



ASX Announcement

18 July 2019



Alligator River Project drilling to commence Successful application to 2019/20 JMEI

Highlights:

- Drilling to commence at the Alligator River Project, Northern Territory in July 2019
- The NT Government to contribute 50% of drilling costs under its *Resourcing the Territory Initiative*
- Successful allocation of \$715,000 exploration credits under the Federal Government's Junior Minerals Exploration Incentive (JMEI) scheme

Vimy Resources Limited (ASX: VMY) ("Vimy" or "the Company") is pleased to announce that drilling is about to commence at its Such Wow prospect, part of the Wellington Range-King River Joint Venture (78% Vimy Resources, 22% Rio Tinto Exploration Pty Limited).

The two diamond drill holes, drilled from surface, will test prospective targets identified at Such Wow, with drilling expected to take ten to fourteen days.

The Company recently received collaborative funding of up to \$87,900 towards this drilling program under the Northern Territory Government's *Resourcing the Territory Initiative*. The grants will provide co-funding of 50% towards direct drilling costs for two diamond holes at the Such Wow prospect.

The Company recently awarded the drilling contract to DDH1 Drilling, with the rig expected on site around 23 July.

The Alligator River Project is the largest granted and largely untested tenement package in the Alligator River Uranium Province, one of the top three uranium districts in the world. A maiden mineral resource and a strong scoping study were completed and released in 2018, in parallel with a successful first drilling program and surface work programs.

Vimy Resources CEO Mike Young said, "We are excited to be drilling again at the Such Wow prospect. The broad-spaced 2018 reverse circulation program provided some excellent targets, and surface work programs carried out at the prospect this field season have only reinforced its potential.

"One highlight of our work this year has been the increased level of engagement and employment of local Traditional Owners, something we're very keen to progress further.

"We're looking forward to building on that program, with further updates to come."



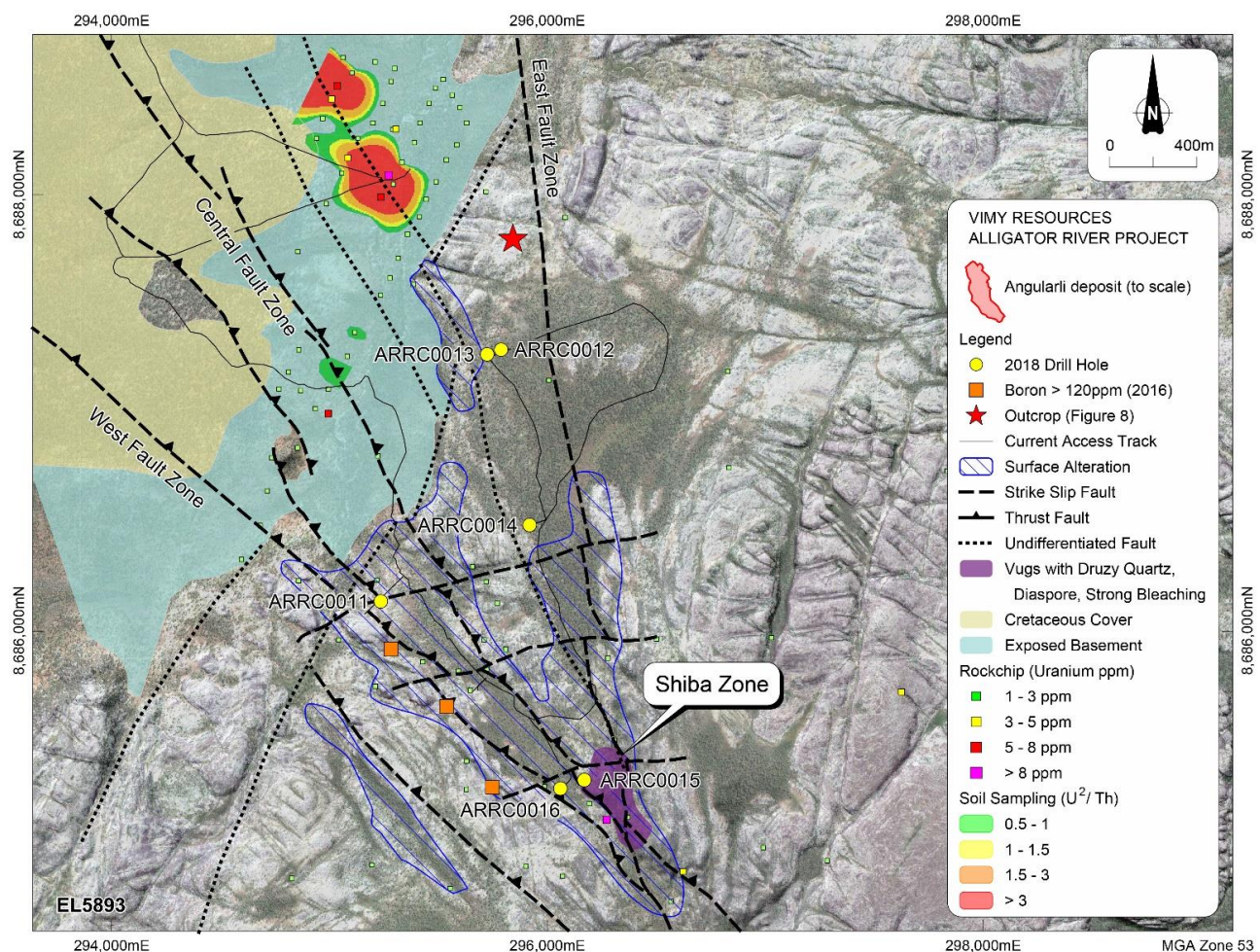


Co-funded diamond drilling at Such Wow prospect (Wellington Range, EL5893)

The Such Wow prospect is highly prospective for unconformity-related uranium mineralisation (see ASX announcements dated 4 December 2018 and 20 March 2019, and Figure 1).

The two diamond drill holes will test the depth extension of the broad zone of uranium anomalism identified in reverse circulation hole ARRC0016 and the unconformity beneath the Shiba Zone of the Such Wow prospect.

The 'Geophysics and Drilling Collaborations' grants are provided by the Northern Territory Government and aimed at increasing the intensity of exploration drilling and geophysical data in greenfields areas.





Successful application for 2019/20 Junior Minerals Exploration Incentive (JMEI)

Vimy Resources has been advised by the Australian Taxation Office that its application to participate in the Junior Minerals Exploration Incentive (JMEI) scheme for the 2020 income year was accepted, with \$715,000 exploration credits allocated.

Background

The Australian JMEI scheme encourages investment in small mineral exploration companies that carry out “greenfields” mineral exploration in Australia, by enabling eligible companies to generate a tax incentive by choosing to give up a portion of their losses from greenfields mineral exploration expenditure and distribute them to new investors.

This scheme is voluntary, and companies must apply each year to participate. Allocations are made on a first come, first served basis until the annual exploration credit cap for each income year is exhausted.

Once the company issues new shares and conducts eligible exploration activities, it can create and issue exploration credits.

Australian resident shareholders who are issued an exploration credit will be entitled to a refundable tax offset or if the shareholder is a corporate tax entity, additional franking credits. “Eligible Shareholders” must be Australian residents who apply for, and are issued, shares in Vimy’s nominated capital raising activities (if any) between 1 July 2019 and 30 June 2020.

The exploration credits that can be issued to an investor are limited to the amount paid by the investor to acquire the new shares multiplied by the corporate tax rate.

Allocation

The Company has received an allocation of up to \$715,000 in tax credits which can be distributed to Eligible Shareholders. Only those shareholders (Eligible Shareholders) who are issued new ordinary Vimy shares in a nominated capital raise between 1 July 2019 and 30 June 2020 (Eligibility Period) are entitled to receive JMEI credits.

The maximum amount of credits Vimy can create for the 2020 income year is the lesser of the following:

- actual greenfields exploration expenditure for the 2020 income year, multiplied by Vimy’s corporate tax rate for that year, or
- amount of exploration credits allocated

Vimy has not determined the timing of any future equity raising. Vimy cannot guarantee that Eligible Shareholders will receive the maximum number of JMEI credits available as the actual number of JMEI credits received by each Eligible Shareholder for the 2019/20 income year is dependent on several factors including:

- the eligible exploration expenditure incurred by Vimy in the 2020 income year;
- the total number of new Vimy shares issued; between 1 July 2019 and 30 June 2020;
- Vimy’s tax losses for the 2019/20 financial year, and
- each shareholder’s financial circumstances.



Upon lodgement of its 2019/2020 tax return, Vimy will notify Eligible Shareholders of their JMEI credit entitlement. These JMEI credits will apply to income tax assessment for the year ended 30 June 2020.

It is pleasing to note that Vimy Resources CEO Mike Young was one of the key advocates in pushing for Federal exploration incentive scheme during his tenure at the Association of Mining and Exploration Companies.

Next steps

Vimy has permitted additional drilling activities at the Alligator River Project, subject to available funding. Additional surface work programs are currently underway at the Southern Flank, Such Wow and Angularli prospects, and will be the subject of separate announcements.

Low-level environmental surveys are also underway, planned to extend for the remainder of the 2019 Northern Territory dry season.

The Company is also investigating ore sorting options for the Angularli deposit, to further improve the metallurgical flowsheet demonstrated in the 2018 Angularli Scoping Study (see announcement dated 10 December 2018).

Mike Young
Managing Director and CEO

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18 July 2019

FORWARD-LOOKING STATEMENT

This announcement contains forward-looking statements which involve a number of risks and uncertainties. These forward-looking statements are expressed in good faith and believed to have a reasonable basis. These statements reflect current expectations, intentions or strategies regarding the future and assumptions based on currently available information. Should one or more of the risks or uncertainties materialise, or should underlying assumptions prove incorrect, actual results may vary from the expectations, intentions and strategies described in this announcement. No obligation is assumed to update forward-looking statements if these beliefs, opinions and estimates should change or to reflect other future developments.



COMPLIANCE STATEMENT

The information in relation to the Angularli Deposit Mineral Resource that is contained in this announcement is extracted from ASX announcement entitled 'Maiden Mineral Resource at Angularli Deposit Alligator River Project' released on 20 March 2018 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 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.

COMPETENT PERSON STATEMENTS

The information in relation to the Angularli Scoping Study that is contained in this announcement is extracted from ASX announcement entitled 'Angularli Uranium Deposit - Positive Scoping Study' released on 10 December 2018 and available to download from asx.com.au ASX:VMY. The information relating to the metallurgical testwork results for the Angularli Uranium Project was compiled by Dr Anthony Chamberlain, who is a Member of the Australian Institute of Mining and Metallurgy. Dr Chamberlain is a Non-Executive Director of Vimy Resources. The metallurgical results were derived from test work completed by ANSTO and ALS Metallurgy. Dr Chamberlain has sufficient experience, which is relevant to the style of mineralisation and type of deposit under consideration and to the activity, which he is undertaking to qualify as a Competent Person as defined in the JORC code. Dr Chamberlain consents to the inclusion in the announcement of the matters based on his information in the form and context in which it appears.



About Vimy Resources

Vimy Resources Limited (ASX: VMY) is a Perth-based resource development company. Vimy's flagship project is the Mulga Rock Project, one of Australia's largest undeveloped uranium resources, which is located 240km ENE of Kalgoorlie in the Great Victoria Desert of Western Australia.

Vimy also owns (78%) and operates the largest granted uranium exploration package in the world-class Alligator River uranium district, located in the Northern Territory. Vimy is exploring for large high-grade uranium unconformity deposits identical to those found in the Athabasca Basin in Canada.

Directors and Management

The Hon. Cheryl Edwardes AM
Non-Executive Chairman

Mike Young
CEO and Managing Director

David Cornell
Non-Executive Director

Dr Tony Chamberlain
Non-Executive Director

Marcel Hilmer
Chief Financial Officer
and Company Secretary

Julian Tapp
Chief Nuclear Officer

Scott Hyman
Vice President Sales and Marketing

Xavier Moreau
General Manager, Geology and Exploration



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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