ASX Announcement

4 September 2017

Major Ore Reserve Update
"Moving to the go line"

Key highlights

- **Ore Reserves now at 42.3Mlbs U_3O_8 from 22.7Mt at 845ppm U_3O_8**
- **Maiden Proved Ore Reserve of 12.3Mlbs from 5.3Mt at 1,055ppm U_3O_8**
- **Ore Reserve metal increases 36% from last update in November 2016**
- **Vimy expects material improvements in project economics**

Vimy Resources Limited (ASX:VMY) (**Vimy**) is pleased to announce a major Ore Reserve update comprising **22.7Mt at 845ppm U_3O_8** for a total metal content of **42.3Mlb (19,185t) of U_3O_8** at its 100% owned Mulga Rock Project.

This Ore Reserve is derived from Mineral Resources of 71.2Mt at 570ppm for total contained metal content of 90.1Mlbs U_3O_8, as reported to the ASX on 12 July 2017.

Mining Plus Pty. Ltd. (**Mining Plus**) provided an independent review of the optimised pit designs for Ambassador, Princess and Shogun using parameters defined in the Ore Reserve update (*ASX announcement 16 November 2016*) as well as updated mining and processing costs from Definitive Feasibility Study (**DFS**) work completed to-date. The DFS will be completed and released to the market in the December quarter.

The optimised pit designs are based on the entire Mineral Resource. Vimy is satisfied that the proportion of Inferred Mineral Resource is not the determining factor in project viability, and the Inferred Mineral Resource does not feature as a significant proportion early in the mine plan.

The contained metal within the optimised pit designs for Princess, Ambassador and Shogun consist of 85% Ore Reserves and more than 90% Ore Reserves in the first ten years of production. In addition to the Ore Reserves, there is 7.3Mlbs from 6.5Mt at 505ppm U_3O_8 of inferred resource inside the optimised pit designs. The Emperor pit forms part of the ongoing DFS, but does not contain any Ore Reserves as it currently comprises only Inferred Resources.

Vimy's CEO, Mike Young, commented: *"This Ore Reserve update demonstrates the Mulga Rock Project is one of the best near-term, long-life global uranium projects in the world today. It is a great tribute to our Team at Vimy that we keep delivering on our promises; these ore reserves, including three years of Proved reserves provide sufficient surety to fund the project.*

"I have always said, Vimy is a compelling investment case in any uranium market, and therefore provides maximum leverage to the uranium price.

"The 'go line' is well and truly in sight".

Mulga Rock Project Reserves

U_3O_8

Over 10 Years of Reserves

Ore Reserve

METAL UP 36%

GRADE UP 12%

STATE & FEDERAL MINISTERIAL APPROVALS

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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 12 July 2017. The modifying factors for this Ore Reserve update are based on the results of on-going work as part of the DFS currently nearing completion, and the previous Ore Reserve update released to the ASX on 16 November 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 and confidence of the ore body continuity, and the proposed mining methods. The modifying factors used to derive this estimate are 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:

- Mineral Resource updates to Princess, Ambassador and Shogun released on 12 July 2016
- Updated pit optimisations and sensitivity analysis
- Updated pit designs
- Updated mine production schedule
- Mining unit rates derived by Mining Plus for the DFS
- Metallurgical recoveries supported by continuous piloting undertaken as part of the DFS
- Processing costs derived by GR Engineering as part of ongoing work for the DFS.

Table 1: Mulga Rock Project Ore Reserve, August 2017

Deposit / Resource	Classification	Cut-off Grade (ppm U_3O_8)	Tonnes (Mt)[1,2]	U_3O_8 (ppm)[3]	U_3O_8 (Mlbs)[4]
Mulga Rock East					
Ambassador	Proved	150	5.3	1,055	12.3
Ambassador	Probable	150	14.1	775	24.0
Princess	Probable	150	1.7	870	3.3
Sub-Total			**21.1**	**850**	**39.6**
Mulga Rock West					
Shogun	Probable	150	1.6	760	2.7
Sub-Total			**1.6**	**760**	**2.7**
Total Reserves			**22.7**	**845**	**42.3**

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 U_3O_8 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, July 2017 [1, 2]

Deposit / Resource	Classification	Cut-off Grade (ppm U_3O_8)	Tonnes (Mt)[1]	U_3O_8 (ppm)[2]	U_3O_8 (Mlbs)
Mulga Rock East					
Ambassador	Measured	150	5.2	1,100	12.6
Ambassador	Indicated	150	14.8	800	26.0
Ambassador	Inferred	150	14.2	420	13.1
Princess	Indicated	150	2.0	820	3.6
Princess	Inferred	150	1.3	420	1.2
Sub-Total			**37.4**	**680**	**56.4**
Mulga Rock West					
Emperor	Inferred	150	30.8	440	29.8
Shogun	Indicated	150	2.2	680	3.2
Shogun	Inferred	150	0.9	290	0.6
Sub-Total			**33.8**	**450**	**33.6**
Total Resource			**71.2**	**570**	**90.1**

1. t = metric dry tonnes; Appropriate rounding has been applied, and rounding errors may occur.
2. Using cut combined U_3O_8 composites (combined chemical and radiometric grades).

The information in Table 2 above is extracted from ASX announcement entitled "*Significant Resource Update – Mulga Rock Cracks 90Mlbs*" released on 12 July 2017 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.

The mining cost estimates used for this Ore Reserve have been developed by Mining Plus. Equipment vendors, mining contractors, and other mining service providers have submitted cost estimates used to develop the current DFS mining cost models built from first principles to meet the mine production schedule. All cost submissions have been validated to the end Q1 CY2018. Other project costs have been updated during ongoing DFS work. All updated costs have been used for this Ore Reserve estimate.

Detailed mine planning and scheduling was completed using the optimised pit designs and was independently reviewed by Mining Plus. For planning and design purposes, the optimised pits and subsequent pit designs are derived using all available Mineral Resources, including Inferred material. The material in Inferred Resource does not contribute materially to the first 10 years of the mine schedule as ore to be mined between Years 1 to 10 comprises over 90% Ore Reserves. Overall, the optimised pit designs for Princess, Ambassador and Shogun contain 85% of Proved and Probable Ore Reserves. There was a 98% conversion of Measured resources into Proved Ore Reserves, and 91% conversion of Indicated material into Probable Ore Reserves.

The mining schedule anticipates mining the northern satellite pit at Ambassador first to create a sterilised void for an in-pit tailings disposal facility at commencement of operations. Sequencing of the remaining pits is dependent on uranium grade, mining methodology and equipment utilisation. There is sufficient mineral inventory within the Ore Reserve pit designs to support 13 years of operation. However, this release does not include ongoing DFS work at Emperor and therefore, the ultimate mine life is expected to be more than this.

Figures 1 and 2 show the optimised pit designs for the Ambassador, Princess and Shogun, and demonstrate the predominance of the Ore Reserve within the pit designs.

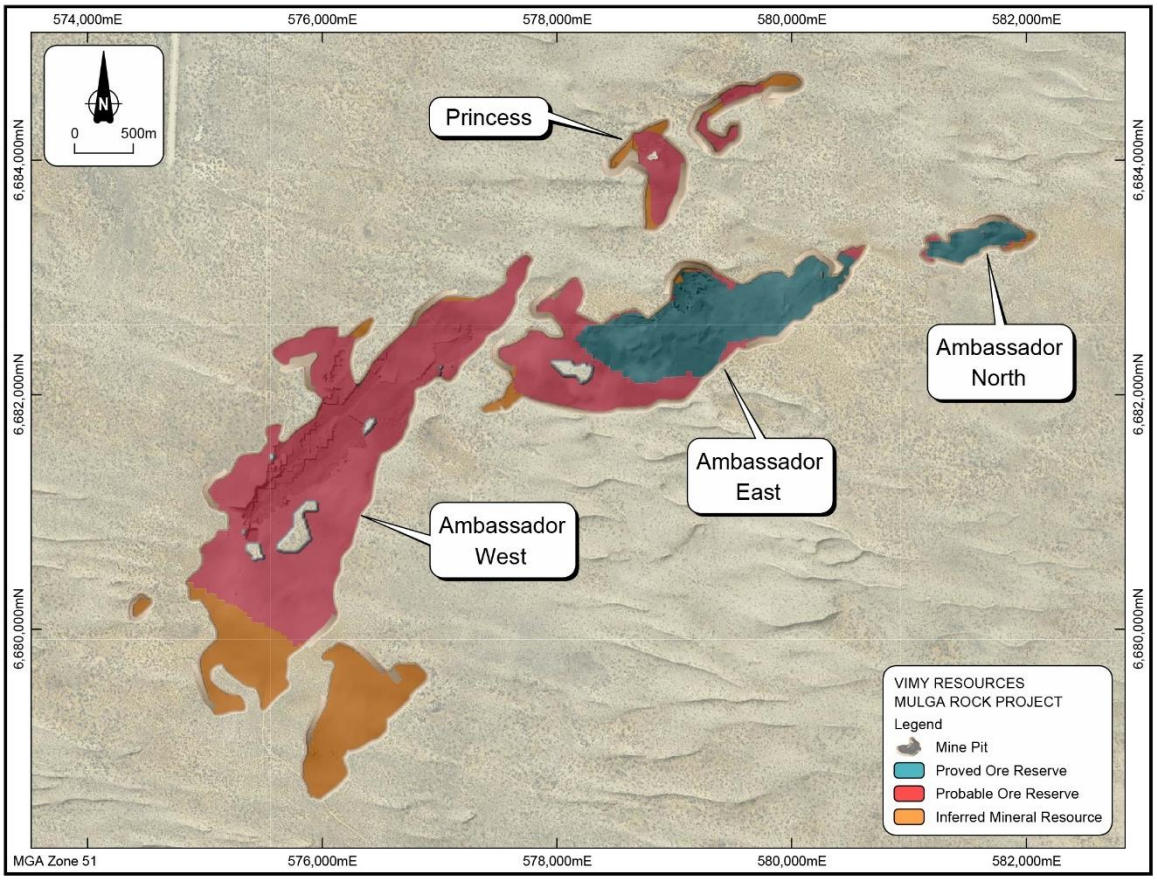

Figure 1: Plan view of the Ambassador and Princess Optimised Pit Designs and Ore Reserve classification

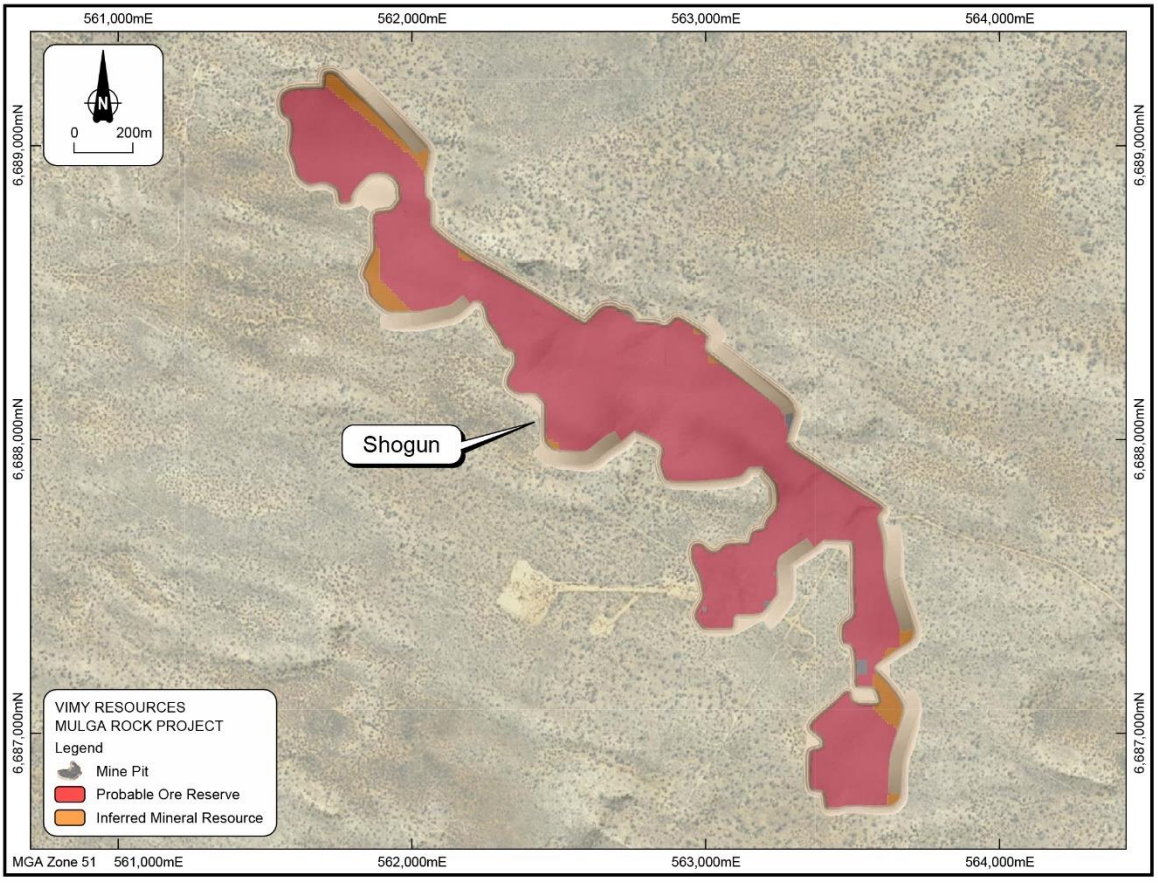

Figure 2: Plan view of Optimised Pit Design for the Shogun Ore Reserve

Uranium Price Sensitivity

The pit shells used to derive the optimised pit designs for the Ore Reserve estimate remained economic under a broad range of uranium prices both at current Term prices and expected future incentive prices. For example, the weighted average price of Term contracts for uranium purchased by owners and operators of US civilian nuclear power reactors in 2016 was US$46.11/lb U_3O_8 equivalent and therefore Vimy considers that the pit design price ranges are appropriate.

This Ore Reserve update is based on optimised pit shells derived at US$55/lb U_3O_8. This compares to the previous Ore Reserve update (November 2016) which was based on optimised pit shells derived at US$75/lb U_3O_8. Despite a US$20/lb reduction in the uranium price, the Ore Reserve has increased by 36% in contained metal and is a direct result of the significant mineral resource update announced last month (July 2017). This highlights the relative insensitivity that the Mulga Rock Project has to the uranium price.

Figure 3 shows the pit shells for Princess and Ambassador for a range of uranium prices between US$45 to US$65/lb U_3O_8. The optimised pit designs are economically robust with only 7% of the Ore Reserve laying outside the optimised pit designs at a uranium contract price of US$45/lb U_3O_8. There is virtually no change to the width or depth of the Ambassador pit between US$45 to US$65/lb U_3O_8. At lower uranium prices the southern end of Ambassador becomes less economic due to increasing overburden depth. This is important for the Mulga Rock Project as the mine design will not change to any great extent irrespective of uranium contract price above US$45/lb.

The Ore Reserve remains cashflow positive above a uranium price of US$25/lb U_3O_8.

The optimised pit designs which form this Ore Reserve are the basis of the mine design for the DFS. This work includes all material including inferred resources, and all pits including those reported here and the Emperor pit, which is made up entirely of Inferred Resources.

GR Engineering Services is the lead DFS engineering consultant and is on track to complete the DFS in early Q4 CY2017.

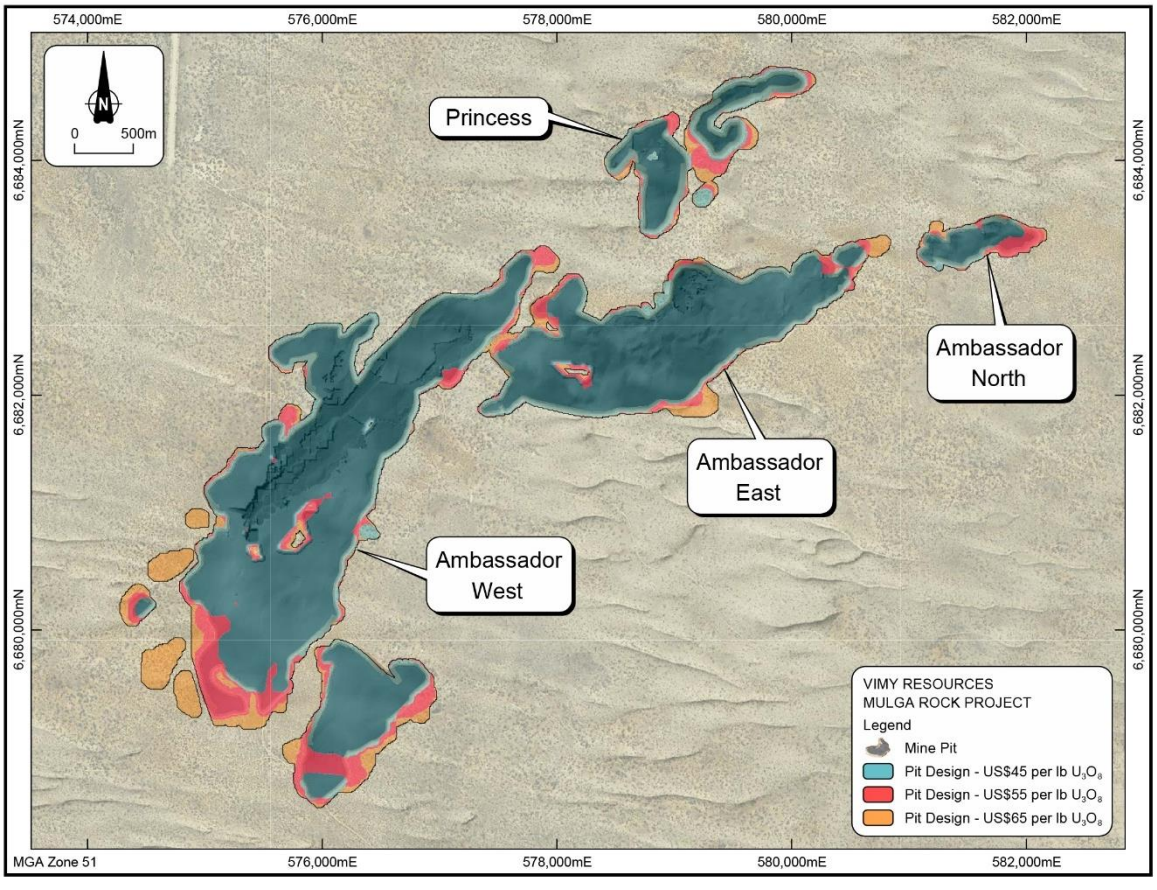

Figure 3: Change in pit shell boundary with varying long term uranium price

Mike Young
Managing Director and CEO

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4 September 2017

The information in this announcement that relates to the Exploration Results for the Mulga Rock Resource Estimate (U_3O_8), are based on information compiled by Xavier Moreau, who is a Member of the Australian Institute of Geoscientists. Mr Moreau is a full-time employee of Vimy Resources. Mr Moreau 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 Competent Persons as defined in the 2012 Edition of the JORC 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Moreau consents to the inclusion in the announcement of the matters based on his information in the form and context in which it appears.

The information in this announcement that relates to operating costs and estimation of the Mulga Rock Ore Reserves is based on information compiled by Andrew Hutson, who is a Member of the Australasian Institute of Mining and Metallurgy. Mr Hutson is an employee of Mining Plus. Mr Hutson consents to the inclusion, form and context of the relevant information herein as derived from the original Ore Reserve report. Mr Hutson 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 resource optimisation, mining methodology, mine schedule and infrastructure 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'.

About Vimy Resources

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 comprises 90.1Mlbs of U_3O_8 and will be a long-life mine with low costs and a low risk mining and metallurgical process. 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 power plants 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.

Directors and Management

The Hon. Cheryl Edwardes AM
Chairman

Mike Young
CEO and Managing Director

Julian Tapp
Executive Director

David Cornell
Non-Executive Director

Mal James
Non-Executive Director

Andy Haslam
Non-Executive Director

Ron Chamberlain
Chief Financial Officer and Company Secretary

Tony Chamberlain
Chief Operating Officer

Xavier Moreau
General Manager, Geology and Exploration

For a comprehensive view of information that has been lodged on the ASX online lodgement system and the Company website please visit **asx.com.au** and **vimyresources.com.au** respectively.

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THE MULGA ROCK PROJECT CONTAINS A RESOURCE OF

90.1 Mlb

U_3O_8

The creation of approximately
490 new jobs
IN WESTERN AUSTRALIA

Royalty and payroll tax payments of around
A$19m
PER YEAR TO THE STATE GOVERNMENT

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

CO_2

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STATE & FEDERAL MINISTERIAL APPROVALS

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 12 July 2017. Section 4 of the JORC Table 1 is provided below. Only parameters updated from the Ore Reserve Update released to the ASX on 16 November 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	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.	The Ambassador, Princess and Shogun Mineral Resource was provided to the ASX on 12 July 2017 for the Mulga Rock Project and forms the basis of this Ore Reserve. The Mineral Resource update was reported in accordance with the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves, (JORC Code 2012) and validated by AMC Consultants. The Mineral Resources are inclusive of the Ore Reserves.
Site visits	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.	Joel van Anen of Vimy (Competent Person) has 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. Andrew Hutson of Mining Plus (Competent Person) visited the site between 30 November 2016 and 1 December 2016. During this inspection all deposits were visited, along with the trial test pits at Ambassador East and West. The drill core, air-core cuttings, radiometric readings plus overburden materials were all viewed and examined from a mining perspective.
Study status	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.	The maiden Ore Reserve estimate was based on the existing Pre-Feasibility Study (PFS) for the Mulga Rock Project (MRP), reported to the ASX on 17 November 2015. The Ore Reserve update reported to the ASX on 16 November 2016 was based on data from PFS and updated data from the Definitive Feasibility Study (DFS) due for completion in the last 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 Ore Reserve is economically viable at U_3O_8 metal prices supported by consensus long-term contract uranium price scenarios in the range of US$50-65/lb U_3O_8. The Ore Reserve remains cashflow positive above a uranium price of US$25/lb U_3O_8. It should be noted the economic analysis does not include revenue from the Inferred resource. There is an additional 15% contained metal as Inferred resources within the Ore Reserve pit designs, which has been assigned zero revenue for the purpose of this Ore Reserve estimate.
Cut-off parameters	The basis of the cut-off grade(s) or quality parameters applied.	The cut-off grade to determine ore tonnes is 150ppm U_3O_8, as per the Maiden Ore Reserve estimate released to the ASX on 30 March 2016.

Criteria	JORC Code explanation	Commentary
Mining factors or assumptions	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). The infrastructure requirements of the selected mining methods The mining dilution factors used. Any minimum mining widths used.	The proposed mining method has not materially changed from the Ore Reserve estimate released to the ASX on 16 November 2016. Vimy proposes to use large scale, open-pit, strip-mining methods utilising conventional truck and shovel fleets. All mining methods proposed are common to open-pit coal mines world-wide and low risk. **Geotechnical parameters:** The geotechnical assessment has not changed to that presented in the Ore Reserve estimate released to the ASX on 16 November 2016. **Mining schedule:** The mining schedule is based on a processing plant with a nameplate production capacity of 3.5Mlbs pa uranium oxide concentrate (UOC) and a maximum annual mining capacity of 54Mtpa total material movements (ore and waste). The schedule is based on the diluted resource models (i.e. mining models). Resource classifications use a majority basis for regularisation process classification outcomes. This is driven by analysis of mixed Measured, mixed Indicated, and mixed Inferred results. The mixed classifications are primarily influenced by unclassified but proximal waste immediately above and below ore zones (including interburden); mixed classifications due to ore classification boundaries are less than 1% of the total. Only Proved and Probable Ore Reserves are used as ore within the mine production schedule and financial modelling. Inferred Mineral Resource for the purpose of the Ore Reserve estimate is treated as waste which has been economically carried by the Ore. 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. **Mining infrastructure:** There has been no material change to the infrastructure, to that presented in the Maiden Ore Reserve estimate and Ore Reserve update released to the ASX on 16 November 2016. Details of the supporting infrastructure are in the PFS (AMEC Foster Wheeler), as announced on 17 November 2015. The following design considerations were applied to general pit design: • a minimum mining width of 40m • 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.

Criteria	JORC Code explanation	Commentary
		Dilution, ore loss and recovery: Modifying factors associated with mining dilution and ore loss have not changed from that presented in the Ore Reserve update released to the ASX on 16 November 2016. The regularisation process of the updated Mineral Resource models has produced the following global results:

Deposit	Resource	Ore Tonnes (000's dry basis)	U_3O_8 Grade (ppm)	% Dilution/ Ore Loss (Tonnes)
Princess	Undiluted Resource	3,290	660	-
	Ore Loss (OL)	65	260	2.0%
	Dilution (D)	299	0	9.1%
	Diluted Model (Undiluted – OL +D)	3,524	610	-
Ambassador	Undiluted Resource	39,768	635	-
	Ore Loss	1,035	260	2.6%
	Dilution	4,675	0	11.8%
	Diluted Model (Undiluted – OL +D)	43,407	575	-
Shogun	Undiluted Resource	3,033	570	-
	Ore Loss	265	245	8.7%
	Dilution	342	0	11.3%
	Diluted Model (Undiluted – OL +D)	3,110	535	-

Pit optimisations were carried out using MineSight Economic Planner (MSEP) software. MSEP 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 mined, contained metal and undiscounted cash flow;

- Mining cost
- Uranium price
- Processing cost
- Plant recovery
- Ore loss and dilution
- Pit slope wall angle
- Foreign Exchange rate

Criteria	JORC Code explanation	Commentary
Metallurgical factors or assumptions	The metallurgical process proposed and the appropriateness of that process to the style of mineralisation. Whether the metallurgical process is well-tested technology or novel in nature. The nature, amount and representativeness of metallurgical test work undertaken, the nature of the metallurgical domaining applied and the corresponding metallurgical recovery factors applied 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. Any assumptions or allowances made for deleterious elements.	There have been no material changes to the Metallurgical process from the Maiden Ore Reserve estimate released to the ASX on 30 March 2016. The detail and confidence in the Metallurgical process has increased as ongoing DFS work is undertaken. 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 Ore Reserve update released to the ASX on 16 November 2016 have been revised based on continuous pilot plant results undertaken as part of DFS. Base metals have not been included in this Ore Reserve estimate in any form. This Ore Reserve estimate and all work supporting the modifying factors is based only on the production of UOC. The uranium metal recovery used is 87.1%. Vimy's UOC product has been certified by all three commercial uranium converters (ConverDyn, Areva and Cameco). Analysis of the UOC falls within sales specifications provided by the major uranium conversion facilities. Therefore, no allowance is made for deleterious elements.
Environmental	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.	Vimy received State Environmental Approval on 16th December 2016, and Federal Environmental Approval on 2nd March 2017. These approvals along with granted Mining Leases (ML39/1104 and ML39/1105) cover all the primary project approvals required for the project to be developed. All other environmental aspects of the project remain as presented in the Maiden Ore Reserve estimate.
Infrastructure	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.	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, and announced on 17 November 2015. The detail and confidence in the Infrastructure requirements for the project has increased as ongoing DFS work is undertaken.

Criteria	JORC Code explanation	Commentary
Costs	The derivation of, or assumptions made, regarding projected capital costs in the study. The methodology used to estimate operating costs Allowances made for the content of deleterious elements The derivation of assumptions made of metal or commodity price(s), for the principal minerals and co-products. The source of exchange rates used in the Study Derivation of transportation charges The basis for forecasting or source of treatment and refining charges, penalties for failure to meet specification, etc The allowances made for royalties payable, both Government and private	All capital and operating cost parameters have not materially changed from the PFS released on 17 November 2015 and the Maiden Ore Reserve estimate (30 March 2016). However, cost estimates have continued to be developed through the ongoing DFS work with cost models updated for this Ore Reserve where more accurate information is available. The mining cost estimates have been developed by Mining Plus. Equipment vendors, Mining Contractors, and other mining service providers have submitted cost estimates used to develop the current DFS mining cost models built from first principles to meet the mine production schedule. All cost submissions have been validated to the end Q1, CY2018. Other project costs have also been updated during the course of the ongoing DFS study. All updated costs used for this Ore Reserve estimate have not materially changed from the PFS. The financial model has been updated with the all revised capital and operating costs for the project currently estimated through ongoing DFS work for the purposes of evaluating the mine production schedule used for this Ore Reserve estimate. The operating cost estimate has an accuracy of ±10%. No allowance is made for deleterious elements since test work on UOC from Mulga Rock Project shows that the final UOC will meet uranium conversion facilities' specifications Base Metals production has not been included in this Ore Reserve estimate as Base Metal production is not economical at this time. Therefore, all associated costs and revenue from base metals production is omitted from financial analysis. Uranium price is based on both current Term Pricing in the USA, and the consensus incentive price estimated to stimulate development of new uranium projects sufficient to meet a range of market demand forecasts. The Ore Reserve is shown to be financial viable for long term contract prices in the range of US$50-65/lb U_3O_8. The Ore Reserve remains cashflow positive above a uranium price of US$25/lb U3O8, excluding revenue generated from the Inferred Mineral Resource. 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$0.7203. This exchange rate has been assumed for current DFS work being undertaken, and is supported by longer-term foreign exchange rate forecasts that fit with the current Mulga Rock Project development and UOC sales timeframe. All transportation charges have been updated and have been included in the Financial analysis for this Ore Reserve estimate. The transportation requirements for the project including final product remain unchanged from the Maiden Ore Reserve estimate. Western Australia Royalty of 5% has been applied 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	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. The derivation of assumptions made of metal or commodity price(s), for the principal metals, minerals and co-products.	A financial model was developed for the Mulga Rock Project PFS by AMEC Foster Wheeler incorporating all revenue factors that influence the project economics. The financial model has been updated with the all revised capital and operating costs for the project currently estimated through ongoing DFS work for the purposes of evaluating the mine production schedule used for this Ore Reserve estimate.
Market assessment	The demand, supply and stock situation for the particular commodity, consumption trends and factors likely to affect supply and demand into the future. A customer and competitor analysis along with the identification of likely market windows for the product Price and volume forecasts and the basis for these forecasts. For industrial minerals the customer specification, testing and acceptance requirements prior to a supply contract	The long term contract uranium price assumed for the Maiden Ore Reserve was US$75/lb U_3O_8. This has been decreased to the mid case incentive price of US$55/lb U_3O_8 for this Ore Reserve update. Uranium ore concentrate (UOC) is predominantly sold under long term contracts between the primary producers and end-users (power utilities). Utilities use the spot market very sparingly as part of stock management, but less than 10% of uranium used by utilities is sourced via the spot market. During 2016, US Utilities bought Uranium from foreign sellers at an average of US$46/lb U_3O_8 up to a maximum of US$76/lb U_3O_8. The Spot Market is driven by opportunistic arbitrage traders who buy small consignments of uranium in all parts of the fuel cycle then amass enough to sell into 'term' contracts at a much higher price. Furthermore, the volumes in the spot market are very small and much of the reported sales is multiple churn sales between traders, such that the same parcel of physical uranium can be sold several times in a year, with each trade recorded as a separate transaction thus skewing the data. As almost all term contracts are not disclosed, the Spot Market is the only visible market but it is NOT a clearing house market such that operates in almost every other commodity. However, owing to contract restrictions, some term contracts are linked to the spot price. End-user demand for uranium ore concentrate (UOC) continues to exceed primary production. Currently, the shortfall is made up by secondary supply mostly from underfeeding of feedstock during the enrichment process. However, the primary production-demand gap is expected to widen in the near future as demand grows due to new nuclear reactor builds, which are at a 25 year high, and upgrades to existing reactors that will outstrip actual and purported, but not yet enacted, reactor closures. Growth of reactor builds is predominantly in China and other non-OECD countries where more reactors are under construction than at any time in the last 25 years. Currently, there are 58 reactors (63 GWe) under construction, with a further 162 (168GWe) on order or planned. While demand continues to grow, primary supplies are expected to decline, particularly in the short term as Kazakhstan and Cameco scale back production while UOC prices remain below the cost of sustaining existing levels of production. Longer term primary supplies are at risk as

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		well as continued low spot prices have a negative effect on sentiment and therefore investment in new mines. Utilities buy uranium with three drivers which are, in order of importance, security of supply, diversity of supply, and less importantly, price. Owing to the disconnect between prices expected by utilities and the actual marginal cost of uranium production of over US$50/lb U_3O_8 (See AISC Curve, page 8, Vimy's ASX Release "Investor Presentation" 12 July 2017), there has been a growing situation where *utilities are failing to secure long term contracts*. This curve does not account for Return of Equity and so the sustainable price of uranium to support current production is more likely to be US$65/lb. At present, only 8% of uranium bought by utilities in the US are not covered by LT contracts, however the uncovered positions rapidly escalate to 78% by 2022. The result is that in the next few years, there will be a 'rushed panic' to securing uranium. To meet the increased demand, most of the proposed mines will require a uranium price in excess of $US60/lb and the long-term contract price of uranium will need to increase accordingly. However, Vimy is utilising a long term contract price assumption of US$55/lb in evaluating the Ore Reserve which we believe to be conservative. Vimy's strategy has been formed in partnership with its advisor bank, Société Genéralé. Vimy will secure sufficient long term contracts at a price which will support financing of the project. Furthermore, it is Vimy's opinion that these contracts are likely to be written within the time frame contemplated by this reserve, at prices between US$55 and US$65. Furthermore, Vimy's expected level of production of 3.5Mlbs pa is not significant compared to global aggregate demand of more than 175Mlbs pa.
Economic	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. NPV ranges and sensitivity to variations in the significant assumptions and inputs.	Vimy performed an economic and financial review of the mine production schedule for this Ore Reserve estimate using a range of uranium price scenarios as described in the table sections above using the financial model developed for the Mulga Rock Project PFS by AMEC. Using these assumptions, the Proved and Probable Ore Reserve derived from the Measured and Indicated resources within the mine production schedule supports the economic viability of the Mulga Rock Project 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 are no material changes in the Mulga Rock Project economic and financial results as those presented in the Maiden Ore Reserve estimate that was underpinned by the full Mineral Inventory which supports the economic and financial analysis component of the PFS by AMEC.

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Social	The status of agreements with key stakeholders and matters leading to social licence to operate.	There has been no change to the social standings or agreements for the Mulga Rock Project to those presented in the Maiden Ore Reserve estimate.
Other	To the extent relevant, the impact of the following on the project and/or on the estimation and classification of the Ore Reserves: Any identified material naturally occurring risks. The status of material legal agreements and marketing arrangements. 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.	No material naturally occurring risks have been identified. Pre-qualification tenders for mining and power supply service providers have been completed. Early engagement with nuclear 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 Q4, CY2017. Project commissioning date is targeted for late CY2019. Vimy received State Environmental Approval on 16th December 2016, and Federal Environmental Approval on 2 March 2017. These approvals along with granted Mining Leases cover all the primary project approvals required for the project. There are very reasonable grounds to expect that all necessary Government secondary project approvals will be received within the timeframes required for commencement of construction in second half of CY2018 *(See release to the ASX "WA Government confirms Mulga Rock to proceed", 20 June 2017)*
Classification	The basis for the classification of the Ore Reserves into varying confidence categories. Whether the result appropriately reflects the Competent Person's view of the deposit The proportion of Probable Ore Reserves that have been derived from Measured Mineral Resources (if any).	Ore Reserves reported here are classified as both Proved and Probable as they are derived from Measured and Indicated Mineral Resources in accordance with the JORC Code (2012). 100% of the Measured Resource inside the Ambassador pit designs used to derive the Proved Ore Reserve is within the US$45/lb optimised pit shell. Long-term uranium contract prices for delivery in 2020 are currently at or above this uranium price. The optimised Ambassador Resource is cashflow positive at the current uranium mid-term price indicator released by TradeTech on 25 August 2017. TradeTech is a leading independent provider of uranium prices, nuclear fuel market information and supply/demand analysis. The majority of global uranium production is sold under long term contracts. Pricing and terms of these contracts remain confidential between the suppliers and end users (nuclear utilities), and are not available within the public domain. The Ambassador optimised pit shell is insensitive to changing economic parameters and other modifying factors discussed in this table, the full conversion of the Measured Resource to Proved Ore Reserve is suitable. The results of the Ore Reserve estimate reflect the Competent Person's view of the deposit.
Audits or reviews	The results of any audits or reviews of Ore Reserve estimates.	Contributing reports have been reviewed by appropriate technical personnel.

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Discussion of relative accuracy/ confidence	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. 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 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 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.	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 Reserves, and • the costed mining plan capable of delivering ore from a mine production schedule A PFS (AMEC) was prepared at a level of accuracy of the order of ±25%. With the amount of work completed so far for the DFS, the level of accuracy for the project including the modifying factors used, are now at a higher level of confidence than the PFS. This allows 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 Measured and Indicated Resource has been converted to Proved and Probable Ore Reserves after consideration of all mining, metallurgical, social, environmental, statutory and financial aspects of the Project. Two major test pits were excavated at Ambassador East and Ambassador West in Q1 CY2016. Ore samples extracted from the test pits increases the overall level of confidence in both the Mineral Resource estimate and the modifying factors applied to arrive at an Ore Reserve estimate, especially the geotechnical parameters and metallurgical factors from subsequent work completed as part of the DFS.