

# Quarterly Activities Report

## September 2021



### Highlights

- **Mulga Rocks – Early Works Program commenced on-site**
- **Positive results from metallurgical optimisation testwork**
- **Alligator River – Finalisation of 100% acquisition from RTX**
- **Board Update – Appointment of experienced mining Non-executive Director**
- **Vimy included in Global X Uranium ETF (NYSE:URA)**
- **Cash at Quarter end - \$21.9M**
- **Post Quarter end – Mulga Rock Uranium Project Mining Proposal and Mine Closure Plan approved by DMIRS**

Vimy's Interim CEO Steven Michael commented:

*"The September Quarter has been significant in Vimy's journey towards developing Western Australia's first uranium mining project. We recently received two key regulatory approvals – the Project Management Plan and Mining Proposal and Mine Closure Plan – which enabled commencement of the Early Works Program at Mulga Rock. Our earthworks contractor has mobilised to site and clearing of vegetation and topsoil has begun.*

*The commencement of activities on site at Mulga Rock has coincided with a major increase in the spot uranium price – up nearly 50% over the quarter – reaching a multi-year high of US\$51/lb in late September. New entrants into the spot market, including the Sprott Physical Uranium Trust, have demonstrated the tightness in uranium supply and impact on spot and long-term pricing.*

*During the Quarter, Vimy's long-serving MD and CEO Mike Young decided to step down from the Company. The Board of Vimy wishes Mike all the best in his future endeavours and appreciate his efforts in running the Company for the past seven years. After the Quarter, we welcomed experienced mining executive Wayne Bramwell to the Board as a Non-executive director."*

Vimy Resources Limited (ASX: VMY, OTCQB: VMRSF) is a Perth-based resource development company. Vimy's flagship project is the 100%-owned Mulga Rock Project, one of Australia's largest undeveloped uranium resources, which is located 290km by road ENE of Kalgoorlie in the Great Victoria Desert of Western Australia.

Vimy also wholly owns 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.

## Mulga Rock Project (WA)

### Early Works Program

During the Quarter, activities commenced on-site including the re-opening of the Mulga Rock camp, the re-establishment of water and other infrastructure to support earthworks and installation of a new high-speed microwave data link to the existing regional network. Improvements have been made to the accommodation facilities, including the installation of decking and a communication tower.

A maiden test flight was successfully landed at the Officer Basin landing area, and the airstrip is now being used to support Fly In-Fly Out operations for the lead Early Works earthworks contractor.

Vegetation clearing has been completed and topsoil stripping has commenced across all areas and significant progress has been made on subsoil stripping at Ambassador North.

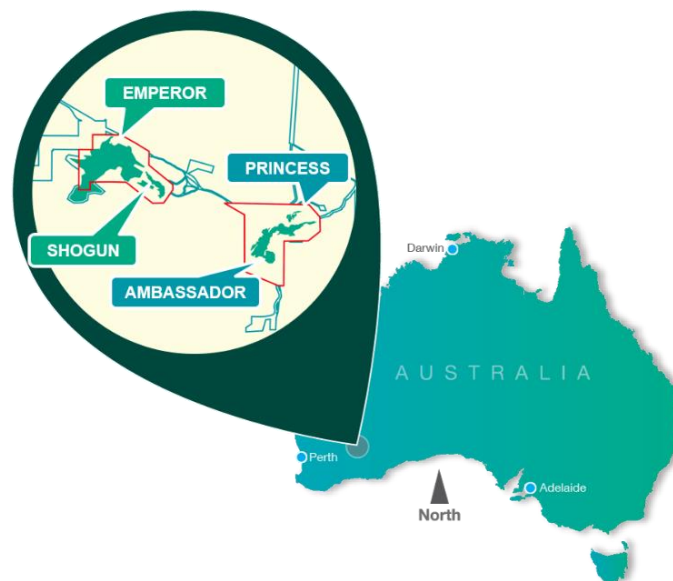
### Approval of Mining Proposal, Mine Closure Plan and Project Management Plan

Subsequent to the Quarter, on [1 October 2021](#), the Company announced that the Western Australian Department of Mines, Industry Regulation and Safety (DMIRS) had approved the Mulga Rock Mining Proposal and associated Mine Closure Plan.

Under the Mining Act 1978, this approval authorises Vimy to commence development and operation of the Mulga Rock Project as per the Mining Proposal, the Mine Closure Plan, and relevant tenements' conditions.

Vimy had previously announced ([27 August 2021](#)) that DMIRS had approved the Mulga Rock Project Management Plan.

With the earlier approvals of the Conditional Environmental Management Plans during 2020, these approvals allow Vimy to implement the Early Works Program, including vegetation clearing, stockpiling of topsoil and excavation of subsoil.







### Water infrastructure



### Accommodation and communication tower installation



### Officer Basin landing area recommissioning





## Positive Results from Metallurgical Optimisation Testwork

On [6 September 2021](#), the Company announced preliminary testwork results on an alternative ion exchange (IX) resin for the Mulga Rock plant uranium circuit. Following the 2020 DFS Refresh, Vimy embarked on a number of optimisation studies, including the evaluation of the mining and metallurgical processes at Mulga Rock.

Vimy has identified a high-capacity strong base anionic resin (Lewatit® TP107, manufactured by Lanxess) as having the capacity to be very effective for uranium recovery from saline sulphuric acid leach liquors. The Australian Nuclear Science and Technology Organisation (ANSTO), through its Minerals Business Unit, has since developed and patented a novel two-stage elution for the Lewatit® TP107 resin, demonstrated at a pilot scale on a different uranium project.

The testwork by ANSTO aimed to test the suitability of the Lewatit® TP107 resin to the recovery of uranium in the Mulga Rock process plant. The testwork concentrated on the physical and chemical properties to determine whether the new resin could improve uranium recovery and reduce costs.

Key outcomes of the testwork showed the following:

- Preliminary sizing and mechanical testwork indicate that the Lewatit® TP107 resin is equally as suitable to the Resin-In-Pulp (RIP) process as the resin tested in the 2018 DFS;
- Uranium loading tests showed a step-change in loading efficiency with an increase of approximately three times in uranium loading;
- Successful elution (stripping) of the loaded resin using ANSTO's two-stage patented process:
  - Steep elution profile, indicating increased extraction of uranium in the leach due to reduced preg-robbing;
  - Very low residual loading on the resin following elution;
  - High eluate uranium concentration, which might support eliminating the nanofiltration plant from the process flowsheet in a continuous elution configuration; and
  - The deportment of impurities was very low.

The results justify moving to the next phase of testwork, which will evaluate performance under the optimum operating conditions determined in the 2018 DFS and opportunities for process optimisation and resulting flowsheet simplification.

## Mulga Rock FEED Studies

Vimy has kick-started optimisation IX testwork at ANSTO (Strong Base Anion Resin) with a particular focus on the elution process and operating conditions for a mini-plant pilot plant test program planned for the first half of 2022. The optimisation program includes the following:

- Leach tests;
- Resin conversion tests;
- Column elution tests;
- Acid regeneration tests; and
- Process modelling of the RIP and elution process.



## Alligator River Project (NT)

Vimy's 100%-owned Alligator River Project is the largest granted uranium exploration package in the world-class Alligator River uranium district in the Northern Territory. The potential of the Alligator River Project is demonstrated by the proven track record of the nearby Jabiluka and Ranger deposits providing over 750Mlbs of U<sub>3</sub>O<sub>8</sub> in mineral endowment (current resources and mined).

The Alligator River Project covers a total area of 3,865km<sup>2</sup> and comprises three projects:

- Wellington Range-King River - 1,600km<sup>2</sup> of granted tenure;
- Algodó-Beatrice Project - a group of tenement applications to the east of the Ranger and Jabiluka deposits; and
- Mt Gilruth Project - a group of tenement applications to the southeast of the Ranger and Jabiluka deposits.



### Field Work Activities

Field work at the Alligator River Project has once again been limited by COVID-19 restricting access to Arnhem Land. Work has continued however, with a soil sampling program currently underway at the Angularli North, Bandogge, Such Wow North and Southern Flank prospects, reliant on analysis of the ultrafine fraction (<2 µm) by ICP-MS and NIR spectroscopy.

Vimy team members currently on site are acquiring high-resolution drone imagery and digital terrain models over the broad Angularli area and Such Wow North prospect. In addition, historical barren and mineralised drill core from the Angularli deposit is being collected to support a follow-up ore sorting. The sorted fractions to be generated will be subjected to additional leach testwork to support an updated Scoping Study in the first half of 2022.

### Alligator River Project – Corporate

On [17 August 2021](#) Vimy announced that settlement had taken place for the acquisition of Rio Tinto Exploration Pty Limited's (RTX) 20.89% interest in the Wellington Range and King River Joint Venture at the Alligator River Project in the Northern Territory. Vimy now holds 100% of the Alligator River Project through its wholly-owned subsidiary Viva Resources Pty Ltd. The acquisition price of \$2 million was fully satisfied by the issue to RTX of fully paid shares in Vimy (18,793,069 shares at a deemed issue price of \$0.10642 per share).

As set out in Vimy's ASX announcement on [10 March 2021](#), an additional on-sale payment may be payable to RTX in the event that Vimy disposes of an interest in the Alligator River Project within three years from the date of settlement at an implied price (on a proportional basis) that is higher than the \$2 million paid for RTX's interest. RTX would receive 30% of any proportionate gain (over \$2 million) on any such on-sale by Vimy of an interest in the Alligator River Project. Secondly, a uranium upside payment is payable to RTX if the average daily spot price indicator of uranium exceeds US\$60/lb (of U<sub>3</sub>O<sub>8</sub>) over the last 180 days of the three-year period that commences on the settlement date. If satisfied, Vimy agrees to pay to RTX a further consideration amount equal to \$1.1 million less the total on-sale payment(s) that may have been made during the three-year period.



## Uranium Market Overview and Outlook

The uranium market for the Quarter can be summed up in one short phrase: a transition to volume and price volatility. The Quarter saw a large shift in the spot uranium market as non-utility purchasing with near or mid-term deliveries contributed to tighter supply and increased spot price pressure. As a result, the reported daily spot price rose to a level not seen since mid-2012.

For the first half of the Quarter the spot price remained consistently in a tight range in the low US\$30's. During this time, transacted volume remained modest which resulted in only small price deviations. However, beginning in late August into mid-September, the emergence of significant near-term buying by hedge funds, primarily the Sprott Physical Uranium Trust (**SPUT**), played a key role in the removal of near-term supply and hence a sharp daily rise in reported prices. Meanwhile, traders continued to seek arbitrage opportunities while a few utilities filled relatively small requirement gaps or sought opportunistic purchases for inventory and/or budget driven decisions. As we moved through September, the price reached just over US\$51/lb before a pullback of large buyers resulted in the end of quarter price at just below US\$43/lb.

As for the long-term market, the rise in spot price combined with some utility term procurement activity resulted in the eventual upward shift of September month-end long-term prices. Globally, longer term contract requirements remain largely open and the gap between contracted uranium and requirements continues to widen out in time.

## Corporate

### Managing Director and CEO Change

On [30 August 2021](#), Vimy's long-serving Managing Director and CEO Mike Young decided to step down from his role after seven years. Mr Young will continue to consult to Vimy on a contract basis for six months so that his IP and relationships continue to benefit Vimy.

Vimy engaged FTI Consulting to provide project co-ordination and strategic advisory services (see [ASX announcement 31 May 2021](#)) and has now extended this engagement to include Mr Steven Michael to act as an Interim CEO while an executive search process is undertaken.

Mr Michael is currently a Managing Director in FTI Consulting's Corporate Finance practice and has previously served as Managing Director of an ASX-listed mining exploration company and CFO of an ASX-listed uranium exploration company.

### Appointment of Company Secretary

Subsequent to the Quarter, the Company announced that Shannon Coates had been appointed as Company Secretary. Ms Coates is a qualified lawyer, Chartered Secretary and graduate of the AICD's Company Directors course. She has more than twenty-five years' experience in corporate law and compliance, is Managing Director of Perth-based corporate advisory firm Evolution Corporate Services and is currently company secretary to a number of ASX-listed companies, with a strong focus on resources.

Ms Coates replaced Matthew Foy as Company Secretary. Matthew was appointed on 25 August 2021, following the resignation of Marcel Hilmer as Company Secretary, but had to resign for personal reasons.



## Appointment of Non-executive Director

On [19 October 2021](#), Vimy announced the appointment of Wayne Bramwell as Non-executive Director. Mr Bramwell is an experienced mining executive and company director with over thirty years of international and Australian project evaluation, development and operations expertise across the base metals, precious metals and bulk commodity sectors. He holds a Bachelor of Science Degree in Extractive Metallurgy (Murdoch), a Graduate Diploma in Business Studies (Curtin), a Master of Science Degree in Mineral Economics (Curtin/WASM) and is a graduate of the Australian Institute of Company Directors (AICD).

Mr Bramwell is currently Executive Director of ASX-listed gold producer Westgold Resources Limited and was previously Group Business Manager at the Creasy Group.

## Inclusion in Global X Uranium ETF (URA)

On [23 July 2021](#), Vimy announced that it had been included in the Index Composition for the Global X Uranium ETF (NYSE:URA). The Global X Uranium Exchange Traded Fund (ETF) tracks the Solactive Global Uranium and Nuclear Components Total Return Index. Solactive announced on 22 July 2021 that Vimy was to be included in an ordinary index rebalancing that was implemented effective 2 August 2021.

The Company had previously announced its inclusion in the index composition for the [North Shore Global Uranium Mining ETF](#) (NYSE:URNM) following its inclusion in the [Horizons Global Uranium Index ETF](#) (TSX:HURA) in January this year.

## Expenditure

Cash spend on operating activities including exploration and evaluation, staff costs, administration and corporate costs and uranium marketing activities in the September 2021 Quarter amounted to \$2.1 million. This was greater than \$1.3 million spent in the previous quarter due to Early Works Program activities ramping up at the Mulga Rock Project and termination payments relating to Mike Young and Julian Tapp.

Pursuant to ASX Listing Rule 5.3.5, the Company notes that during the September quarter, \$41,973 was paid to FTI Consulting, an associate of Cheryl Edwardes, for providing Interim CEO and COO services.

## Cash at Bank

Cash at 30 September 2021 amounted to \$21.9 million.

## Tenements

Tenement details for Mulga Rock (Narnoo Mining Pty Ltd) and Alligator River Projects (Viva Resources Pty Ltd) and the tenements held by Vélo Resources Pty Ltd are shown in Table 1. The key changes over the Quarter involved a shift to 100% ownership of the Wellington Range-King River group of tenements (Alligator River Project, Northern Territory) as a result of the dissolution of the WR-KR joint venture, and substitution licence applications for the old ELAs 31438, 31439, 26088, and 26090 (Viva's original interest of 98%), being ELAs 32825, 32826, 32827 and 32828 (Viva's new interest: 100%).

**Steven Michael**  
**Interim CEO**

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Released for and on behalf of the Board of Vimy Resources Limited

29 October 2021





Table 1: Tenement details at 30 September 2021

| Tenement   | Nature of Interest | Interest at Beginning of Quarter | Interest at End of Quarter |
|--|--------------------|----------------------------------|----------------------------|
| <b>Mulga Rock Project (Mt Margaret Mineral Field, Western Australia)</b>     |                    |                                  |                            |
| M39/1104   | Granted            | 100%                             | 100%                       |
| M39/1105   | Granted            | 100%                             | 100%                       |
| E39/2049   | Granted            | 100%                             | 100%                       |
| L39/193  | Granted            | 100%                             | 100%                       |
| L39/219  | Granted            | 100%                             | 100%                       |
| L39/239  | Granted            | 100%                             | 100%                       |
| L39/240  | Granted            | 100%                             | 100%                       |
| L39/241  | Granted            | 100%                             | 100%                       |
| L39/242  | Granted            | 100%                             | 100%                       |
| L39/243  | Granted            | 100%                             | 100%                       |
| L39/251  | Granted            | 100%                             | 100%                       |
| L39/252  | Granted            | 100%                             | 100%                       |
| L39/253  | Granted            | 100%                             | 100%                       |
| L39/254  | Granted            | 100%                             | 100%                       |
| L39/279  | Granted            | 100%                             | 100%                       |
| L39/280  | Granted            | 100%                             | 100%                       |
| L39/287  | Granted            | 100%                             | 100%                       |
| L39/288  | Granted            | 100%                             | 100%                       |
| L39/289  | Granted            | 100%                             | 100%                       |
| P39/5844   | Granted            | 100%                             | 100%                       |
| P39/5853   | Granted            | 100%                             | 100%                       |
| R39/0002   | Granted            | 100%                             | 100%                       |
| <b>Alligator River Project (Northern Territory)</b>                          |                    |                                  |                            |
| EL22430  | Granted            | 100%                             | 100%                       |
| EL24920  | Granted            | 100%                             | 100%                       |
| EL26089  | Granted            | 100%                             | 100%                       |
| EL24017  | Granted            | 79%                              | 100%                       |
| EL25064  | Granted            | 79%                              | 100%                       |
| EL25065  | Granted            | 79%                              | 100%                       |
| EL27059  | Granted            | 79%                              | 100%                       |
| EL5893   | Granted            | 79%                              | 100%                       |
| <b>Vélo Resources Pty Ltd (Mt Margaret Mineral Field, Western Australia)</b> |                    |                                  |                            |
| E38/3203   | Granted            | 100%                             | 100%                       |
| E39/2012   | Granted            | 100%                             | 100%                       |
| E39/2013   | Granted            | 100%                             | 100%                       |
| E39/2115   | Granted            | 100%                             | 100%                       |
| E39/2149   | Granted            | 100%                             | 100%                       |



## About Vimy Resources

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Vimy acknowledges the Traditional Custodians of the country on which we work and travel, throughout Australia, and respects their associated connections.

### Directors and Management

The Hon. Cheryl Edwardes AM  
*Non-executive Chairman*

Wayne Bramwell  
*Non-executive Director*

Dr Tony Chamberlain  
*Non-executive Director*

David Cornell  
*Non-executive Director*

Steven Michael  
*Interim Chief Executive Officer*

Paula Arthur  
*Manager Approvals and ESG*

Shannon Coates  
*Company Secretary*

Marcel Hilmer  
*Chief Financial 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](http://asx.com.au) and [vimyresources.com.au](http://vimyresources.com.au) respectively.

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#### Share Registry

Automatic Group

T: 1300 288 664 (within Australia)  
+61 2 9698 5414 (outside Australia)  
W: [investor.automic.com.au](http://investor.automic.com.au)  
E: [hello@automicgroup.com.au](mailto:hello@automicgroup.com.au)

Towards Sustainable Mining



Vimy has adopted  
**Towards Sustainable Mining®**  
an award-winning  
accountability framework  
which helps minerals companies  
evaluate, manage and communicate  
their sustainability performance.

Adopting the independently  
verified system will reinforce  
Vimy's commitment  
to continuous improvement  
in safety, environmental  
and social governance (ESG).

Committed to:

ESG

The amount of natural uranium  
produced from Mulga Rock  
(3.5Mlbs pa U<sub>3</sub>O<sub>8</sub>)  
if utilised in nuclear reactors  
which displaced coal-fired electricity  
would reduce carbon dioxide  
equivalent emissions  
by approximately

**64 million tonnes**



That is equivalent to  
**about 12%**  
of Australia's  
greenhouse gas emissions  
**and 70%**  
of Western Australia's

