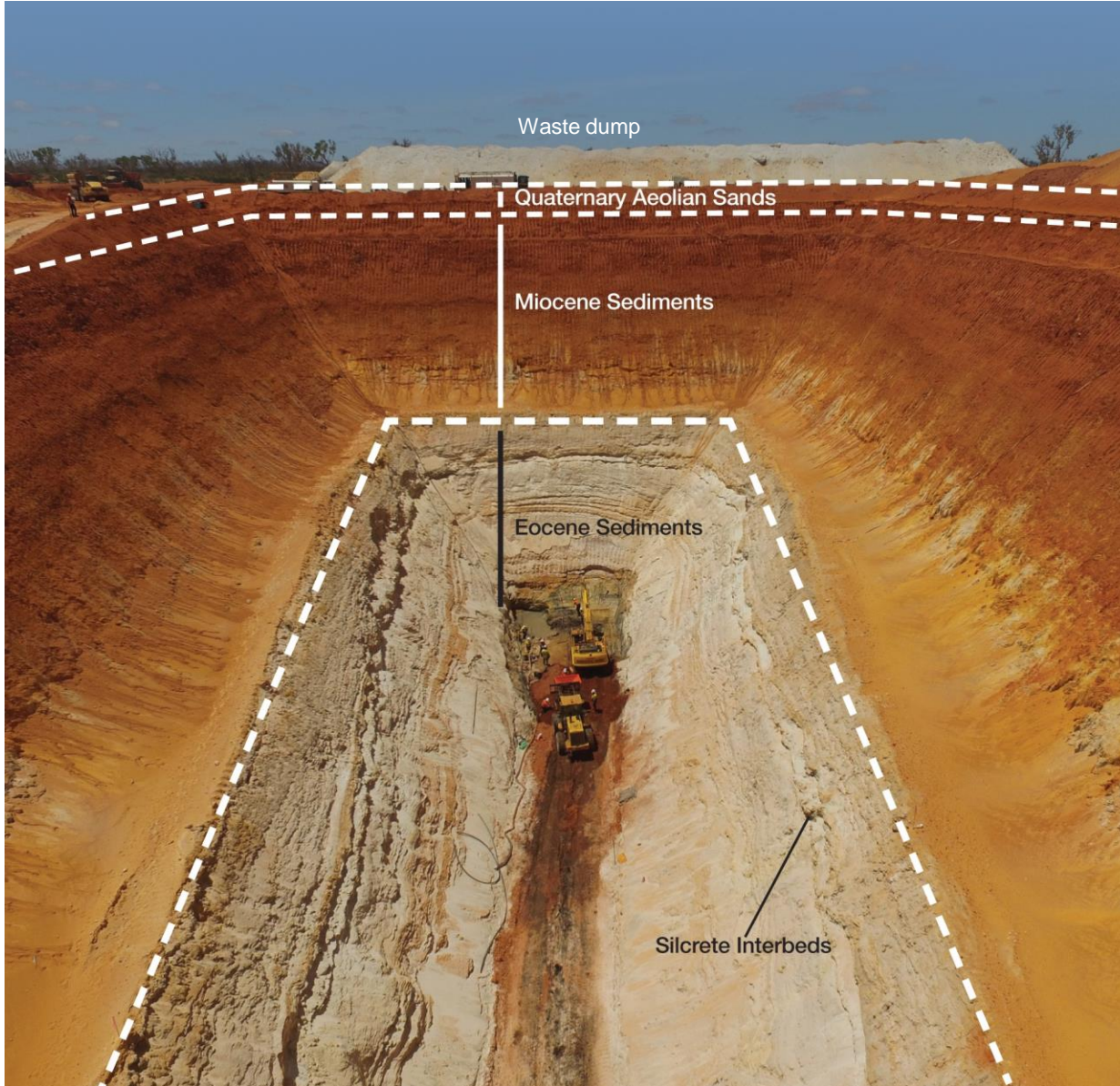
Ambassador test pits – February 2016

Typical aircore drill hole





# ● ● AMBASSADOR TEST PIT – FREE DIG MINING



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# ● ● ACID LEACH – RESIN-IN-PULP – 3.5Mlbs p.a.

## Four stage process

- Beneficiation – removes gangue sands
- Sulphuric acid leach
- Resin-in-pulp ion exchange
- Uranium precipitation and packaging



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# ALLIGATOR RIVER PROJECT

ARNHEM LAND,  
NORTHERN TERRITORY

*A WORLD-CLASS URANIUM PROVINCE*

# ● ● WORLD CLASS URANIUM PROVINCES

*World-class basin and unconformity style mineralisation*

## Kazakhstan

Inkai, Tortkuduk, Myunkum  
2004 – 2017 production of >560Mlbs U<sub>3</sub>O<sub>8</sub>  
2017 AISC ~US25-30/lb U<sub>3</sub>O<sub>8</sub>

## Athabasca Basin

McArthur River, Cigar Lake, Arrow, Wheeler River  
Production of 930M lbs U<sub>3</sub>O<sub>8</sub> to end 2016  
Over 2.5Blbs U<sub>3</sub>O<sub>8</sub> discovered since 1968

## Alligator River Uranium Province

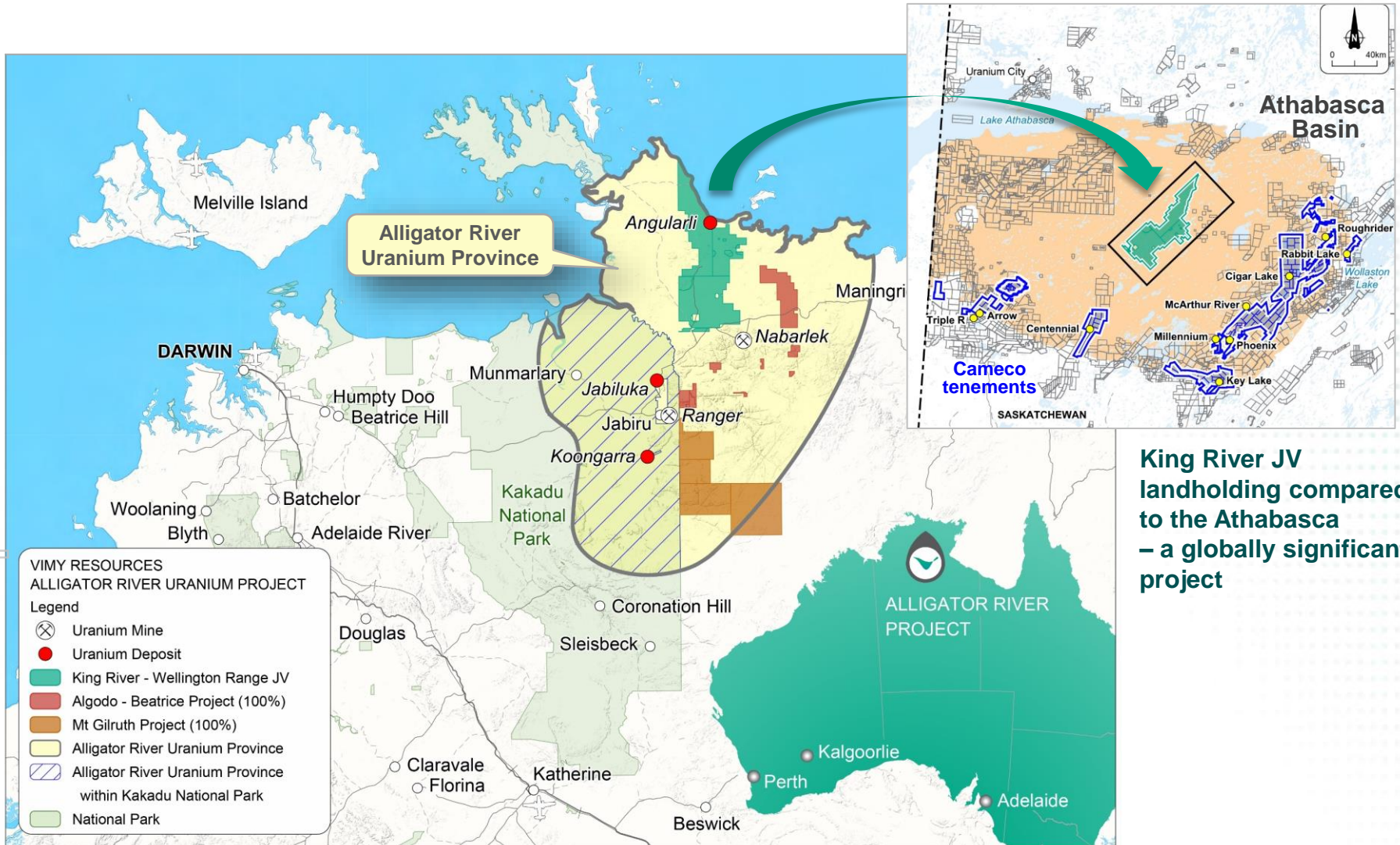
Ranger, Jabiluka, Nabarlek  
Production of >310Mlbs U<sub>3</sub>O<sub>8</sub>  
Over 770Mlbs U<sub>3</sub>O<sub>8</sub> discovered  
since 1969 but limited  
exploration since 1990s

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# ● ● ALLIGATOR RIVER URANIUM PROVINCE

- Ranger, Nabarlek → production of >310Mlbs U<sub>3</sub>O<sub>8</sub>
- 770Mlbs U<sub>3</sub>O<sub>8</sub> global resources and mined → Ranger Deepes, Jabiluka

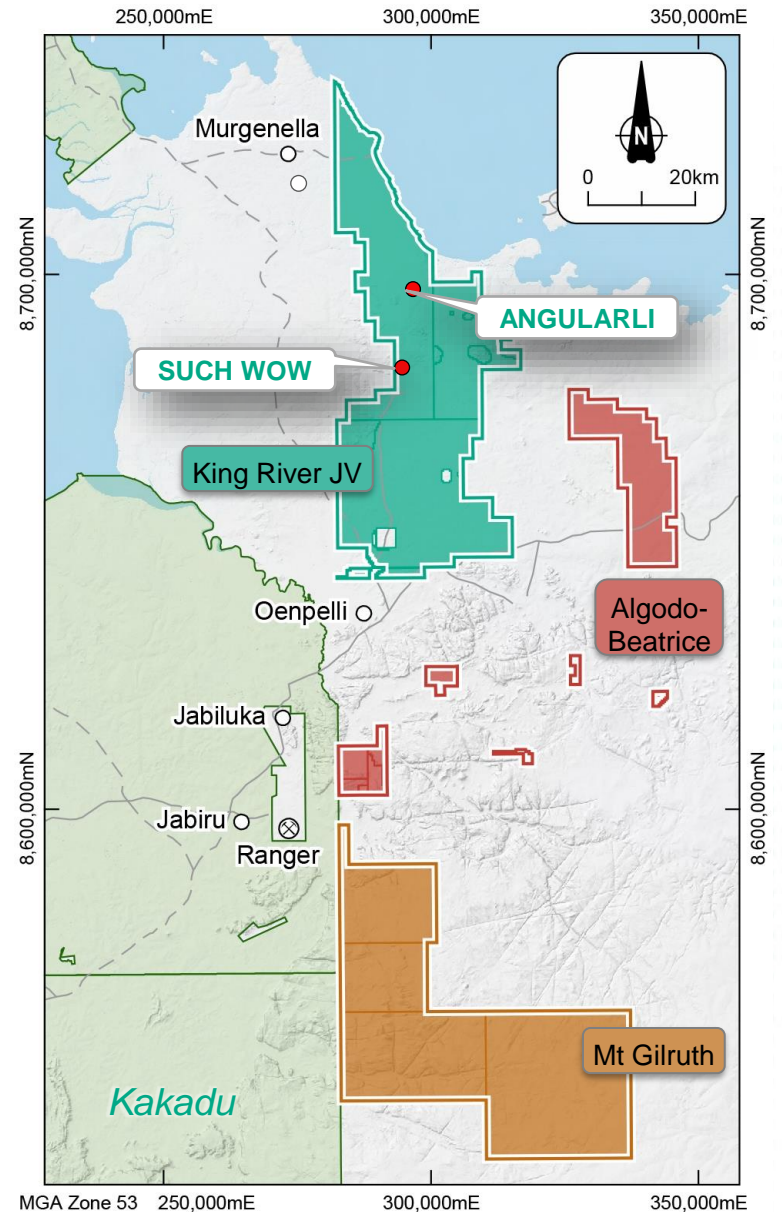
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# ● ● ALLIGATOR RIVER PROJECT

- Arnhem Land, Northern Territory
- King River → JV between VMY 79% and RTX 21%
- Most prospective granted tenure in Alligator River Uranium Province
- Very little modern exploration
- Angularli Deposit Inferred Resource totalling 0.91Mt @ 1.3% U<sub>3</sub>O<sub>8</sub> for 26Mlbs U<sub>3</sub>O<sub>8</sub> (VMY 79%)
- Angularli - positive Scoping Study highlights:
  - 4 year, part-time, underground mine
  - 9 year metallurgical plant life
  - TARGETING Opex for first quartile AISC
- 2018-20 programs resulting in excellent walk-up targets for drilling at Such Wow and Angularli

**TARGET RICH – DRILL READY**



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# MULGA ROCK PROJECT DFS REFRESH

# MULGA ROCK PROJECT DFS REFRESH

## DFS Refresh announced 26 August 2020

- **Strong project economics:**
  - NPV<sub>8</sub> pre-tax A\$605m NPV<sub>8</sub>, *a 14% increase*
  - IRR 31%, *a 23% increase*
  - Capital cost of A\$392M, *a 20% reduction*
  - Payback 2.4 years, *reduced by 8 months*
- **Strong operating cost results:**
  - C1 (Y1-5) US\$23.3/lb U<sub>3</sub>O<sub>8</sub>, *an 8% decrease*
  - AISC (Y1-5) US\$28.1/lb U<sub>3</sub>O<sub>8</sub>, *a 7% decrease*
- **Competitive with Kazakh operations**
- **Long mine life and pipeline of projects very attractive to nuclear power utilities**



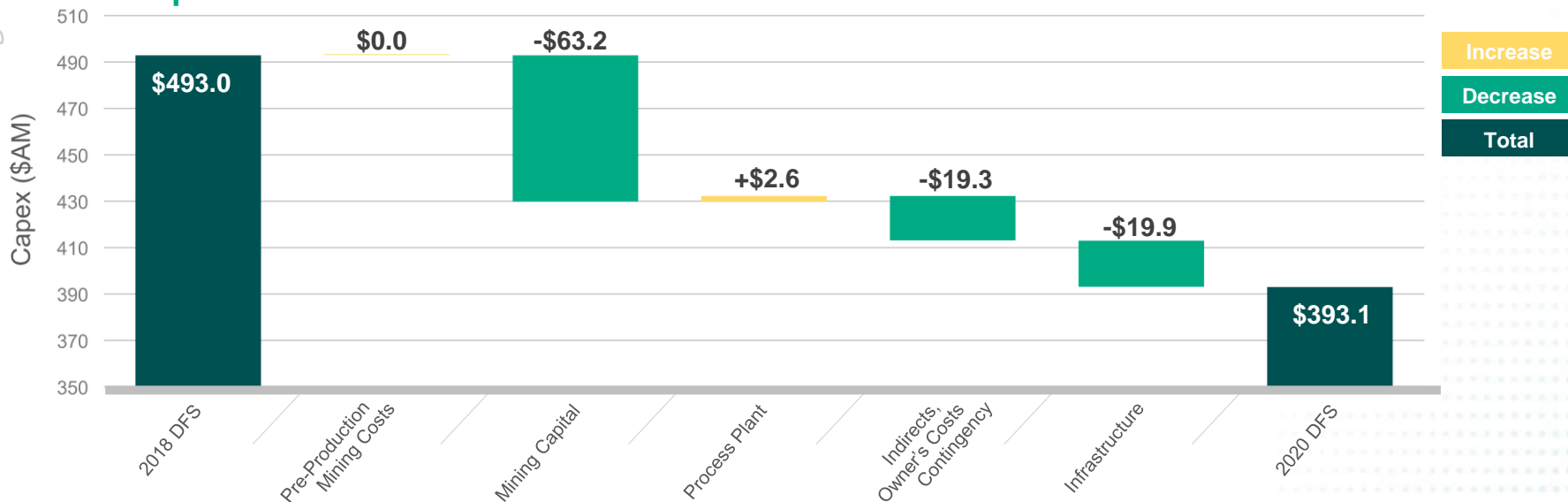


# FORECAST SAVINGS IN CAPEX AND OPEX

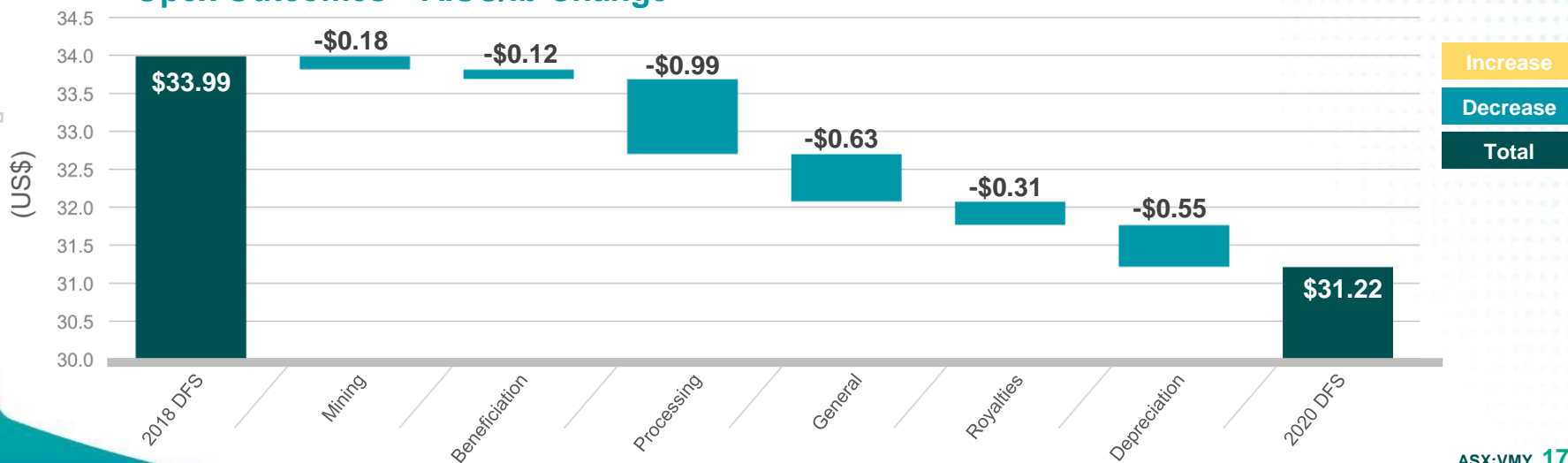


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## Capex Outcomes – 2018 DFS → 2020 DFS Refresh

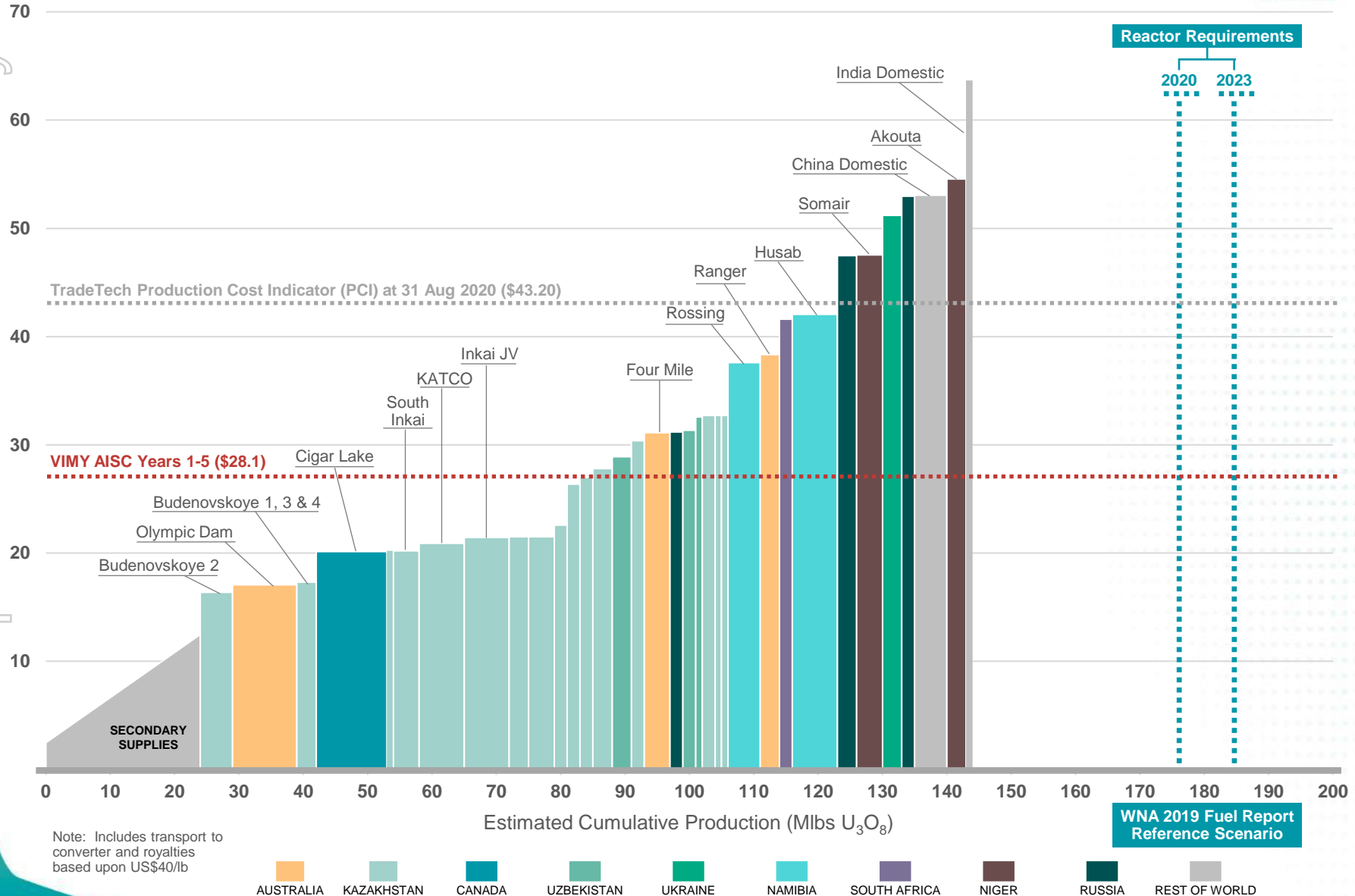


## Opex Outcomes – AISC/lb Change



# ALL-IN COST OF PRODUCTION – 2020 ESTIMATE

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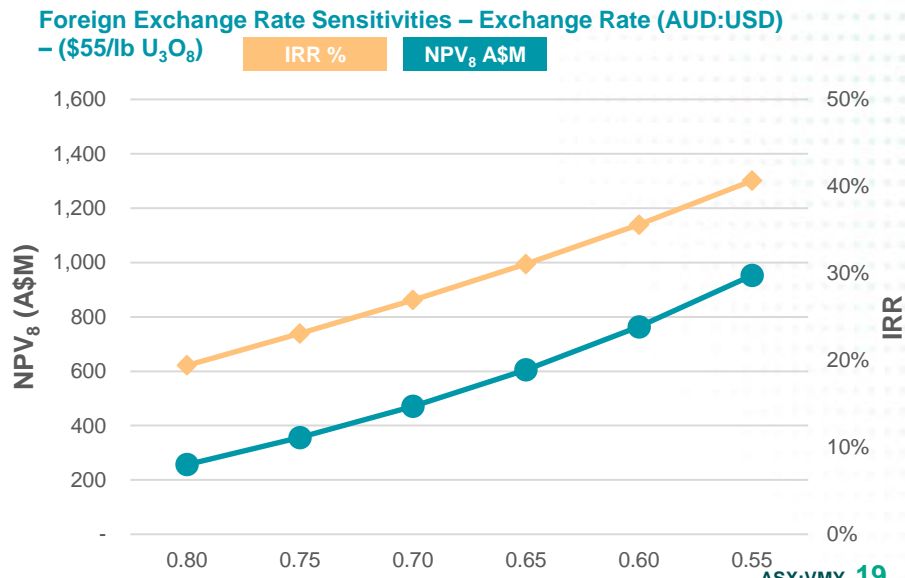
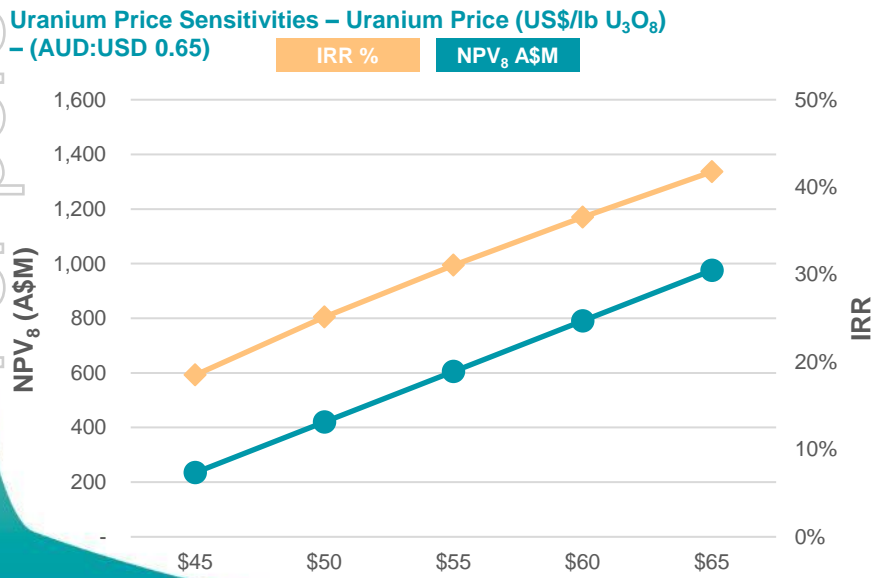
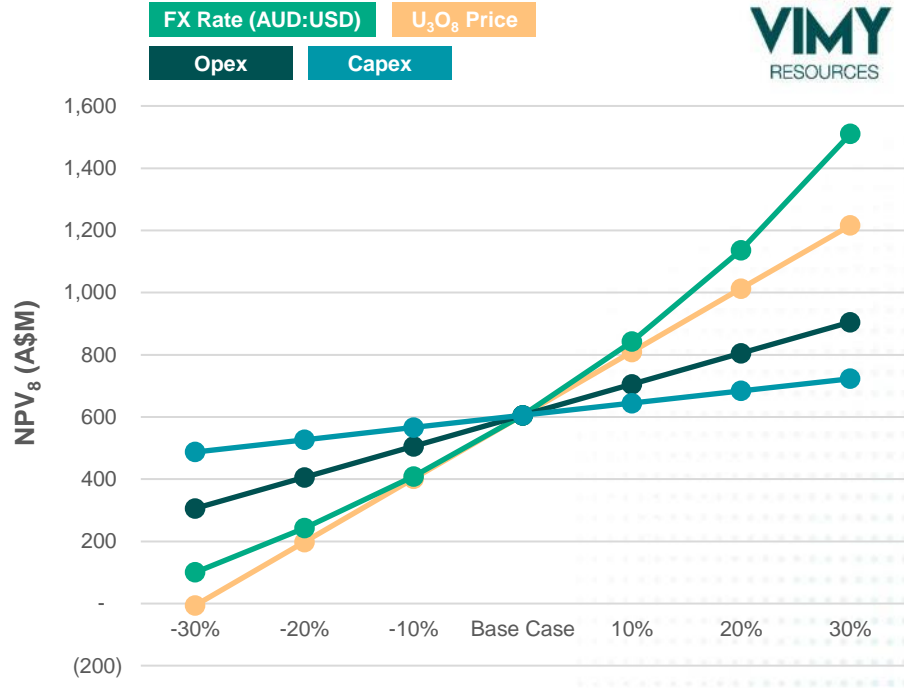


Note: Includes transport to converter and royalties based upon US\$40/lb

Source: Company Reports, Vimy Calculations, WNA Fuel Report 2019

# SENSITIVITIES

- DFS Refresh outcomes
- Low sensitivity to operating and capital costs
- Moderate sensitivity to foreign exchange and U price

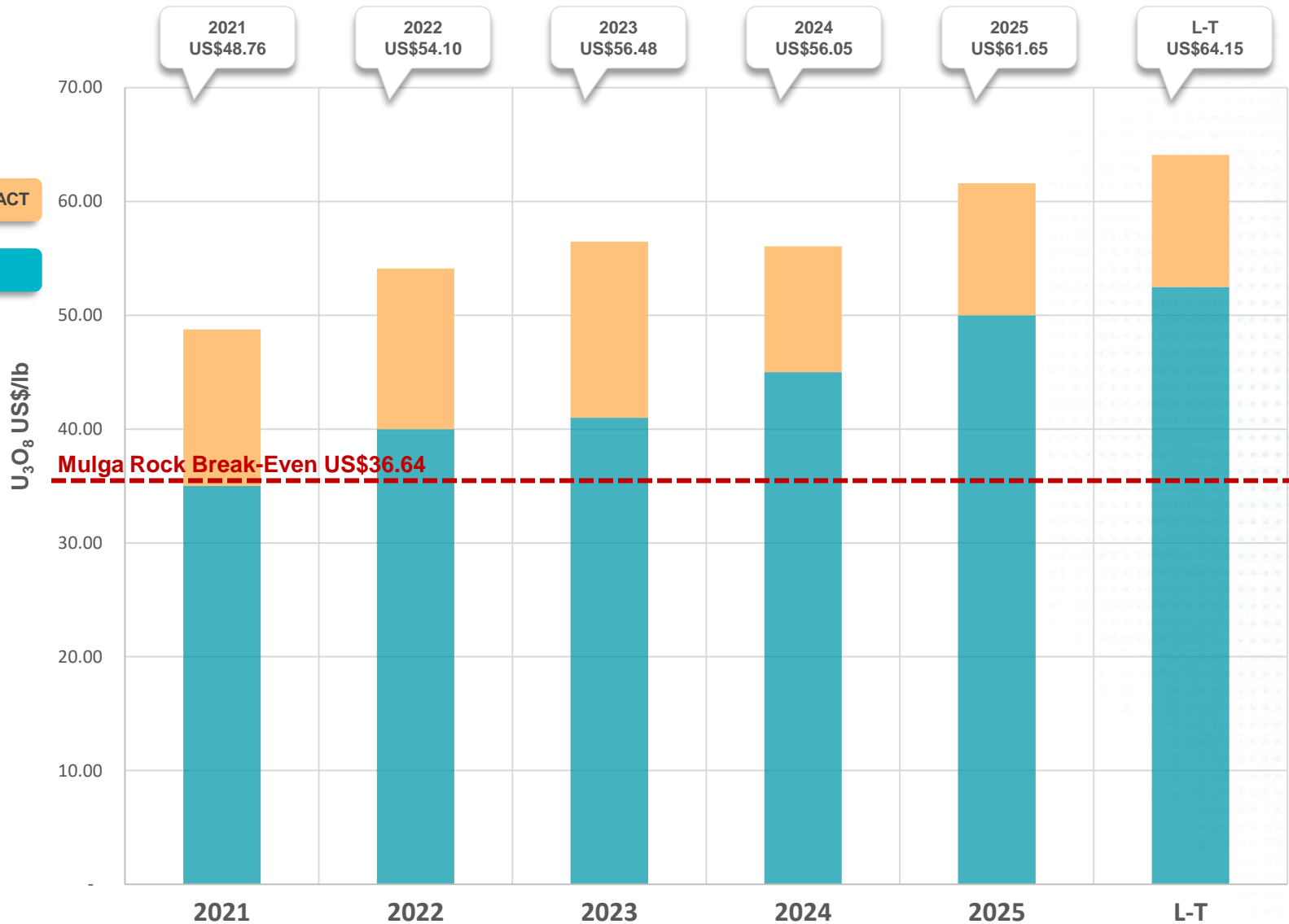


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# STREET CONSENSUS URANIUM OUTLOOK



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Notes:  
Median Spot - BMO Capital Markets – August 2020

# MULGA ROCK IMPLEMENTATION TIMELINE

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**DFS Refresh**  
Improved Economics



Now

**Uranium Offtake**  
Contracts with US Utilities



Q4 20 – Q1 21

**FID / Funding**  
Investment Decision with Funding



Q2 21

**Commissioning**  
Commence Production



Q3 23

Q3 20

Q1 21

Q2 21 – Q2 23

**Secondary Approvals**

WA Government CEMP's received

**Works Approvals**

WA Government

**Construction**

Mulga Rock Project Construction

## ● ● APPROVALS → KICKING GOALS

- ❑ State Government Approval → only 1 of 4 in WA
- ❑ Federal EPBC Approval
- ❑ Tenure → all Mining and Miscellaneous Licences for Life of Mine
- ❑ Aboriginal Heritage Management Plan
- ❑ State Secondary Environmental Approvals  
→ THE ONLY ONE IN WA
- ❑ Building, Mining, Safety and Export Licences **COMING SOON**

**VIMY – MOVING TOWARDS MINING**

# MINE BUILDERS – VALUE BUILDERS



## Hon. Cheryl Edwardes AM

### Non-Executive Chairman

Former State Government Minister holding Ministries of Environment, Labour Relations and Attorney General  
Significant experience in mining approvals at Hancock Prospecting's Roy Hill Mine



## Tony Chamberlain

### Non-Executive Director

Former COO Vimy Resources (2014-2019)  
Metallurgist with extensive operational and capital experience with several global uranium projects



## David Cornell

### Non-Executive Director

Director of Element Capital Pty Ltd  
Significant experience providing strategic and corporate advice to listed companies, with a strong focus on transaction services



## Marcel Hilmer

### CFO and Company Secretary

Significant experience in the resources industry in funding, exploration, mergers and acquisitions



## Mike Young

### CEO and Managing Director

Resource geologist with strong background in mine development. Founding Managing Director of BC Iron.  
First drill hole to first ore on ship in under 4 years



## Julian Tapp

### Chief Nuclear Officer

Previous Head of Government Relations and Director of Strategy at Fortescue Metals Group

Expert commodities economist – Chair of the Supply WNA Working Group



## Scott Hyman

### VP Sales and Marketing

US-based uranium marketing professional with significant experience at Dominion Energy buying uranium, then at Cameco Corporation selling uranium.  
Strong and deep relationships with US utilities



## Xavier Moreau

### General Manager – Geology and Exploration

21 years experience in uranium exploration with Areva and Vimy. Our living and breathing uranium encyclopedia

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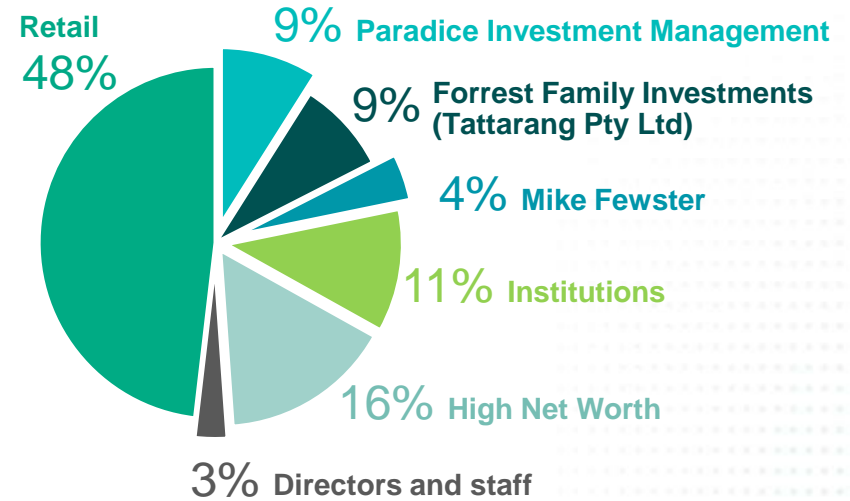
# COMPANY SNAPSHOT



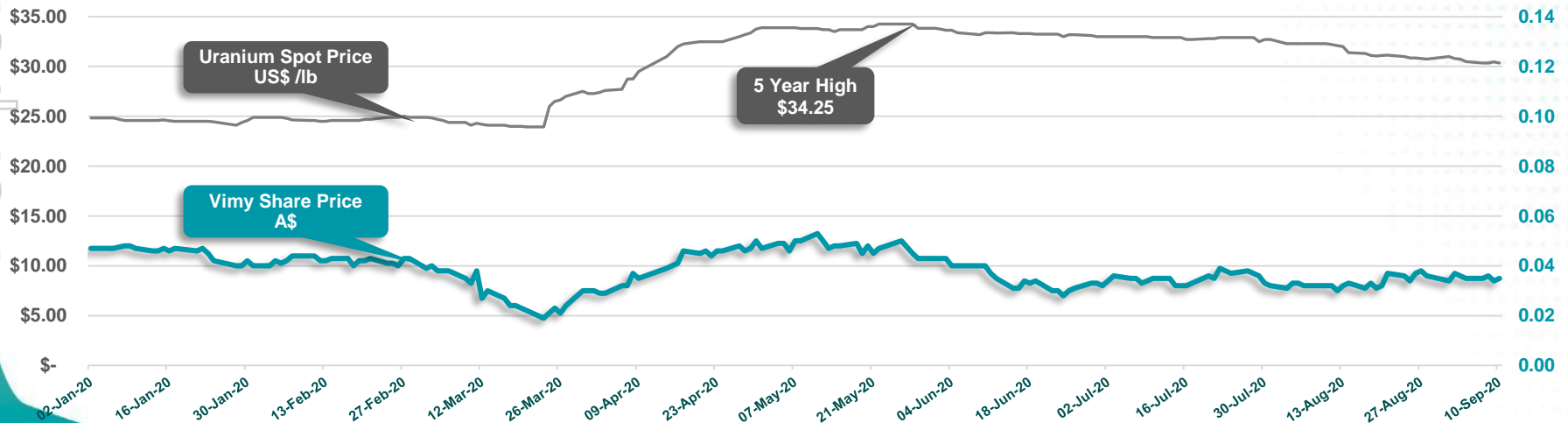
## Capital Structure (ASX:VMY)

| 15 September 2020 <sup>(1)</sup> |                 |
|----------------------------------|-----------------|
| Shares on issue                  | 777 million     |
| Share price                      | \$ 0.037        |
| Market capitalisation            | \$ 28.8 million |
| Cash <sup>(2)</sup>              | \$ 7.2 million  |

## Significant Shareholders



## Vimy Price v U Spot Price 2020 YTD

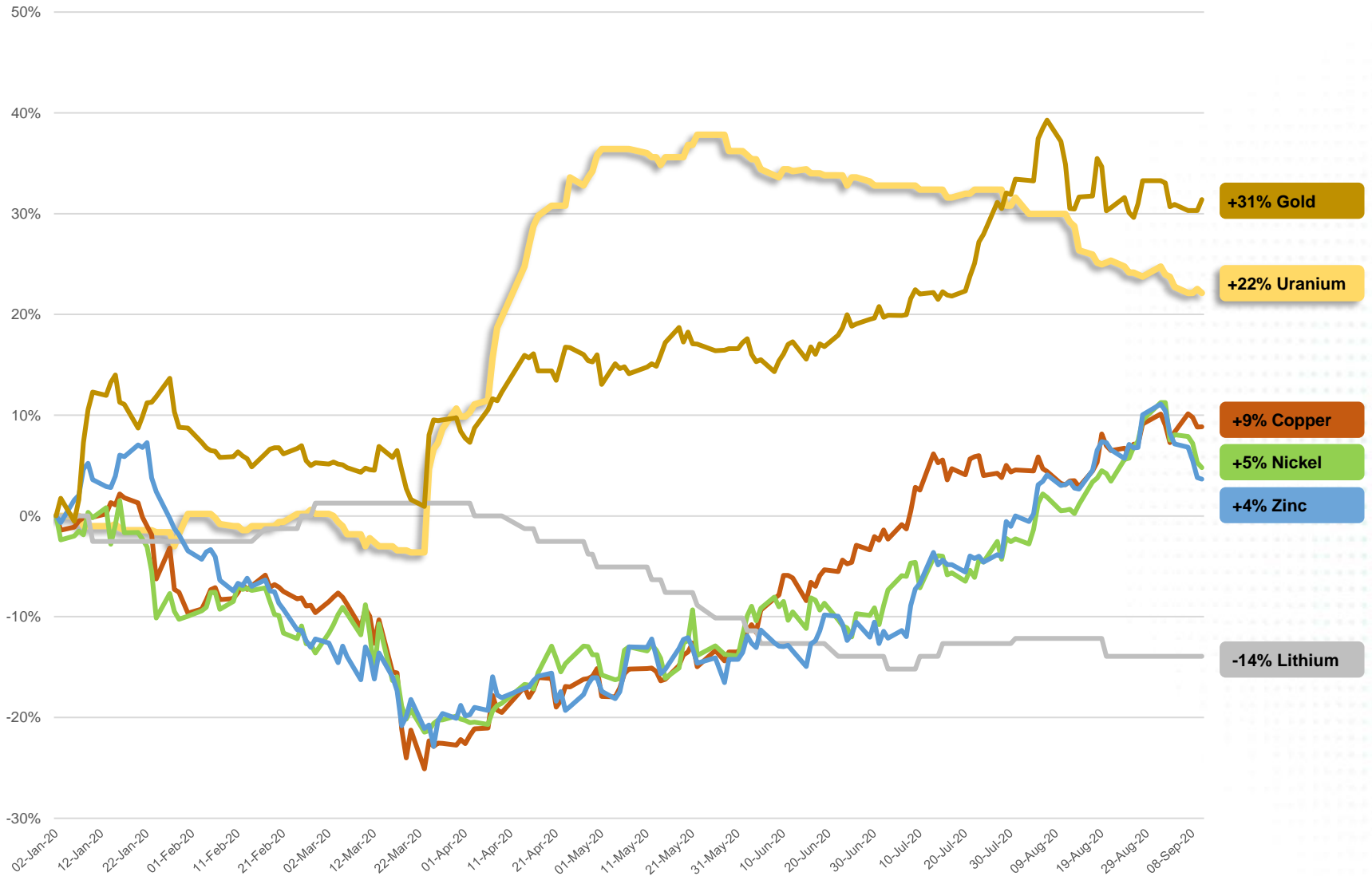


Source: 1. ASX: 11 September 2020 2. At 30 June 2020 3. U<sub>3</sub>O<sub>8</sub> price US\$/lb from TradeTech 11 September 2020

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# COMMODITY PRICE PERFORMANCE YEAR TO DATE



Source: Westmetall, Investing.com, TradeTech : 13 September 2020

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## WHY VIMY?

- Vimy has one of the **most advanced uranium projects** in the world – **Mulga Rock Project WA**
  - > Globally → only 4 projects ‘under development’ and 6 ‘planned’ *including Mulga Rock*
- **Experienced mining management team and URANIUM SALES** - “*ahead of the curve*”
- **First world jurisdiction** against a rapidly changing geopolitical backdrop – Russia, Iran, ‘Stans
- A **significant pipeline** of projects targeting 30+ years of supply – **Alligator River Project NT**

## WHY URANIUM?

- Nuclear is **the best source** of electricity with **the lowest CO<sub>2</sub> emissions of ANY power source**
- **DEMAND GROWTH** → 450 reactors in operation, 54 under construction, 111 reactors planned
- **SUPPLY SHORTAGE** → COVID-19 accelerates chronic undersupply due to 5-year bear market
- **Consumption in 2020 ~180Mlbs but Mining in 2020 ~121Mlbs**

# DISCLAIMER AND STATEMENT OF CONFIRMATION



**Disclaimer:** The purpose of this presentation is to provide general information about Vimy Resources Limited (Vimy); it constitutes a professional opinion only and is given in good faith. It is not recommended that any person makes any investment decision in relation to Vimy based on this presentation. To the extent that this presentation contains "forward-looking statements" they are only subjective predictions and are subject to inherent risks and uncertainties which could cause outcomes to differ materially from those expressed, implied or projected in such forward-looking statements. No representation or warranty, express or implied, is made by Vimy that the material contained in this presentation is accurate, reliable, relevant or complete, or will be achieved or prove to be correct.

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**Cautionary statements:** The information in this presentation that relates to the 2020 Mulga Rock Project Definitive Feasibility Study Refresh (DFS Refresh), including production targets and forward-looking financial information based on the production targets, was released to the ASX on 26 August 2020. Vimy confirms that all the material assumptions underpinning the production targets and forward-looking financial information in the DFS Refresh continue to apply and have not materially changed. Vimy does not warrant that the Project as built will conform exactly to the DFS Refresh.

**No new information:** The Mulga Rock Project Uranium Resource Estimate referred to in this presentation was released to the ASX on 12 July 2017.

The Mulga Rock Project Uranium Reserve Estimate referred to in this presentation was released to the ASX on 4 September 2017.

The Angularli Deposit Resource Estimate and Exploration Target referred to in this presentation was released to the ASX on 20 March 2018.

Vimy is not aware of any new information, or data, that affects the information in these announcements and that all material assumptions and technical parameters underpinning the estimates, targets and economics continue to apply and have not materially changed.






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# APPENDIX



# MULGA ROCK DFS REFRESH

## KEY METRICS – AUGUST 2020

|   | Key Metric   | Unit                                  | DFS Jan 2018 | DFS Refresh July 2020 |
|---|--|---------------------------------------|--------------|-----------------------|
| <br>RESOURCE             | Life-of-Mine (LoM)   | Years                                 | 15           | 15                    |
|   | Plant Ore Throughput                                       | Mtpa                                  | 2.5          | 2.5                   |
|   | Run-of-Mine (RoM) Uranium Grade (Years 1-5)                | ppm U <sub>3</sub> O <sub>8</sub>     | 1,007        | 1,007                 |
|   | RoM Uranium Grade (LoM)                                    | ppm U <sub>3</sub> O <sub>8</sub>     | 768          | 768                   |
|   | Average Strip Ratio (LoM)                                  | BCM/tonne ore                         | 9.7          | 9.7                   |
| <br>PRODUCTION           | Uranium Metallurgical Recovery                             | %                                     | 87.3         | 87.3                  |
|   | Annual Uranium Production                                  | Mlbs U <sub>3</sub> O <sub>8</sub> pa | 3.4          | 3.4                   |
|   | Total Uranium Production (LOM)                             | Mlbs U <sub>3</sub> O <sub>8</sub>    | 47.1         | 47.1                  |
| <br>CAPITAL              | Pre-Production Mining Costs (Pre-Strip)                    | A\$ million                           | 36           | 36                    |
|   | Mining Capital   | A\$ million                           | 108          | 45                    |
|   | Process Plant and Infrastructure Capital                   | A\$ million                           | 211          | 194                   |
|   | Indirects, Owner's Costs and Contingencies                 | A\$ million                           | 138          | 118                   |
|   | Total Capital  | A\$ million                           | 493          | 393                   |
| <br>OPERATIONS          | Exchange Rate  | AUD:USD                               | 0.70         | 0.65                  |
|   | Uranium Cash Operating Cost (Years 1-5) *                  | US\$/lb U <sub>3</sub> O <sub>8</sub> | 25.11        | 23.33                 |
|   | Uranium Cash Operating Cost (LoM) *                        | US\$/lb U <sub>3</sub> O <sub>8</sub> | 27.95        | 26.02                 |
|   | Uranium AISC# Operating Cost (Years 1-5)                   | US\$/lb U <sub>3</sub> O <sub>8</sub> | 30.16        | 28.09                 |
|   | Uranium AISC# Operating Cost (LoM)                         | US\$/lb U <sub>3</sub> O <sub>8</sub> | 34.00        | 31.22                 |
| <br>PROJECT FINANCIALS | Uranium Price Assumption                                   | US\$/lb U <sub>3</sub> O <sub>8</sub> | 60.00        | 55.00                 |
|   | Project NPV <sub>8</sub> (inclusive of Royalties, pre-tax) | A\$ million                           | 530          | 605                   |
|   | Project IRR (inclusive of Royalties, pre-tax)              | %                                     | 25.3         | 31.1                  |
|   | Payback from Start of Production                           | Years                                 | 3.1          | 2.4                   |

\*Cash operating cost includes all mining, processing, maintenance, transport and administration costs, but excludes royalties and sustaining capital.

# All-in sustaining costs - C1 plus royalties and sustaining capital.

# MULGA ROCK – RESOURCE AND RESERVE



Mineral Resource released to ASX on 11 July 2017

| Deposit               | Resource Estimate Classification | Cut-off grade (ppm U <sub>3</sub> O <sub>8</sub> ) | Tonnes (Mt) | U <sub>3</sub> O <sub>8</sub> (ppm) | Total metal U <sub>3</sub> O <sub>8</sub> (Mlb) |
|-----------------------|----------------------------------|--|-------------|-------------------------------------|---|
| Mulga Rock East       | Measured                         | 150  | 5.2         | 1,100                               | 12.6  |
|                       | Indicated                        | 150  | 16.8        | 800                                 | 29.6  |
|                       | Inferred                         | 150  | 15.5        | 420                                 | 14.3  |
| <b>Sub-total</b>      |                                  |  | <b>37.4</b> | <b>680</b>                          | <b>56.4</b>                                     |
| Mulga Rock West       | Indicated                        | 150  | 2.2         | 680                                 | 3.2   |
|                       | Inferred                         | 150  | 31.7        | 440                                 | 30.4  |
| <b>Sub-total</b>      |                                  |  | <b>33.8</b> | <b>450</b>                          | <b>33.6</b>                                     |
| <b>Total Resource</b> |                                  |  | <b>71.2</b> | <b>570</b>                          | <b>90.1</b>                                     |

- Mulga Rock Project now at 90.1Mlbs U<sub>3</sub>O<sub>8</sub> being 71.2Mt at 570ppm U<sub>3</sub>O<sub>8</sub>
- High-grade at Mulga Rock East comprises 25Mlbs at 1,500ppm U<sub>3</sub>O<sub>8</sub>**

Ore Reserve released to ASX on 4 September 2017

| Deposit / Resource     | Classification | Cut-off grade (ppm U <sub>3</sub> O <sub>8</sub> ) | Tonnes (Mt) | U <sub>3</sub> O <sub>8</sub> (ppm) | Total metal U <sub>3</sub> O <sub>8</sub> (Mlb) |
|------------------------|----------------|--|-------------|-------------------------------------|---|
| <b>Mulga Rock East</b> |                |  |             |                                     |   |
| Ambassador             | Proved         | 150  | 5.3         | 1,055                               | 12.3  |
|                        | Probable       | 150  | 14.1        | 775                                 | 24.0  |
| Princess               | Probable       | 150  | 1.7         | 870                                 | 3.3   |
| <b>Sub-total</b>       |                |  | <b>21.1</b> | <b>850</b>                          | <b>39.6</b>                                     |
| <b>Mulga Rock West</b> |                |  |             |                                     |   |
| Shogun                 | Probable       | 150  | 1.6         | 760                                 | 2.7   |
| <b>Sub-total</b>       |                |  | <b>1.6</b>  | <b>760</b>                          | <b>2.7</b>                                      |
| <b>Total Reserve</b>   |                |  | <b>22.7</b> | <b>845</b>                          | <b>42.3</b>                                     |

- Ore Reserves 42.3Mlbs U<sub>3</sub>O<sub>8</sub> → 22.7Mt at 845ppm U<sub>3</sub>O<sub>8</sub>
- Proved Ore Reserve of 12.3Mlbs → 5.3Mt at 1,055ppm U<sub>3</sub>O<sub>8</sub>

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# ALLIGATOR RIVER PROJECT – ANGULARLI DEPOSIT



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## Maiden Mineral Resource released to ASX on 20 March 2018

| Deposit   | Resource Estimate Classification | Cut-off grade (% U <sub>3</sub> O <sub>8</sub> ) | Tonnes (Mt) <sup>1</sup> | U <sub>3</sub> O <sub>8</sub> (%) <sup>2</sup> | U <sub>3</sub> O <sub>8</sub> (Mlbs) |
|-----------|----------------------------------|--|--------------------------|--|--------------------------------------|
| Angularli | Inferred                         | 0.15   | 0.91                     | 1.29   | 25.9                                 |

1. t = metric dry tonnes; appropriate rounding has been applied and rounding errors may occur.
2. Using chemical U<sub>3</sub>O<sub>8</sub> composites from drill core
3. Vimy: 75%

## Exploration Target released to ASX on 20 March 2018

| Project Area | Tonnes Range (Mt) <sup>1</sup> | Grade Range (% U <sub>3</sub> O <sub>8</sub> ) | Metal Range (Mlb U <sub>3</sub> O <sub>8</sub> ) |
|--------------|--------------------------------|--|--|
| Angularli    | 1.2 - 1.8                      | 0.75 - 1.5                                     | 20 - 60  |

1. t = metric dry tonnes
2. Appropriate rounding has been applied, and rounding errors may occur
3. Vimy: 75%

The potential quantity and grade of the Exploration Target is conceptual in nature. It is important to note that there has been insufficient exploration to estimate a Mineral Resource and it is uncertain if further exploration will result in the estimation of a Mineral Resource.

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# Thank you

**For further Vimy Resources information:**

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[vimyresources.com.au](http://vimyresources.com.au)



# ASX

AUSTRALIAN SECURITIES EXCHANGE

**ASX : VMY**