



ASX Announcement

16 November 2016

Mulga Rock Project Ore Reserve Update

Highlights

- Probable Ore Reserve now contains 18.7Mt at 755ppm U₃O₈ for total metal of 31.2 Mlb U₃O₈
- This update comprises a 41% increase in contained metal from the Maiden Ore Reserve (March 2016)
- Uranium grade increases from 660ppm to 755ppm U₃O₈, a 14% increase
- Sufficient Ore Reserves have now been established to underpin the Definitive Feasibility Study (DFS) and ongoing product offtake discussions
- In-fill drilling program commences at Mulga Rock East to provide further confidence of resources and reserves in the early mine life

Vimy Resources Limited (ASX:VMY) (**Vimy**) is pleased to announce an updated Probable Ore Reserve comprising **18.7Mt** at **755ppm U₃O₈** for a total metal content of **31.2Mlb (14,150t)** of **U₃O₈** at its 100% owned Mulga Rock Project, Western Australia.

This Ore Reserve is derived from Mineral Resources of 67.8Mt at 510ppm for total contained metal content of 76.8Mlbs U₃O₈, as reported to the ASX on 8 November 2016.

SRK Consulting (SRK) generated pit designs for Ambassador, Princess and Shogun using parameters defined in the Maiden Ore Reserve (*ASX announcement 30 March 2016*) and updated mining costs and geotechnical parameters from DFS work completed to-date. The pit designs contain 87% of Probable Ore Reserves within the first 10 years of the mine life. Probable Ore Reserves now underpin 9 years of production based on the pit designs.

The Company advises that the pit designs are based on all Mineral Resources and so contain a proportion of Inferred Mineral Resources. There is a lower level of geological confidence associated with Inferred Mineral Resources and there is no certainty that further exploration work will result in the determination of Indicated Mineral Resources, or that production derived from Inferred Mineral Resources will be met. However, the Inferred Resource does not have a material effect on the viability of the project and does not contribute significantly to the early mine schedule.

Vimy's CEO, Mike Young, commented: *"The Probable Ore Reserve Update for Mulga Rock will now form the foundation of the DFS mine schedule and mining engineering studies. It is a major milestone, one of many to come as we head toward completing the Definitive Feasibility Study.*

It also provides for a significant minelife allowing Vimy to continue discussions for product offtake and project financing."

Ore Reserve

The Ore Reserves (Table 1) are derived from, and are a sub-set of, the Mulga Rock Mineral Resource (Table 2) as released to the ASX on 8 November 2016. The modifying factors for this Ore Reserve update are based on the results of on-going work as part of the DFS currently underway, and on the Maiden Ore Reserve released to the ASX on 30 March 2016.

The classification of the Mulga Rock Ore Reserve has been carried out in accordance with the principles of the JORC Code 2012 Edition. It reflects drilling and sampling density, estimation methodology, understanding of the orebody continuity, and the proposed mining methods. The modifying factors used to derive this estimate have been presented in Appendix 1 - 'JORC Code – Table 1 Mulga Rock Project – Ore Reserve Update'.

The findings from the following DFS work programs that have been incorporated into this Ore Reserve Update include:

- DFS in-fill drilling programs at Ambassador and Shogun,
- Mineral Resource updates for Ambassador and Shogun as previously announced to the ASX,
- Updated pit wall design parameters for Princess, Ambassador and Shogun based on geotechnical diamond drill program and the bulk test pits completed at Ambassador,
- Updated mining costs from the DFS mining pre-qualification tender,
- Open pit optimisation and sensitivity analysis,
- Updated pit designs, and
- Updated mine production schedule.

Table 1: Mulga Rock Project Ore Reserves – 16 November 2016

Deposit / Resource	Classification	Cut-off Grade (ppm U ₃ O ₈)	Tonnes (Mt) ^{1,2}	U ₃ O ₈ (ppm) ³	Total Metal U ₃ O ₈ (Mlb) ⁴
Mulga Rock East					
Princess	Probable	150	1.1	734	1.7
Ambassador	Probable	150	16.4	753	27.3
Sub-total		150	17.5	752	29.0
Mulga Rock West					
Shogun	Probable	150	1.2	808	2.2
Sub-total		150	1.2	808	2.2
Total Reserve		150	18.7	755	31.2

1 Tonnages and grades are reported including mining dilution.

2 t = metric dry tonnes; appropriate rounding has been applied and rounding errors may occur.

3 Using cut combined U₃O₈ composites (combined chemical and radiometric grades).

4 Metallurgical plant recovery factors are not applied to Total Metal content.

Table 2: Mulga Rock Project Mineral Resource ^{1,2}

Deposit / Resource	Classification	Cut-off Grade (ppm U ₃ O ₈)	Tonnes (Mt) ⁵	U ₃ O (ppm) ⁶	U ₃ O ₈ (Mlb)
Mulga Rock East					
Princess ²	Indicated	150	1.3	690	1.9
Princess ²	Inferred	150	2.5	380	2.1
Ambassador ³	Indicated	150	19.8	720	31.5
Ambassador ³	Inferred	150	10.4	330	7.7
Sub-total			34.1 ¹	580	43.2
Mulga Rock West					
Emperor ⁴	Inferred	150	30.8	440	29.8
Shogun ⁴	Indicated	150	1.9	680	2.9
Shogun ⁴	Inferred	150	1.1	390	0.9
Sub-total			33.7	450	33.6
Total Resource			67.8	510	76.8

1. Appropriate rounding has been applied.
2. Princess resource estimate was reviewed by Coffey Mining and announced to the ASX on 18 December 2014.
3. Ambassador resource estimate was reviewed by AMC Consultants and announced to the ASX on 23 June 2016.
4. Emperor and Shogun resource estimates were reviewed by AMC Consultants and announced to the ASX on 8 November 2016.
5. t = metric dry tonnes; appropriate rounding has been applied.
6. Using cut combined U₃O₈ composites (combined chemical and radiometric grades).

The information in Table 2 above is extracted from ASX announcement entitled "Resource Update for Mulga Rock Project" released on 8 November 2016 and available to download from asx.com.au ASX:VMY. The Company is not aware of any new information or data that materially affects the information included in the original market announcement and, in the case of estimates of Mineral Resources or Ore Reserves, that all material assumptions and technical parameters underpinning the estimates in the relevant market announcement continue to apply and have not materially changed. The Company confirms that the form and context in which the Competent Person's findings are presented have not been materially modified from the original market announcement.

A pre-qualification mining tender process was completed earlier this year, in which six mining contractors were invited to submit competitive tenders for the first 5 to 8 years of mine life. The average unit mining costs received from the preferred three contractors were then used to update mining costs from the Pre-feasibility Study (PFS). These mining costs are marginally higher than those assumed for the Maiden Ore Reserve. An extensive geotechnical diamond drill program was also completed earlier this year at Princess, Ambassador and Shogun to provide input data to the final pit wall design parameters. These pit wall parameters have been subsequently confirmed by excavating two test pits to verify the pit wall angles to be adopted for the project.

All Probable Ore Reserves have been derived from Indicated Mineral Resources only as no Measured Mineral Resources are yet defined at the Project.

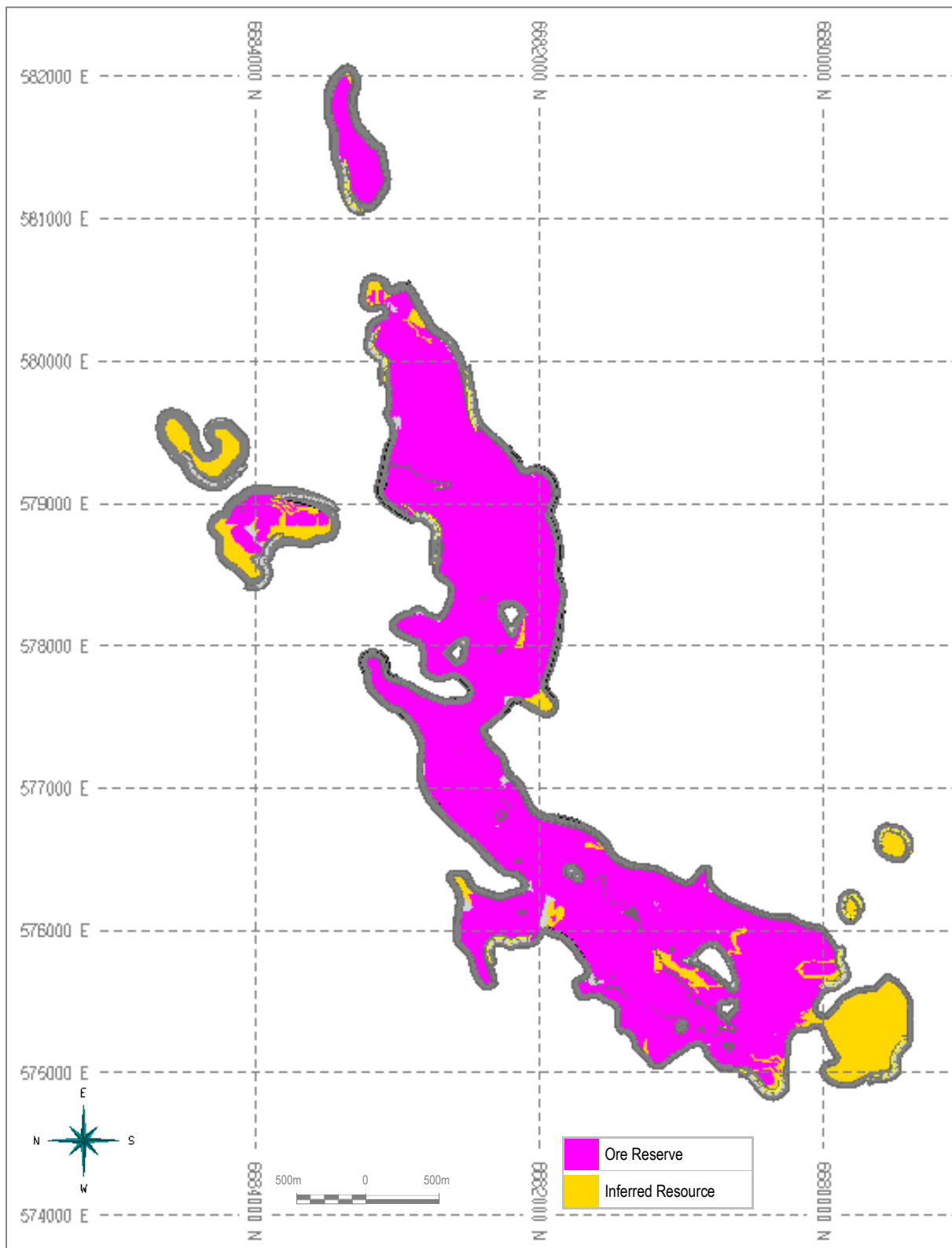


Figure 1: Plan view of the Pit Designs for Ambassador and Princess Ore Reserves

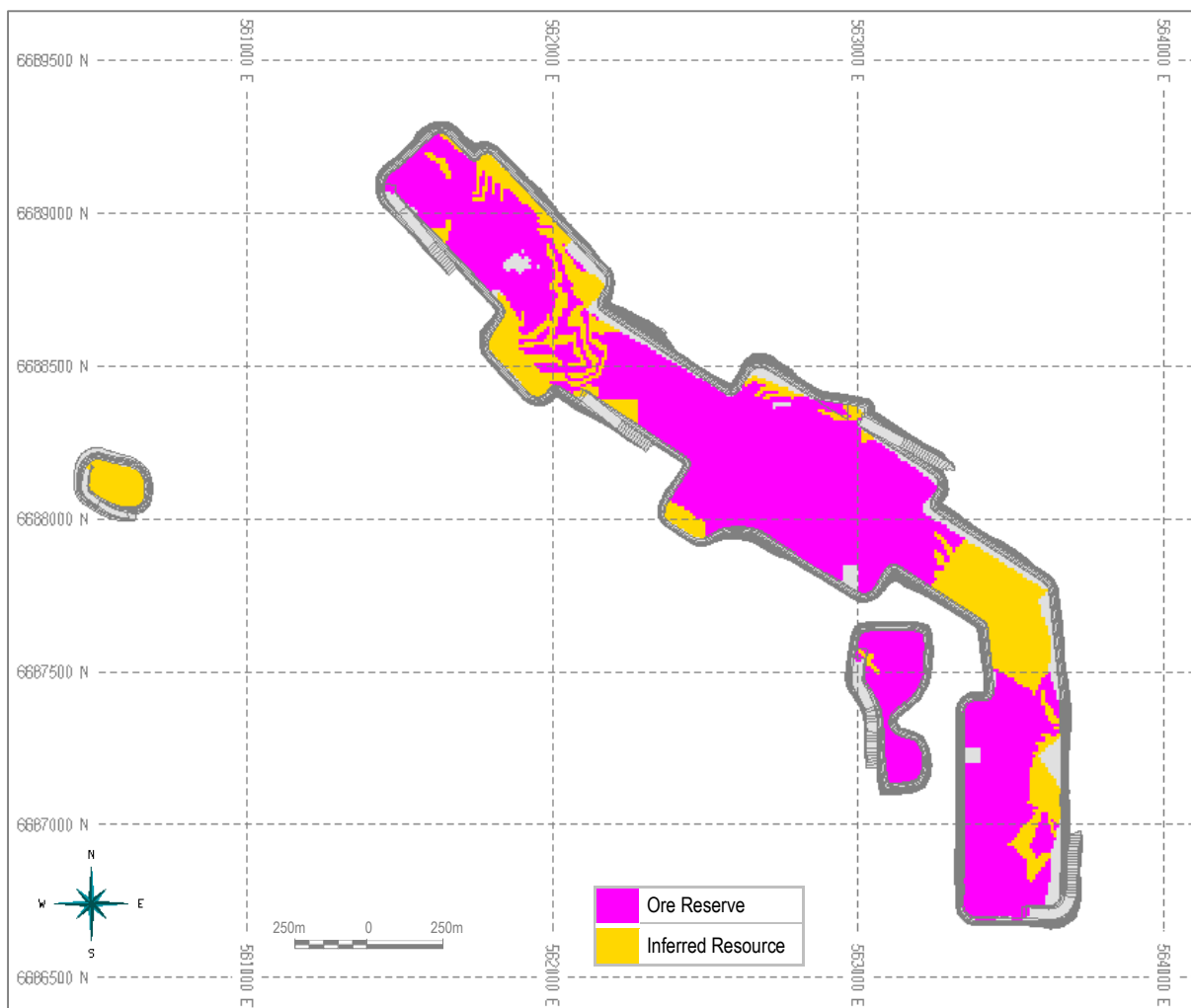


Figure 2: Plan view of Pit Design for the Shogun Ore Reserve

Detailed mine planning and scheduling was completed using the pit designs generated by SRK. For planning and design purposes, the optimised pit shells and subsequent pit designs are derived using all available Mineral Resources, including Inferred Resource material, however Inferred Resources do not contribute materially to the first 10 years of the mine schedule as ore to be mined between Years 1 to 10 comprises 87% Probable Ore Reserves. Overall, the final pit designs for Princess, Ambassador and Shogun, which were used to extract the Ore Reserves, comprise only 16% as Inferred Resource on a contained metal basis.

The mining schedule contemplates mining the Princess deposit first (to create a sterilised void for in-pit tailings disposal at commencement of operations), followed by Ambassador and then Shogun.

Vimy is satisfied that the respective proportions of Inferred Mineral Resources are not the determining factors in the project's viability. In addition, the Inferred Mineral Resources do not feature as a significant proportion early in the mine plan. Figure 1 and Figure 2 show the pit designs for the Ambassador, Princess and Shogun Ore Reserves and demonstrate the predominance of Probable Ore Reserve in the pit designs.

The Whittle pit shells used to derive the pit designs for the Ore Reserve estimate remained economic under a broad range of uranium prices, consistent with consensus prices needed to incentivise new uranium production. Figure 3 shows the pit shells for Princess and Ambassador for a range of long term consensus uranium prices between US\$55 to US\$75/lb U₃O₈. The pit design is very robust with only 4% of the Probable Ore Reserve laying outside the revised pit shell when the long term uranium price is

decreased from US\$75/lb to US\$55/lb U₃O₈. These current pit designs will now form the basis of ongoing mine engineering work to be completed for the DFS.

GR Engineering Services is the lead DFS engineering consultant and is on track to complete the DFS in Q1 CY2017.

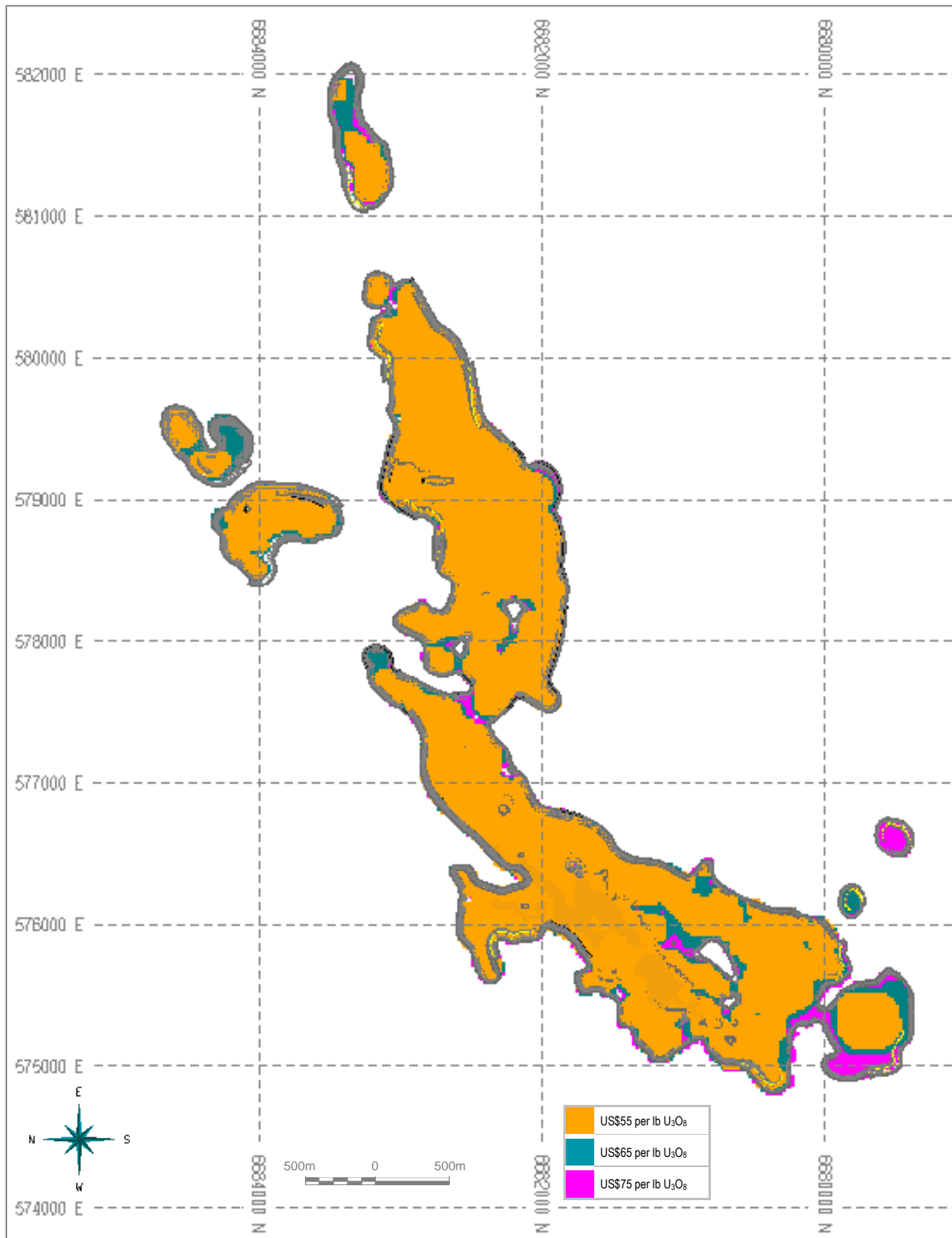


Figure 3: Change in pit shell boundary with varying long term uranium price

Resource infill drilling

An infill aircore and diamond core drilling program is currently underway at Mulga Rock East. The program comprises grade optimisation drilling to determine if the variability in the contained U₃O₈ metal discovered in the bulk samples from the Ambassador test pit is consistent across the Project (see ASX Announcement "Mulga Rock Test Pit Bulk Sample Results", 14 June 2016).

The program, expected to be completed in mid-December, comprises 215 aircore holes, and 70 diamond core holes. The type of drilling, and the drill density, will greatly assist the resource confidence in this area which accounts for the start of the mine schedule.



Mike Young
Managing Director and CEO

16 November 2016

The information in this announcement that relates to mineral resource regularisation, Whittle optimisation process and pit designs for the Mulga Rock Ore Reserves is based on information compiled by Carl Murray, who is a Member of the Australasian Institute of Mining and Metallurgy. Mr Murray is an employee of SRK Consulting. Mr Murray consents to the inclusion, form and context of the relevant information herein as derived from the original Ore Reserve report. Mr Murray has sufficient experience relevant to the style of mineralisation and type of deposit under consideration and to the activity which is being undertaken to qualify as a Competent Person as defined in the 2012 Edition of the JORC 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'.

The information in this announcement that relates to mining methodology, mining costs and mine schedule for the Mulga Rock Ore Reserves is based on information compiled by Joel van Anen, who is a Member of the Australasian Institute of Mining and Metallurgy. Mr van Anen is an employee of Vimy Resources. Mr van Anen consents to the inclusion, form and context of the relevant information herein as derived from the original Ore Reserve report. Mr van Anen has sufficient experience relevant to the style of mineralisation and type of deposit under consideration and to the activity which is being undertaken to qualify as a Competent Person as defined in the 2012 Edition of the JORC 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'.

The information in this announcement that relates to long term uranium consensus pricing and project economics for the Mulga Rock Ore Reserves is based on information reviewed by Mike Young, who is a Member of the Australian Institute of Geoscientists. Mr Young is an employee of Vimy Resources. Mr Young consents to the inclusion, form and context of the relevant information herein as derived from the original Ore Reserve report. Mr Young has sufficient experience relevant to the style of mineralisation and type of deposit under consideration and to the activity which is being undertaken to qualify as a Competent Person as defined in the 2012 Edition of the JORC 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'.

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

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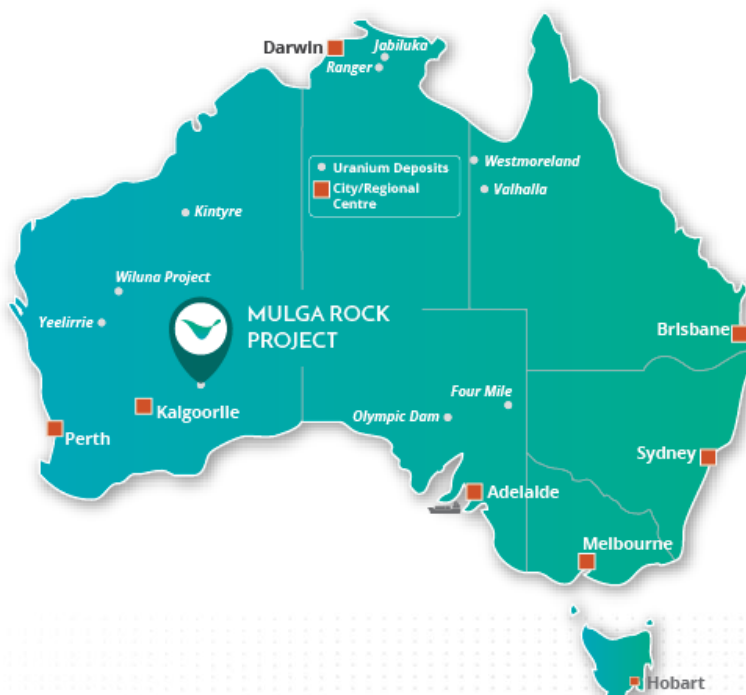
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JORC Code – Table 1 Mulga Rock Project – Ore Reserve Update

The Company has provided information for Sections 1 to 3 in announcements to the ASX dated 23 June 2016 and 8 November 2016. Section 4 of the JORC Table 1 is provided below. Only parameters updated from the Maiden Ore Reserve released to the ASX on 30 March 2016 have been stated in the Section 4 of the JORC Table 1 below.

Section 4 Estimation and Reporting of Ore Reserves

(Criteria listed in section 1, and where relevant in sections 2 and 3, also apply to this section.)

Criteria	JORC Code explanation	Commentary
Mineral Resource estimate for conversion to Ore Reserves	<ul style="list-style-type: none"> Description of the Mineral Resource estimate used as a basis for the conversion to an Ore Reserve. Clear statement as to whether the Mineral Resources are reported additional to, or inclusive of, the Ore Reserves. 	<ul style="list-style-type: none"> The Ambassador, Princess and Shogun Mineral Resource for the Mulga Rock Project form the basis of this Ore Reserve. The Shogun and Ambassador Mineral Resource models have been updated since the Maiden Ore Reserve estimate, the Princess Mineral Resource model is unchanged. The Ambassador Mineral Resource Model used for the Ore Reserve is that as used for the JORC 2012 Mineral Resource Release dated 23 June 2016. The Princess Mineral Resource Model used for the Ore Reserve is that as used for the JORC 2012 Mineral Resource Release dated 18 December 2014. The Shogun Mineral Resource Model used for the Ore Reserve is that as used for the JORC 2012 Mineral Resource Release dated 8 November 2016. The Mineral Resources are reported inclusive of the Ore Reserves.
Site visits	<ul style="list-style-type: none"> Comment on any site visits undertaken by the Competent Person and the outcome of those visits. If no site visits have been undertaken indicate why this is the case. 	<ul style="list-style-type: none"> Joel van Anen and Mike Young of Vimy (Competent Persons) have undertaken multiple site visits for review and inspection of project work associated with the Ore Reserve estimate including viewing drilling and sampling, bulk ore sampling, geotechnical investigation, environmental test work, metallurgical sample preparation, financing discussions and facilitating government approvals.
Study status	<ul style="list-style-type: none"> The type and level of study undertaken to enable Mineral Resources to be converted to Ore Reserves. The Code requires that a study to at least Pre-feasibility Study level has been undertaken to convert Mineral Resources to Ore Reserves. Such studies will have been carried out and will have determined a mine plan that is technically achievable and economically viable, and that material Modifying Factors have been considered. 	<ul style="list-style-type: none"> This Ore Reserve estimate is based on the existing Pre-Feasibility Study for the Mulga Rock Project (MRP), reported to the ASX on 17 November 2015, the Maiden Ore Reserve reported to the ASX on 30 March, 2016, and the ongoing Definitive Feasibility Study due for completion in the first quarter, CY2017. Financial modelling completed to support this Ore Reserve estimate is based on the PFS and updated parameters defined as part of the ongoing DFS. The Financial modelling shows that the project is economically viable at U₃O₈ metal prices supported by consensus long-term contract uranium price scenarios, Vimy first principles analysis of Life of Mine (LOM) U₃O₈ demand and based on the incentive price required for new production.

Criteria	JORC Code explanation	Commentary
Cut-off parameters	<ul style="list-style-type: none"> The basis of the cut-off grade(s) or quality parameters applied. 	<ul style="list-style-type: none"> The cut-off grade to determine ore tonnes is 150ppm U₃O₈, as per the Maiden Ore Reserve estimate released to the ASX on 30 March 2016.
Mining factors or assumptions	<ul style="list-style-type: none"> The method and assumptions used as reported in the Pre-feasibility or Feasibility Study to convert the Mineral Resource to an Ore Reserve (i.e. either by application of appropriate factors by optimisation or by preliminary or detailed design). The choice, nature and appropriateness of the selected mining method(s) and other mining parameters including associated design issues such as pre-strip, access, etc. The assumptions made regarding geotechnical parameters (e.g. pit slopes, stope sizes, etc), grade control and pre-production drilling. The manner in which Inferred Mineral Resources are utilised in mining studies and the sensitivity of the outcome to their inclusion. The major assumptions made and Mineral Resource model used for pit and stope optimisation (if appropriate). 	<ul style="list-style-type: none"> The proposed mining method remains unchanged from the Maiden Ore Reserve estimate released to the ASX on 30 March 2016. Vimy proposes to use large scale, open-pit, strip-mining methods using a combination of conventional truck and shovel and mechanised strip-mining systems. All processes are commonly used in coal mines world-wide. <p>Geotechnical Parameters</p> <ul style="list-style-type: none"> The Geotechnical assessment has been updated since the Maiden Reserve estimate. Pit slopes were defined by AMC and have been field tested via test trenches, diamond core drilling, and more recently two open cut test pits to assess the geotechnical quality and rheology of the overburden. Pit slopes have been updated since the Maiden Ore Reserve estimate. Overall Slope Angle (OSA) used in the Whittle optimisation varied by deposit, weathering zone and lithology, and range between 37 degrees and 65 degrees. Sensitivity analysis has shown the deposits are least sensitive to changes in OSA. This is due to the flat, shallow nature of the deposits resulting in a small perimeter to area ratio. <p>Mining schedule:</p> <ul style="list-style-type: none"> The mining schedule is based on a processing plant with a nameplate production capacity of 3Mlbs pa U₃O₈ oxide concentrate (UOC) and a maximum annual mining capacity of 57 Mtpa total material movements (ore and waste). The schedule is based on the diluted resource models (i.e. mining models). Due to the regularisation process of the Mineral Resource models, Indicated Resource material can be mixed with lower resource categories. This mixed Indicated material has not been allowed to be eligible for conversion to a Probable Reserve. There is no Proven Reserves because there is no Measured Resource category material in the Mineral Resource Models. Inferred Mineral Resource for the purpose of the Ore Reserve estimate is treated as waste within the mine production scheduling process and financial analysis. <p>The mine production schedule assumes effective operation of the mining fleet and is based on realistic utilisation estimates. The ore and waste handling methods remain unchanged to those used in the Maiden Ore Reserve estimate.</p>

Criteria	JORC Code explanation	Commentary																								
<p>Mining factors or assumptions</p>	<ul style="list-style-type: none"> <i>The infrastructure requirements of the selected mining methods.</i> <i>Any minimum mining widths used.</i> <i>The mining dilution factors used.</i> 	<p>Mining infrastructure:</p> <ul style="list-style-type: none"> There has been no material change to the infrastructure, to that presented in the Maiden Ore Reserve estimate. Details of the supporting infrastructure are in the PFS (AMEC), as announced on 17 November 2015. The proposed mining operation includes a number of overburden landforms, pit dewatering and process water holding dams, surface dewatering bores, light and heavy vehicle workshop facilities as well as technical (beneficiation and hydrometallurgical plants, power plant), accommodation, airstrip, and administration facilities. The following design considerations were applied to general pit design: <ul style="list-style-type: none"> A minimum mining width of 40 m. Internal temporary ramps will be used to haul material, as well as to access the deepest portions of the pits. The slope design parameters considered a dual haul road and common slope angles for all domains, with a single lane haul road designed to access the bottom levels of the pits. <p>Dilution, ore loss and recovery:</p> <ul style="list-style-type: none"> Modifying factors associated with mining dilution and ore loss were simulated by regularising the resource block model. The process combines smaller sub-blocks or divides larger parent blocks within the resource model to derive a predetermined SMU (Selective Mining Unit) of 10 m x 10 m x 0.5 m. The digging accuracy of the ore mining equipment to reflect the regularised 0.5m RL block height was determined through actual waste mining and ore digging operations conducted during the excavation of two test pits at the MRP during early 2016. The regularisation process incorporates ore loss and dilution at the edges of mineralisation. The selected SMU produced the following global results: <table border="1" data-bbox="1099 1098 2056 1337"> <thead> <tr> <th></th> <th>Ambassador</th> <th>Princess</th> <th>Shogun</th> </tr> </thead> <tbody> <tr> <td>Mining Dilution (tonnes)</td> <td>7.6%</td> <td>7.9%</td> <td>11.6%</td> </tr> <tr> <td>Ore Loss (tonnes)</td> <td>3.5%</td> <td>1.5%</td> <td>8.8%</td> </tr> <tr> <td>Ore Loss (U₃O₈ metal)</td> <td>1.7%</td> <td>0.8%</td> <td>3.8%</td> </tr> <tr> <td>Mining Recovery (tonnes)</td> <td>105.5%</td> <td>106.4%</td> <td>102.8%</td> </tr> <tr> <td>Mining Recovery (U₃O₈ metal)</td> <td>99.1%</td> <td>99.7%</td> <td>96.2%</td> </tr> </tbody> </table>		Ambassador	Princess	Shogun	Mining Dilution (tonnes)	7.6%	7.9%	11.6%	Ore Loss (tonnes)	3.5%	1.5%	8.8%	Ore Loss (U ₃ O ₈ metal)	1.7%	0.8%	3.8%	Mining Recovery (tonnes)	105.5%	106.4%	102.8%	Mining Recovery (U ₃ O ₈ metal)	99.1%	99.7%	96.2%
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<p>Mining factors or assumptions</p>		<ul style="list-style-type: none"> • Pit optimisations were carried out using Whittle Four-X pit optimisation software (Whittle). Whittle was also used to analyse the sensitivity of the resource models over variations of -30% to + 30% in 10% increments to the following parameters in order to define the effects on project ore tonnage, total tonnes mines and undiscounted cash flow. <ul style="list-style-type: none"> ○ Mining cost, ○ Uranium price, ○ Processing cost, ○ Plant recovery, ○ Ore loss and dilution ○ Pit slope wall angle, and ○ Foreign Exchange rate. • Appropriate service and supply infrastructure has been developed to support the selected mining method employed to support the Ore Reserve.
<p>Metallurgical factors or assumptions</p>	<ul style="list-style-type: none"> • <i>The metallurgical process proposed and the appropriateness of that process to the style of mineralisation.</i> • <i>Whether the metallurgical process is well-tested technology or novel in nature.</i> • <i>The nature, amount and representativeness of metallurgical test work undertaken, the nature of the metallurgical domaining applied and the corresponding metallurgical recovery factors applied.</i> • <i>The existence of any bulk sample or pilot scale test work and the degree to which such samples are considered representative of the orebody as a whole.</i> 	<ul style="list-style-type: none"> • Metallurgical process remains unchanged from the Maiden Ore Reserve estimate released to the ASX on 30 March 2016. • The metallurgical process selected for the Mulga Rock Project uses existing approaches commonly used in the uranium industry for the production of Uranium Oxide Concentrate (UOC). • Metal recoveries to those specified in the Maiden Ore Reserve estimate (30 March 2016) have been revised and are based on the preferred metallurgical process flowsheet as identified in the PFS released on 17 November 2015 and independently reviewed by AMEC Foster Wheeler. Metal recoveries are as stated; 85.3% for uranium 35.3% for copper, 48% for zinc, 42.5% for nickel and 37.7% for cobalt. The uranium is recovered independently of the base metals.

Criteria	JORC Code explanation	Commentary
	<ul style="list-style-type: none"> Any assumptions or allowances made for deleterious elements. 	<ul style="list-style-type: none"> Analysis of the UOC falls within sales specifications provided by the major uranium conversion facilities in use today. Therefore, no allowance is needed for deleterious elements. There have been no other material changes to any of the metallurgical factors or assumptions to that presented in the Maiden Ore Reserve estimate.
Environmental	<ul style="list-style-type: none"> The status of studies of potential environmental impacts of the mining and processing operation. Details of waste rock characterisation and the consideration of potential sites, status of design options considered and, where applicable, the status of approvals for process residue storage and waste dumps should be reported. 	<ul style="list-style-type: none"> Vimy's Public Environmental Review (PER) document (Mulga Rock Uranium Project; Assessment No.1979), was approved on 4 December 2015 for release for a twelve week public review period starting on 14 December 2015 and ending on 8 March 2016. The EPA recommended approval of the project on the 15 August 2016. The PER is now in the prescribed EPA appeals process, and final State and Federal Environment Ministerial approval is anticipated in Q4 CY2016. The EPA has approved preliminary works to be undertaken under section 41A(3) of the Environmental Protection Act. These preliminary works include; upgrading of the site access road to allow heavy equipment to access site for construction activities, and construction and development of the Kakarook North borefield which will supply sufficient water for when construction commences All other environmental aspects of the project remain as presented in the Maiden Ore Reserve estimate.
Infrastructure	<ul style="list-style-type: none"> The existence of appropriate infrastructure: availability of land for plant development, power, water, transportation (particularly for bulk commodities), labour, accommodation; or the ease with which the infrastructure can be provided, or accessed. 	<ul style="list-style-type: none"> There has been no change to infrastructure to that presented in the Maiden Ore Reserve estimate. Details of the project infrastructure required to support the development and operation of the project are within the PFS completed by AMEC Foster Wheeler, as announced on 17 November 2015.
Costs	<ul style="list-style-type: none"> The derivation of, or assumptions made, regarding projected capital costs in the study. 	<ul style="list-style-type: none"> All capital and operating cost parameters remain unchanged from the Maiden Ore Reserve estimate (30 March 2016) except for the following: <ul style="list-style-type: none"> Updated mining unit rates have been used for the first three (3) years of mining operations than those obtained in the PFS by AMEC Foster Wheeler. The rates are an all-inclusive Capex and Opex rate and have been obtained from DFS Pre-qualification Tender pricing submissions from mining contractors during the second quarter of 2016. The revised mining rates have been entered into the project financial model developed for the PFS (AMEC). The financial model has been updated for the purposes of evaluating the mine production schedule used for the Ore Reserve estimate. The use of these updated mining rates are supported by the project development timetable assumptions.

Criteria	JORC Code explanation	Commentary										
	<ul style="list-style-type: none"> The methodology used to estimate operating costs. 	<ul style="list-style-type: none"> There have been no other material changes to projected operating costs to that presented in the Maiden Ore Reserve estimate The operating cost estimate has an accuracy of $\pm 25\%$. 										
	<ul style="list-style-type: none"> Allowances made for the content of deleterious elements 	<ul style="list-style-type: none"> No allowance is made for deleterious elements since test work on UOC from Mulga Rock shows that the final UOC will meet converter specifications. 										
	<ul style="list-style-type: none"> The derivation of assumptions made of metal or commodity price(s), for the principal minerals and co-products. 	<ul style="list-style-type: none"> Financial modelling has used spot copper, zinc, nickel and cobalt prices on a flat, real LOM basis. The spot metal prices were based on the final market closing price quoted by the London Metal Exchange (LME) on 30 September 2016 (see table below). <table border="1" data-bbox="1108 571 2072 683"> <thead> <tr> <th>Basis</th> <th>Copper Price US\$/t</th> <th>Zinc Price US\$/t</th> <th>Nickel Price US\$/t</th> <th>Cobalt Price US\$/t</th> </tr> </thead> <tbody> <tr> <td>Real \$</td> <td>4,832</td> <td>2,378</td> <td>10,458</td> <td>27,625</td> </tr> </tbody> </table> Uranium price is based on a consensus incentive price estimated to stimulate development of new uranium projects sufficient to meet a range of market demand forecasts. Uranium prices utilised were reviewed by an independent party (See PFS Release 17 November 2015) for reasonableness against various published independent commentary, long run price forecasts and peer presentations. 	Basis	Copper Price US\$/t	Zinc Price US\$/t	Nickel Price US\$/t	Cobalt Price US\$/t	Real \$	4,832	2,378	10,458	27,625
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Real \$	4,832	2,378	10,458	27,625								
	<ul style="list-style-type: none"> The source of exchange rates used in the Study. 	<ul style="list-style-type: none"> Certain cost items are subject to foreign exchange rate fluctuation. The exchange rate used in the financial modelling for this Ore Reserve is A\$1.00 = US\$0.7019; the same exchange rate as used for the PFS as announced on 17 November 2015. 										
	<ul style="list-style-type: none"> Derivation of transportation charges. 	<ul style="list-style-type: none"> There has been no change to transportation charge assumptions and estimations to that presented in the Maiden Ore Reserve estimate. 										
	<ul style="list-style-type: none"> The basis for forecasting or source of treatment and refining charges, penalties for failure to meet specification, etc. 	<ul style="list-style-type: none"> The project will generate two separate base metal by-product sulphide concentrates (Cu-Zn and Ni-Co). Sale terms for these two by-products remain unchanged from the Maiden Ore Reserve estimate. 										
	<ul style="list-style-type: none"> The allowances made for royalties payable, both Government and private. 	<ul style="list-style-type: none"> Western Australia Royalty of 5% has been applied on gross revenues from uranium and mixed sulphide production. Resource Capital Finance Fund VI has secured a 1.15% royalty against all products produced by the project over the life of mine. 										

Criteria	JORC Code explanation	Commentary
Revenue factors	<ul style="list-style-type: none"> <i>The derivation of, or assumptions made regarding revenue factors including head grade, metal or commodity price(s) exchange rates, transportation and treatment charges, penalties, net smelter returns, etc.</i> <i>The derivation of assumptions made of metal or commodity price(s), for the principal metals, minerals and co-products.</i> 	<ul style="list-style-type: none"> A financial model was developed for the MRP PFS by AMEC incorporating all revenue factors that influence the project economics. This financial model has been updated with the mine production schedule outputs, and base metal prices for the purpose of supporting this Ore Reserve estimate. Other than those listed, there has been no other material changes to revenue factor assumptions to those presented in the Maiden Ore Reserve estimate.
Market assessment	<ul style="list-style-type: none"> <i>The demand, supply and stock situation for the particular commodity, consumption trends and factors likely to affect supply and demand into the future.</i> <i>A customer and competitor analysis along with the identification of likely market windows for the product.</i> <i>Price and volume forecasts and the basis for these forecasts.</i> <i>For industrial minerals the customer specification, testing and acceptance requirements prior to a supply contract.</i> 	<ul style="list-style-type: none"> The Uranium price expected to prevail in the long term contract market has not changed from the assumptions used in the Maiden Ore Reserve estimate.
Economic	<ul style="list-style-type: none"> <i>The inputs to the economic analysis to produce the net present value (NPV) in the study, the source and confidence of these economic inputs including estimated inflation, discount rate, etc.</i> <i>NPV ranges and sensitivity to variations in the significant assumptions and inputs.</i> 	<ul style="list-style-type: none"> Vimy performed an economic and financial review of the mine production schedule for this Ore Reserve estimate using a range of uranium price scenarios and spot base metal prices as described in the table sections above using the financial model developed for the MRP PFS by AMEC Foster Wheeler. Using these assumptions, the Probable Ore Reserve derived from the Indicated Resource within the mine production schedule Mineral Inventory supports the economic viability of the MRP in its own right. The NPV robustness is tested by carrying out a +/-20% sensitivity analysis of the major financial drivers. These sensitivity analyses demonstrate that the Ore Reserve delivers a positive NPV outcome. The details of the economic inputs are commercially sensitive and are not disclosed. There have been no material changes in the MRP economic and financial results as those presented in the Maiden Ore Reserve estimate which were underpinned by the full Mineral Inventory which supporting the economic and financial analysis component of the PFS by AMEC.

Criteria	JORC Code explanation	Commentary
Social	<ul style="list-style-type: none"> <i>The status of agreements with key stakeholders and matters leading to social licence to operate.</i> 	<ul style="list-style-type: none"> There has been no change to the social standings or agreements for the MRP to those presented in the Maiden Ore Reserve estimate.
Other	<ul style="list-style-type: none"> <i>To the extent relevant, the impact of the following on the project and/or on the estimation and classification of the Ore Reserves:</i> <ul style="list-style-type: none"> <i>Any identified material naturally occurring risks.</i> <i>The status of material legal agreements and marketing arrangements.</i> <i>The status of governmental agreements and approvals critical to the viability of the project, such as mineral tenement status, and government and statutory approvals. There must be reasonable grounds to expect that all necessary Government approvals will be received within the timeframes anticipated in the Pre-feasibility or Feasibility Study. Highlight and discuss the materiality of any unresolved matter that is dependent on a third party on which extraction of the reserve is contingent.</i> 	<ul style="list-style-type: none"> No material naturally occurring risks have been identified. Mining and power supply contract discussions are underway with service providers. Early engagement with energy utilities and banks for both offtake and finance have commenced. There are reasonable prospects to anticipate that commercially competitive contract terms, and financing arrangements will be achieved. A number of work programs continue as part of the DFS due for completion in Q1, CY2017. Project commissioning date is targeted for late CY2018. The EPA has approved preliminary works to be undertaken under Section 41A(3) of the Environmental Protection Act. These preliminary works include; upgrading of the main site access road to allow heavy equipment to access site for construction activities, and construction and development of the Kakarook North borefield which will supply sufficient water for when construction commences There are reasonable grounds to expect that all necessary Government approvals will be received within the timeframes required for project development targeted for commencement in Q2, 2017.
Classification	<ul style="list-style-type: none"> <i>The basis for the classification of the Ore Reserves into varying confidence categories.</i> <i>Whether the result appropriately reflects the Competent Person's view of the deposit.</i> <i>The proportion of Probable Ore Reserves that have been derived from Measured Mineral Resources (if any).</i> 	<ul style="list-style-type: none"> Ore Reserves reported here are all classified as Probable as they are derived from Indicated Mineral Resources in accordance with the JORC Code (2012). There is no Measured Mineral Resources present at the Mulga Rock Project and therefore no Proven Reserves can be determined. The results of the Ore Reserve estimate reflect the Competent Person's view of the deposit.
Audits or reviews	<ul style="list-style-type: none"> <i>The results of any audits or reviews of Ore Reserve estimates.</i> 	<ul style="list-style-type: none"> Contributing reports have been reviewed by appropriate technical personnel.

Criteria	JORC Code explanation	Commentary
<p>Discussion of relative accuracy/confidence</p>	<ul style="list-style-type: none"> • <i>Where appropriate a statement of the relative accuracy and confidence level in the Ore Reserve estimate using an approach or procedure deemed appropriate by the Competent Person. For example, the application of statistical or geostatistical procedures to quantify the relative accuracy of the reserve within stated confidence limits, or, if such an approach is not deemed appropriate, a qualitative discussion of the factors which could affect the relative accuracy and confidence of the estimate.</i> • <i>The statement should specify whether it relates to global or local estimates, and, if local, state the relevant tonnages, which should be relevant to technical and economic evaluation. Documentation should include assumptions made and the procedures used.</i> • <i>Accuracy and confidence discussions should extend to specific discussions of any applied Modifying Factors that may have a material impact on Ore Reserve viability, or for which there are remaining areas of uncertainty at the current study stage.</i> • <i>It is recognised that this may not be possible or appropriate in all circumstances. These statements of relative accuracy and confidence of the estimate should be compared with production data, where available.</i> 	<ul style="list-style-type: none"> • Reporting of the project Ore Reserve considers the Mineral Resources compliant with the JORC Code 2012 Edition, the conversion of these resources into an Ore Reserve, and the costed mining plan capable of delivering ore from a mine production schedule. • A PFS (AMEC) has been prepared at a level of accuracy of the order of $\pm 25\%$ and the mining modifying factors are at a level of confidence that would allow an Ore Reserve to be estimated in accordance with the JORC Code 2012. • Dilution of the Mineral Resource model and an allowance for ore loss was included in the Ore Reserve estimate. All the Mineral Resources intersected by the open pit mine designs classified as Indicated Resource has been converted to Probable Ore Reserves after consideration of all mining, metallurgical, social, environmental, statutory and financial aspects of the Project.