VIMY RESOURCES

ANNUAL REPORT 2018

CORPORATE DIRECTORY

BOARD OF DIRECTORS

The Hon. Cheryl Edwardes, AM
Non-Executive Chairman

Mike Young
Managing Director

Julian Tapp
Executive Director

David Cornell
Non-Executive Director

Andy Haslam
Non-Executive Director

Mal James
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Dr Vanessa Guthrie
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Ron Chamberlain
Company Secretary

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AUSTRALIAN SECURITIES EXCHANGE

Shares in Vimy Resources Limited are quoted on the Australian Securities Exchange.

ASX code: **VMY**

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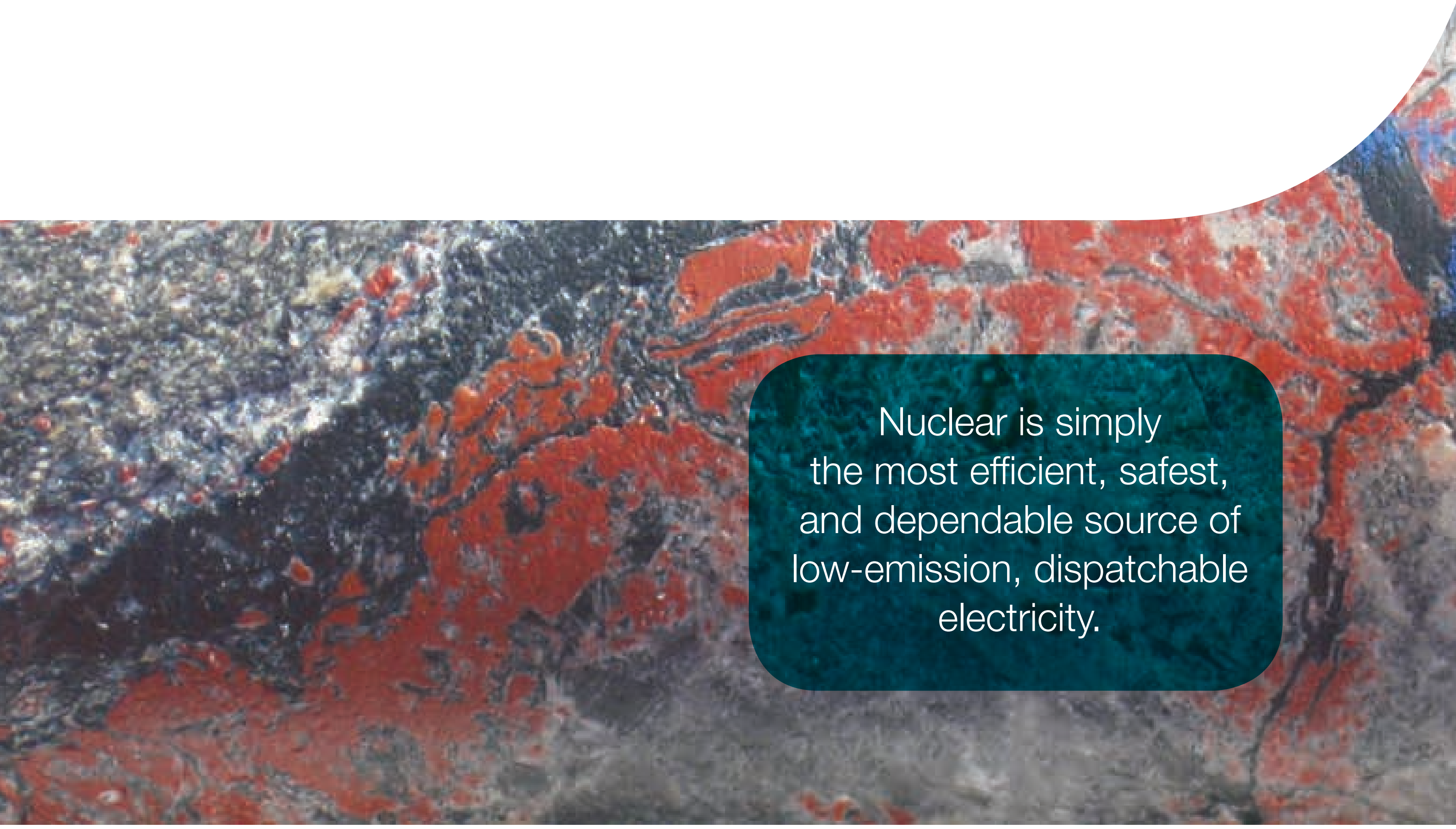


CHAIRMAN'S LETTER

The uranium market is in the midst of a long-awaited revival as the supply-side response to persistently low prices has begun to take effect. Despite the depressed market, Vimy has not merely 'marked time' but has continued to progress the Mulga Rock Project as well as acquiring a world-class project in the Northern Territory.

So why continue these activities in a depressed market? Why not just fold up the tent and wait it out?

The answer goes to the heart of our strategy and philosophy which is to be 'mine ready' when the upturn hits, and it would appear that our timing is almost perfect.

In those circumstances then, 2018 has actually been a good year for Vimy. A very comprehensive Definitive Feasibility Study for the Mulga Rock Project was released in January 2018 and was the culmination of two years of intense work by the Vimy team. The DFS demonstrates that the Mulga Rock Project is a low-risk, simple operation with operating costs well inside the cost curve of today's operating uranium mines.

The acquisition of the Alligator River Project from Canadian uranium miner Cameco Corporation was an important milestone. Not only is the project located in one of the best uranium provinces in the world, but it provides Vimy with a pipeline of uranium projects. The Mulga Rock Project has a substantial mine-life of fifteen years; however, nuclear power utilities consider suppliers' capacity to provide fuel for decades.

The Alligator River Project provides encouragement to the utilities that we can achieve that long-term supply.

A growing world needs dependable, dispatchable electricity. While power-hungry nations are building coal-fired power plants at a faster rate than they are being decommissioned, the world is ramping up to move away from traditional power sources. Nuclear is simply the most efficient, safest, and dependable source of low-emission, dispatchable electricity. Importantly, the Mulga Rock Project will produce enough uranium to power eight 1GWe nuclear power plants every year saving about 64Mt of CO_2, or 12% of Australia's total CO_2 output.

Currently, nuclear power provides 11% of the world's electricity, but growth is expected globally, particularly in non-OECD countries. In the USA, nuclear power provides 20% of all electricity, and over 60% of low-emission electricity (followed by hydro, with wind and solar a distant third).

China recently announced that it plans to install up to 150 GWe of additional nuclear generating capacity by 2035. The world currently has 400 GWe of installed capacity; with 59 GWe under construction, 154 GWe planned, and 376 GWe proposed. This level of build-out will more than make up for the premature closure or retirement of reactors in the Western world so this is a growth industry.

Uranium oxide accounts for only a small part of the overall cost of electricity from a nuclear power plant. Security of supply is front of mind for nuclear fuel buyers who rely on Australia as a safe and secure supplier of uranium. Australia has been shipping uranium oxide for more than thirty years. In more than 12,000 container movements there have been no incidents that posed a risk to public health or to the environment. The same cannot be said for the transportation of hydrocarbons!

About 3.5Mlbs of uranium oxide from Mulga Rock will be trucked to the port of Adelaide for export. This will only require 48-50 truckloads a year and is a small part of our overall costs.

Australia's uranium is sold for electrical power generation under extremely stringent safeguards. Australia was the first country to bring into force an additional protocol above the Nuclear Non-Proliferation Treaty (NPT) and requires all customer countries to have entered into a bilateral safeguards treaty which is more rigorous than NPT arrangements.

Stakeholders should already have the utmost confidence in Australia's rigorous mining and environmental regulatory framework. All ground-disturbing activities, from building a suburb to mining, have a residual environmental impact. Australia's regulatory framework manages this risk and moderates the impacts through the approval process, and through monitoring and reporting of environmental performance and impact. The Mulga Rock Project has undergone a very comprehensive Public Environmental Review process and has obtained approvals, with conditions, from both the Western Australian State Government and the Federal Government. The Company is now in the process of submitting all of the work plans required under its PER approval conditions. All the activities of the Vimy team are underpinned by the Company's vision of 'Mining a cleaner tomorrow' which captures its strong environmental values and actions.

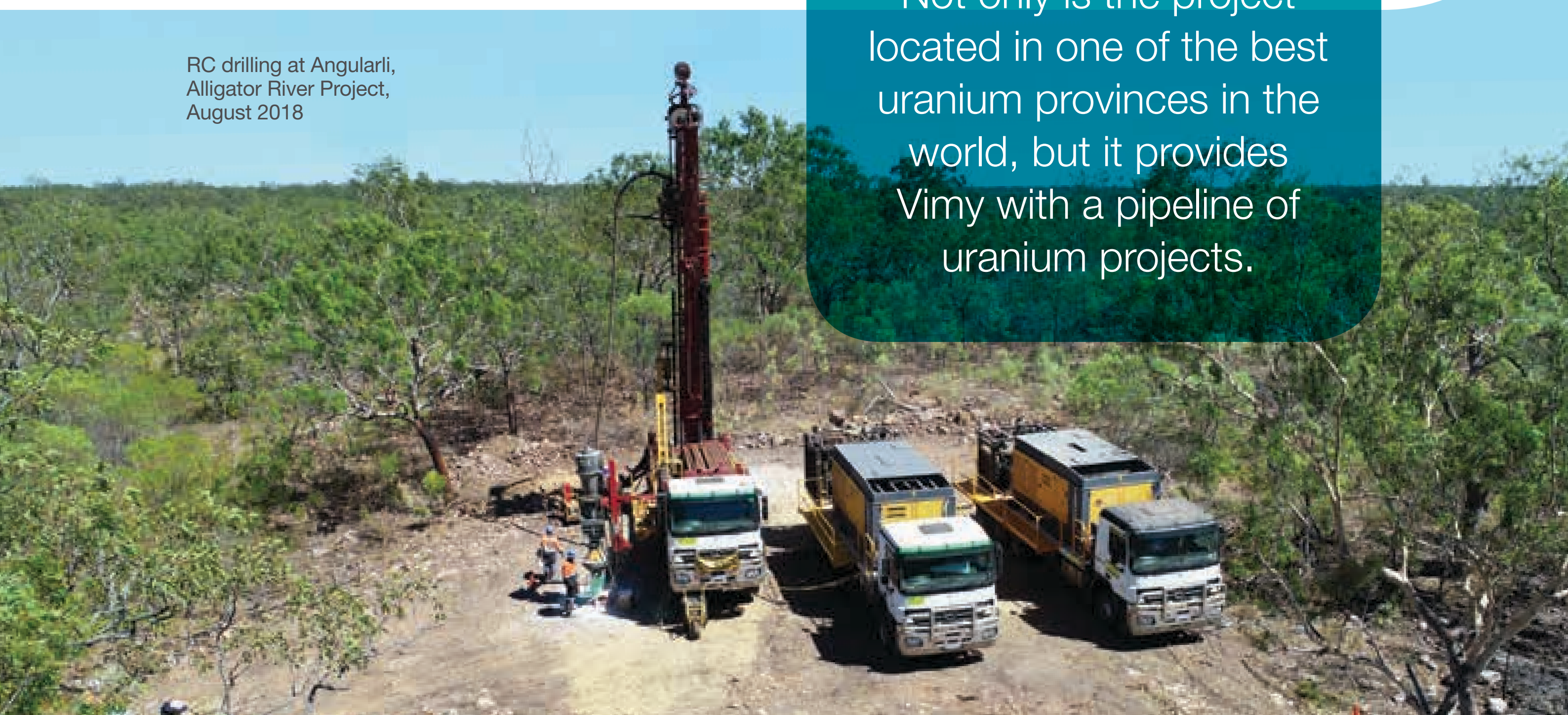
The Definitive Feasibility Study also detailed the Mulga Rock Project's benefits to Western Australia. The gains to the local economy are significant, with the Project expected to generate $200 million in state royalties over its fifteen-year mine life and create approximately 350 site-based permanent jobs. More than 550 people will work on the project during construction. When the mine is up and running, personnel will fly from Perth or Kalgoorlie by chartered aircraft. In the years of the Project's development, Vimy has relied on many suppliers from the Kalgoorlie-Boulder region and will continue its 'buy local' approach when the Project is under construction and operating.

We have seen some changes to the share register this year in response to changing market conditions. I welcome the new shareholders who joined the register following capital raisings in April this year and July last year.

My thanks go to the Vimy board members for their tremendous effort during the year. I am always grateful for their combined experience and knowledge. On behalf of the Board, I would also like to thank Mike Young and the whole team for their achievements during the year. I have seen, first-hand, the huge amount of work they have done to bring the Mulga Rock Project through the DFS and approvals processes and how much enthusiasm has surrounded the acquisition and early work on the Alligator River Project. I would like to thank all members of the Vimy team – staff and consultants – for their enormous contribution.

The Hon. Cheryl Edwardes AM
Chairman

The acquisition of the Alligator River Project from Canadian uranium miner Cameco Corporation was an important milestone. Not only is the project located in one of the best uranium provinces in the world, but it provides Vimy with a pipeline of uranium projects.



RC drilling at Angularli, Alligator River Project, August 2018

CEO'S REVIEW OF ACTIVITIES

It's rare for a CEO to feel compelled to use the 'F-word' but I feel it's warranted here. And that word is Focus. That's been our team for these tough few years; focussed on, and achieving, three important outcomes:

- approvals,
- definitive feasibility study, and
- company growth

Last year we completed our State and Federal environmental approvals for the Mulga Rock Project. This year saw the release of the Definitive Feasibility Study (DFS) in January and the announcement of the acquisition of the Alligator River Project in March. These events demonstrate our focus on becoming a mid-tier, multi-mine uranium producer.

The DFS lays the foundation for Vimy to become Australia's next supplier of uranium oxide and the operator of Western Australia's first uranium mine. You will see the results of the DFS detailed on the following pages.

Most of our activities in the second half of CY2017 underpinned the DFS release. In July 2017 we announced an upgrade to the Mulga Rock Resource, which saw it crack the 90Mlb mark. Importantly, that update included details of high-grade zones within Ambassador of 25Mlbs at 0.15% (1,500ppm) U_3O_8 which will form the basis of our high-grade start-up strategy on the commencement of mining. In September 2017, we announced a major Ore Reserve update resulting in a thirteen year Reserve. The details of Mineral Resources and Ore Reserve are found on page 16 of this report.

These upgrades were followed by the announcement that the uranium oxide concentrate (UOC) produced from samples from Mulga Rock had met the quality assurance standards of the international converters. The three samples were precipitated at the pilot plant using material from the geotechnical trenches excavated at Mulga Rock and were chosen as being closest to the quality we expect to see in final production. All three converters – Cameco Corporation in Canada, ConverDyn in the USA and New Areva (since renamed Orano) in France – confirmed the high quality of the product, thus providing the assurance required by nuclear utilities seeking to purchase our UOC under long-term offtake agreements.

As well as a high-quality product, nuclear utilities are also looking for reliability of supply. While Mulga Rock remains our primary focus, the acquisition of the Alligator River Project from Cameco Australia shows our commitment to becoming a long-term, multi-mine producer. Cameco has been actively exploring in the Alligator River region for the past fifteen years and we were fortunate to be able to acquire not only the project but their high-quality data and key exploration staff.

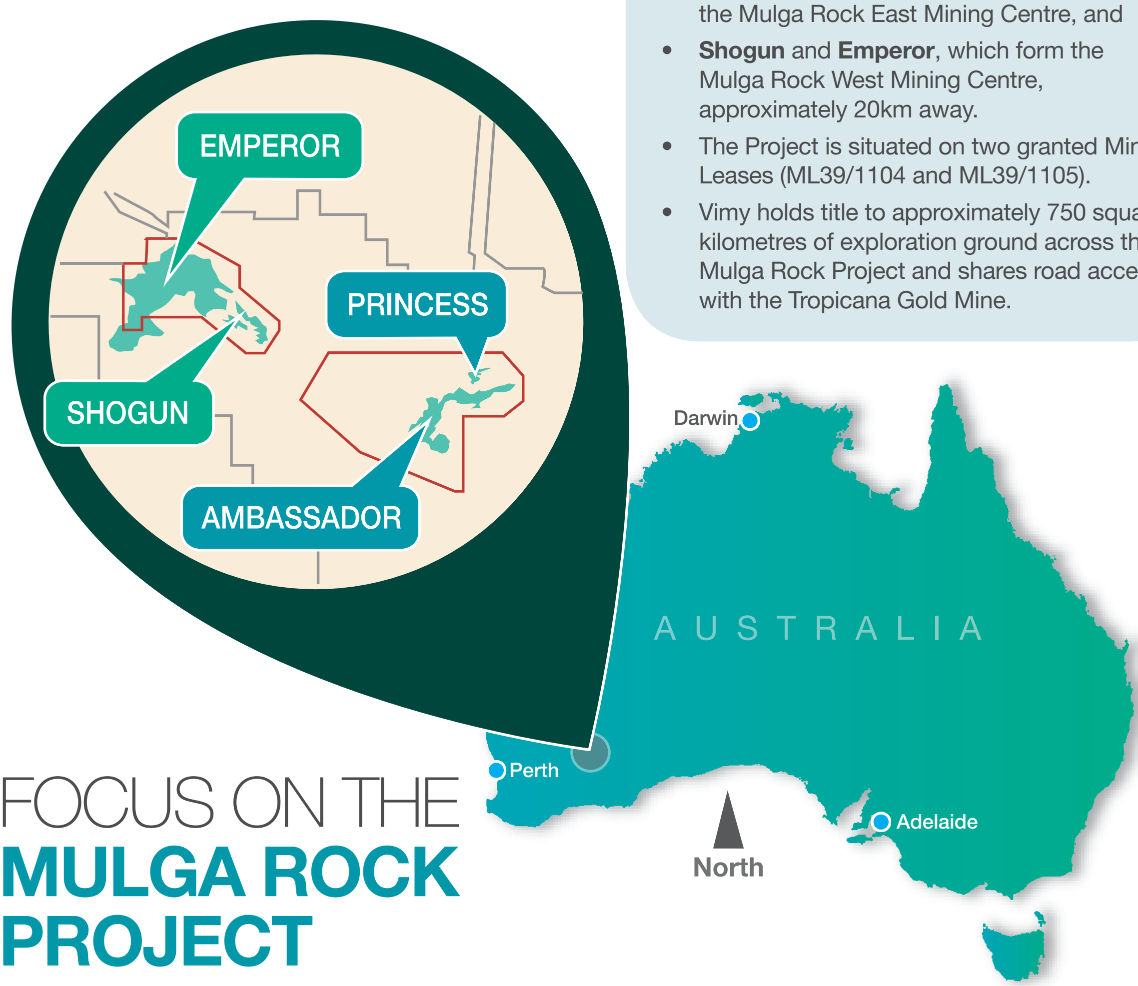
I'd like to say thank you to every member of the Vimy team for their hard work this year. I'd also like to pay particular thanks to the people who have departed from the Company as we migrated from high levels of activity during the DFS to our current phase of exploration and uranium marketing. Hopefully, they'll be back with us soon as activities ramp back up.

MULGA ROCK PROJECT

- Located in the Great Victoria Desert, Western Australia.

Comprises four Mineral Resources:

- **Ambassador** and **Princess**, which form the Mulga Rock East Mining Centre, and
- **Shogun** and **Emperor**, which form the Mulga Rock West Mining Centre, approximately 20km away.
- The Project is situated on two granted Mining Leases (ML39/1104 and ML39/1105).
- Vimy holds title to approximately 750 square kilometres of exploration ground across the Mulga Rock Project and shares road access with the Tropicana Gold Mine.



FOCUS ON THE **MULGA ROCK PROJECT**

Test pit at Ambassador

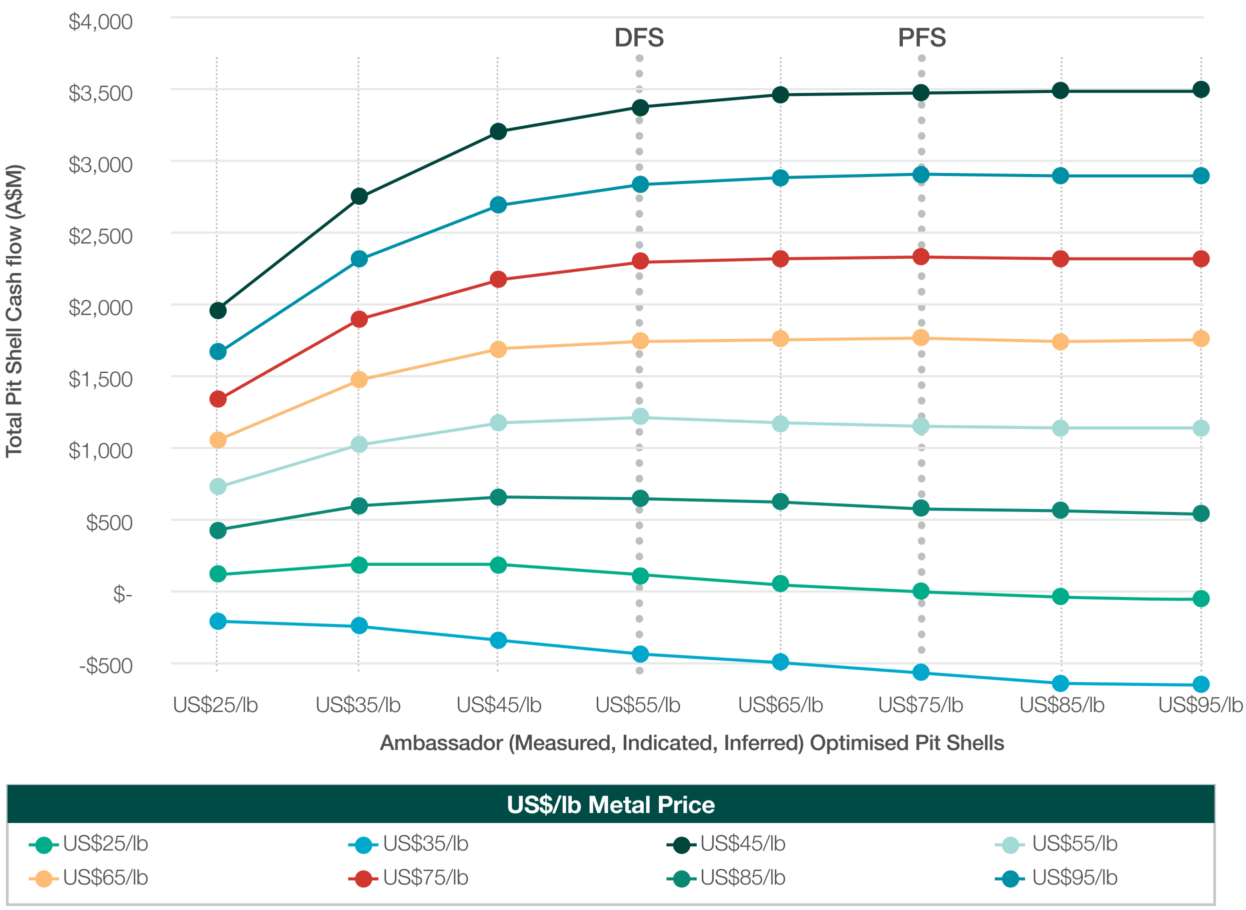
MULGA ROCK PROJECT DFS

The DFS Executive Summary was released to the ASX in January 2018 and confirmed the status of the Mulga Rock Project as Australia's largest and most advanced uranium project.

The DFS supports a low-risk, open pit mining operation at Mulga Rock, with production of 3.5Mlbs U_3O_8 per annum for at least fifteen years. It is our belief that a further five years of mine life is possible with further drilling and subsequent studies. The results show that the Mulga Rock Project has competitive cash operating costs, which for the initial five years of operations – the all-important pay-back period – are estimated to be US$25.11/lb U_3O_8.
Over Life-Of-Mine, the cash operating costs are forecast to be US$27.95/lb with a pre-tax NPV_8 of A$530 million, generating free cash flow of A$134 million per annum (EBITDA) after royalties. These metrics assume a contract uranium price of $60/lb U_3O_8 at the time of first production which is targeted for early 2022.

Most pleasing of all was the fact that the DFS metrics were delivered on materially lower revenue factors than assumed in the Pre-Feasibility Study (PFS), released in November 2015, with the US$55/lb U_3O_8 coming at the bottom end of market consensus of price incentive for new uranium mines or restarts (see figure below). This translated in the DFS pit shells yielding the same uranium metal production at a significantly lower uranium price when compared to the PFS pit designs. The DFS also demonstrated that beyond the payback period, the pit shell designs are largely insensitive to changing metal prices.

Optimised Pit Shell Cash Flow Analysis (Ambassador Resource)



Mulga Rock camp

The key physical and financial metrics for the Mulga Rock Project are set out below.

	Key Metric	Unit	DFS
RESOURCE	Life-of-Mine (LOM)	Years	15
	Plant Ore Throughput	Mtpa	2.4
	Run-of-Mine (ROM) Uranium Grade (Years 1-5)	ppm U_3O_8	1,010
	ROM Uranium Grade (LOM)	ppm U_3O_8	770
PRODUCTION	Uranium Metallurgical Recovery	%	87.3
	Annual Uranium Production	Mlbs U_3O_8 pa	3.50
	Total Uranium Production (LOM)	Mlbs U_3O_8	47.1
CAPITAL	Pre-Production Mining Costs (Pre-Strip)	A$ million	36.3
	Mining, Plant, Infrastructure and Indirects	A$ million	415.0
	Growth Allowance and Contingency	A$ million	41.7
	Total Capital	A$ million	493.0
OPERATIONS	Exchange Rate	AUD: USD	0.70
	Uranium Cash Operating Cost (Years 1-5)*	US$/lb U_3O_8	25.11
	Uranium Cash Operating Cost (LOM)*	US$/lb U_3O_8	27.95
	Uranium AISC# Opex (LOM)	US$/lb U_3O_8	34.00
PROJECT FINANCIALS	Uranium Price Assumption	US$/lb U_3O_8	60
	Project NPV_8 (inclusive of Royalties, pre-tax)	A$ million	530
	Project IRR (inclusive of Royalties, pre-tax)	%	25.3
	Payback from Start of Production	Years	3.1

* Cash operating costs include all mining, processing, maintenance, transport and administration costs, but exclude royalties and sustaining capital. # All-In Sustaining Cost

I would like to bring your attention to the quality of our DFS Executive Summary. If you haven't reviewed it yet, I strongly suggest you download it from our website. We deliberately designed the document to be informative and easy to read. It has plenty of maps, diagrams, tables and highlights so that it is more than just a tick-a-box ASX release. I am really proud of the publication produced by the Vimy team and it was very well received in the industry.

LONG MINE LIFE AND SECURE SOURCE OF URANIUM

- The Mulga Rock Project is the largest advanced uranium development project in Australia.
- Total Ore Reserve of 42.3Mlbs U_3O_8 from 22.7Mt at 845ppm U_3O_8
- Total resource estimate of 71.2Mt at 570ppm U_3O_8 for a contained 90.1Mlbs U_3O_8
- Life-of-Mine of 15 years with an estimated total production of 47.1Mlbs U_3O_8

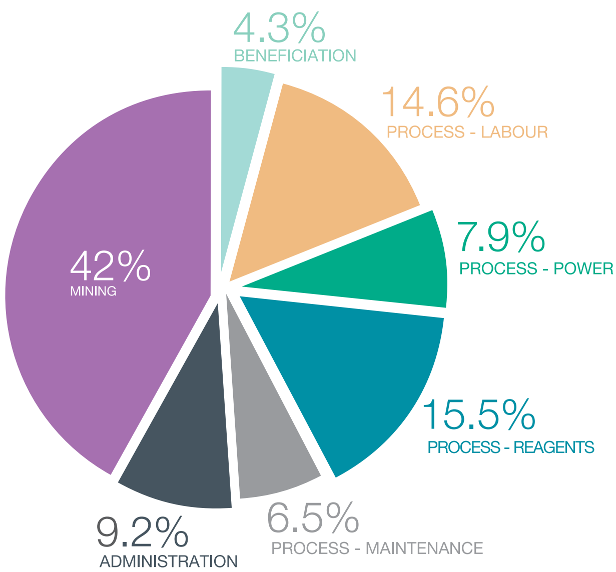
LOW RISK AND LOW-COST MINING PROCESS

- Shallow, simple open pit mining operation with an average depth of 43 metres
- Over 90% uranium mining inventory for first 10 years supported by Ore Reserve
- Process plant to use low-cost atmospheric acid leaching and resin-in-pulp
- State and Federal Ministerial approvals received and secondary permitting well advanced

LOW CASH COST, ROBUST FINANCIALS

- Cash operating cost for Life-of-Mine of US$27.95/lb U_3O_8
- Robust pre-tax NPV_8 of A$530M, 25% IRR and a 3.1 year payback at US$60/lb U_3O_8
- Breakeven price of US$44.58/lb U_3O_8 (capital payback @ 8% discount rate)
- The project generates A$134M free cash flow per year (EBITDA) after royalties

Distribution of LOM Cash Operating Costs by Area



FOCUS ON THE **ALLIGATOR RIVER PROJECT**

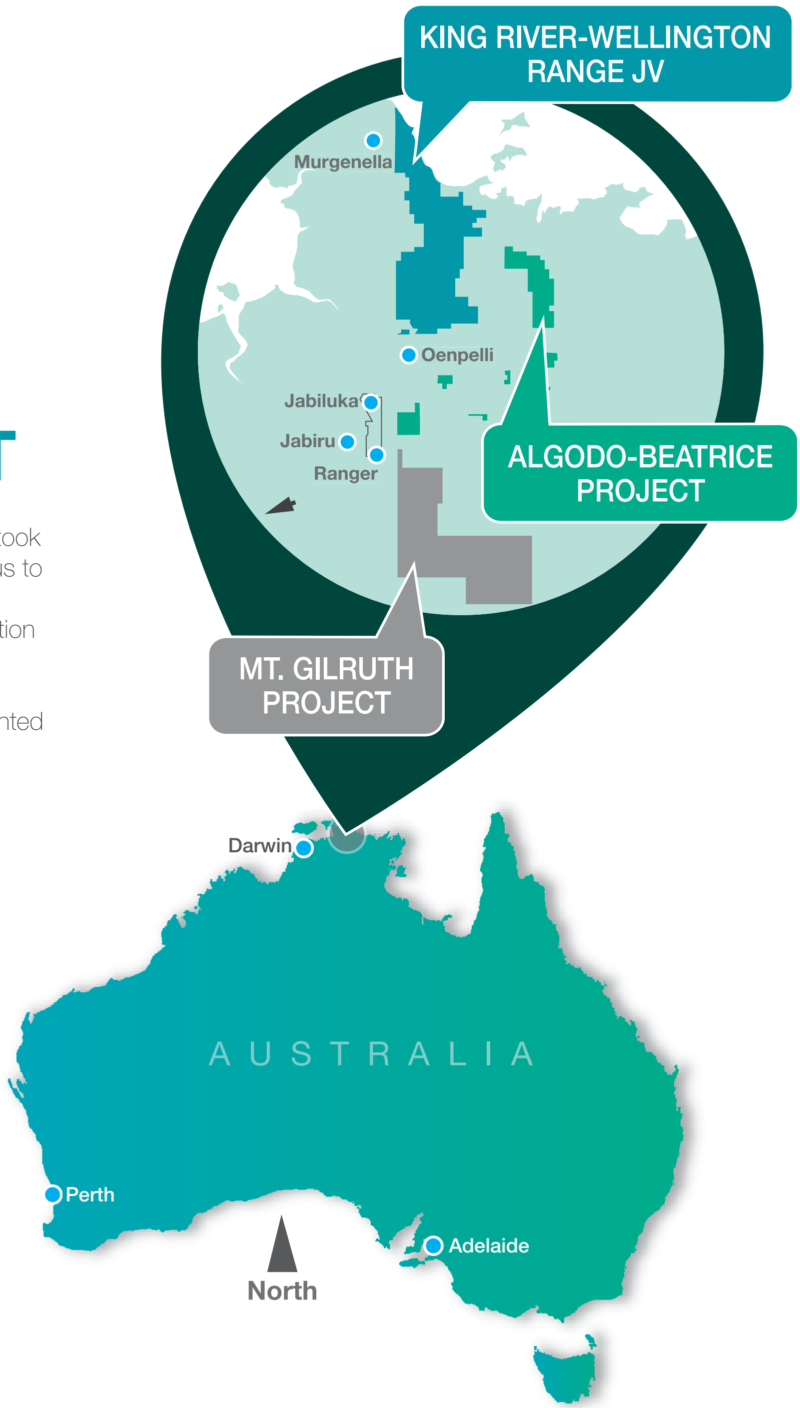
With the Mulga Rock Project well advanced, we took the opportunity in March this year to turn our focus to future growth with the acquisition of the Alligator River Project from Cameco Australia. The acquisition comprises three separate tenement packages in Arnhem Land in the Northern Territory, covering a total area of 3,865km^2 including 1,600km^2 of granted exploration licences. Vimy now owns the largest granted tenement package in the Alligator River Uranium Province.

ALLIGATOR RIVER PROJECT

- Located in Arnhem Land, Northern Territory
- Covering a total area of 3,865km^2

Comprises three projects:

- **King River-Wellington Range JV**
  - 1,600km^2 of granted tenure
  - Vimy (JV manager) 75%: RTX 25%
  - Highly prospective with limited sandstone cover
- **Algodo-Beatrice Project** (100%)
  - A group of tenement applications to the east of the Ranger and Jabiluka deposits
- **Mt Gilruth Project** (100%)
  - A group of tenement applications to the southeast of the Ranger and Jabiluka deposits



Aerial view of the King River camp, Alligator River Project

ALLIGATOR RIVER URANIUM PROVINCE

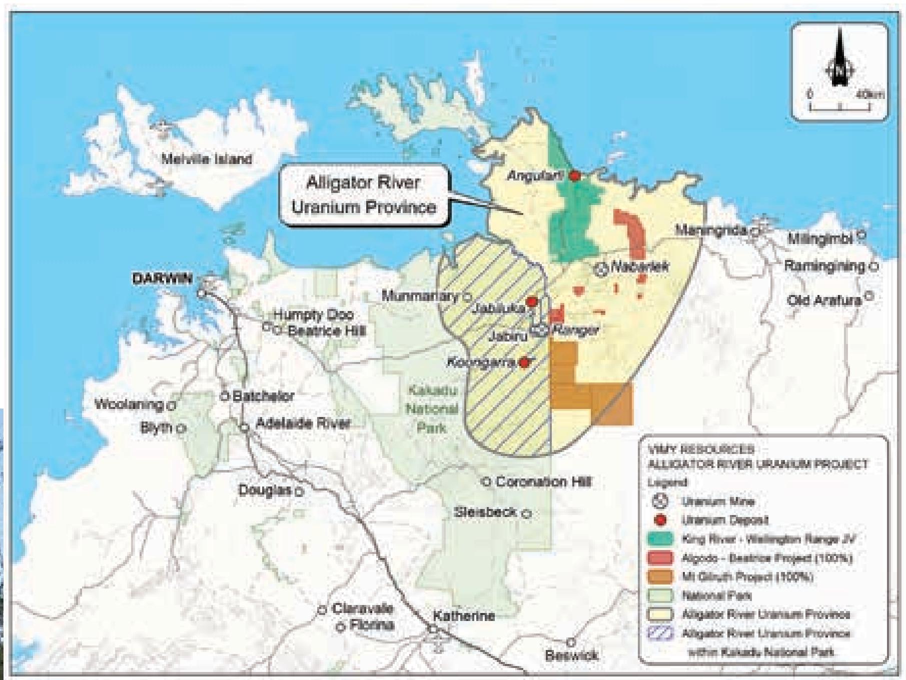
The Alligator River Uranium Province is one of the most prospective uranium exploration districts on the planet, along with the Chu-Sarysu and Syrdarya Basins in Kazakhstan and the Athabasca Basin in Canada. In the last fifty years, these districts have seen discoveries such as the huge high-grade Cigar Lake and McArthur River deposits in Canada and the Inkai and Karamurun deposits in Kazakhstan. At the same time, exploration in Australia came to a standstill as a result of the Three Mine Policy. Exploration activities were slow to commence once that policy was lifted, which has given Vimy an excellent opportunity to be able to explore in what is virtually a new province.

The Alligator River Uranium Province has a proven exploration track record with over 750Mlbs U_3O_8 in mineral resources (current and mined) and has produced a total of 312Mlbs of uranium over the past 65 years. It includes the Tier 1 deposits of Ranger, Jabiluka, and Nabarlek.

The key to mineralisation in the Alligator River Uranium Province is the presence of an important rock unit called the Cahill Formation which hosts both the world-class Jabiluka and Ranger deposits. We like to think of the Cahill Formation as the 'Golden Mile Dolerite' of uranium (one for the gold tragics).

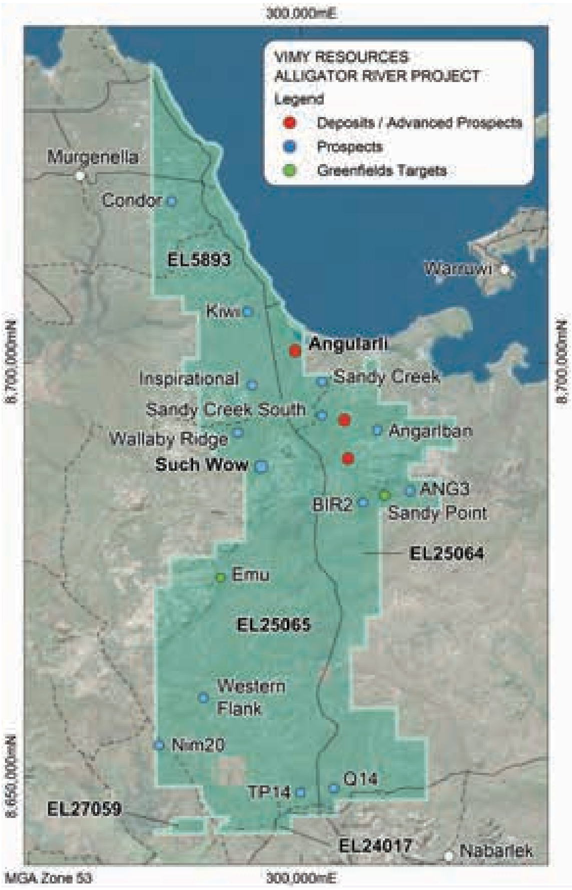
The deposits of the Alligator River Uranium Province occur as either large tonnage, medium grade deposits such as Jabiluka (25Mt @ 0.55% U_3O_8 for 302Mlbs U_3O_8)[1] or low tonnage, high grade deposits such as Nabarlek (which produced 24Mlbs U_3O_8 from 0.6Mt @ 1.84% U_3O_8) and Vimy's Angularli (0.91Mt @1.29% for 25.9Mlbs U_3O_8) hosted by high-angle shear zones.

1. Energy Resources Australia Ltd – 2017 Annual Report



Core yard at Alligator River Project

King River-Wellington Range Project



PROGRESS AT THE ALLIGATOR RIVER PROJECT

The Vimy team wasted no time in focussing on the Alligator River Project. During due diligence for the acquisition, we commissioned an independent JORC Mineral Resource estimate by Optiro Consultants. The acquisition of the Project was announced early in March 2018 and our first milestone quickly followed with the publication of a maiden Mineral Resource Estimate for the Angularli deposit, the most advanced target, based on drilling carried out by Cameco. The maiden Inferred Mineral Resource for Angularli (see page 20) 25.9Mlbs U_3O_8 for 0.91Mt at 1.29% U_3O_8, at a cut-off grade of 0.15% U_3O_8 (Vimy 75%). The Angularli deposit is located within the King River-Wellington Range project, which is being actively explored by Vimy for unconformity-related uranium deposits. The King River-Wellington Range project is the subject of a Joint Venture (JV) with Rio Tinto

Soil sampling at the Angularli prospect

Exploration Pty Limited (Rio Tinto), a wholly owned subsidiary of Rio Tinto Ltd, with current JV interests of Vimy: 75% / Rio Tinto: 25%.

As well as the maiden resource, we also announced an Exploration Target at Angularli of between 20Mlbs and 60Mlbs U_3O_8 for 1.2-1.8Mt of uranium mineralisation at a grade of 0.75-1.5% U_3O_8 (Vimy 75%).

One of the important aspects of this project is the strong similarity between the geology of the Alligator River Uranium Province and the Athabasca Basin in Canada. Both are 'unconformity-related' deposits where crystalline basement rocks comprising metasedimentary rocks are overlain by much younger and unmetamorphosed sandstones. The contact between basement and sandstone marks a significant break, or unconformity, and provides a major chemical and physical contrast providing the right conditions for mineralisation. Uranium is hosted within low to high angle shear zones either in the basement or immediately at or above the unconformity.

A number of advanced exploration targets have also been developed in the King River-Wellington Range project. Most of the targets are particularly attractive due to limited sandstone cover and the presence of a large area of the highly prospective metamorphic basement.

Geophysical and surface chemical surveys have been completed. Rockchip sampling along and around the structural corridor has identified elevated boron, gold and sulphur along a structural feature, analogous and parallel to the Angularli deposit. Termite mound sampling has also identified elevated uranium coincidental to the structural feature indicating the potential presence of uranium within the system.

Field mapping at the Such Wow prospect has identified very strong similarities between that prospect at surface and features observed in drilling at Angularli.

COMMUNITY ENGAGEMENT

The Alligator River Project tenements are on Aboriginal land vested in the Arnhem Land Aboriginal Land Trust and managed by the Northern Land Council on behalf of the Traditional Landowners. Deeds of Agreement exist for all granted tenure covering exploration activity along with commercial terms and conditions for future mining activity, which ensures that the environment will be protected and that Traditional Landowners and local Aboriginal communities will benefit from royalties and jobs.

Vimy recognises that positive engagement with Traditional Owners of the land on which it operates is key to future success. Field personnel engaged early with various Traditional Owners, to identify practical solutions to local issues where Vimy's activities might benefit other land users, and build on existing relationships.

SAFETY

Vimy's strong health and safety performance has continued in 2018 with frequency rates for Lost Time Injuries, Medically Treated Injuries and Minor Injuries well below the mining industry average.

Our slogan 'Safety – The Power is in U' actively encourages a culture of safety while emphasising that safety is everyone's responsibility. Our focus is on preventative measures highlighting leading indicators such as job hazard assessments, hazard reports and Take 5's.

ALLIGATOR RIVER PROJECT DRILLING PROGRAM

Vimy's first exploration season at Alligator River began in August 2018 with a 23-25 hole drill program planned to test the high priority targets along repeat structures at the Angularli deposit and Such Wow prospect, 15km south-southwest of Angularli.

Drilling is focused on two outcomes. Firstly, to extend areas of known mineralisation at Angularli, both along strike of, and parallel to, the current resource. This program comprises up to fourteen holes for 4,650m at Angularli. The second is the drill program at Such Wow with up to eleven holes planned for 3,950m. This prospect has not been drilled previously and is highly prospective for 'Angularli-like' deposits based on Vimy's assessment of surface sampling, and mapping of geology, alteration, and structures. The program is aimed at confirming that the alteration extends at depth and the system contains uranium mineralisation.

Other planned field work includes surface geochemical sampling, mapping, rock-chip sampling, radon emanation testwork and passive seismic data collection. Part of this program is being carried out across the Angularli area to provide baseline data for other future surveys.

Results of the drilling will be released later in 2018.

Drilling at Angularli, Alligator River Project, October 2018

ANGULARLI URANIUM PROJECT SCOPING STUDY

A Scoping Study is currently underway on the Angularli Uranium Project. The Engineering Scoping Study was awarded to Wood PLC (formerly Amec Foster Wheeler). Metallurgical testwork at the Australian Nuclear Science and Technology Organisation (ANSTO) is now complete and final reporting will take place in Q4 2018. Testwork results to date (ASX release 3 September 2018) have shown an exceptionally high uranium extraction of 98.5% at a very low sulphuric acid consumption of 14 kg/t, and an oxidant consumption of 1.4 kg/t hydrogen peroxide.

The Scoping Study evaluated two metallurgical flowsheets:

- Acid leach / solvent extraction
- Acid leach / direct precipitation

Both flowsheet options have identical front ends consisting of crushing, milling, acid leach and counter-current decantation (CCD) circuits. Uranium drying and packaging plant, tailings paste plant and water treatment are also essentially the same for both scenarios. The only difference between the two flowsheets is the uranium recovery circuits. The first flowsheet uses conventional solvent extraction to recover uranium from the leach solution and then precipitates uranium as uranyl peroxide ($UO_4 \times H_2O$). The second flowsheet directly precipitates uranium from the leach solution after iron and other minor impurities are removed. The second flowsheet will have a very low capital cost but is dependent on the levels of impurities present in the ore.

The Angularli Mineral Resource announced on 20 March 2018 is the basis for the Scoping Study.

Results from drilling currently underway at Angularli, as detailed above, will not be incorporated into the Study as we are not drilling near the existing resource.

MINE DEVELOPMENT

The current conceptual mine development approach for Angularli which is being used as a basis for the Scoping Study is similar in approach to the historical Nabarlek mine located 65km from Angularli. The Nabarlek uranium mine operated successfully for eight years from 1980 and produced 24Mlbs U_3O_8 from 550,000 tonnes of ore at an average grade of 1.84% U_3O_8. It has since been successfully decommissioned and the site fully rehabilitated.

The Nabarlek open cut resource was mined out in one dry season with the ore stockpiled on the surface and processed over an eight-year period. Hypothetically, the underground resource at Angularli could be similarly mined out over a very short time frame. The sterilised open stopes could then be used for tailings paste backfill. It is envisaged the resulting surface ore stockpile will be processed over a similar period to Nabarlek.

Mining Plus completed the mine design and initial capital and operating estimates for the Angularli deposit earlier this year. Mining costs are currently being finalised along with stope sequencing and diluted mineral inventory expected from the underground operation.

The table below provides a comparison between Angularli and historical operating data from the Nabarlek and Ranger uranium mines. The superior uranium extraction and reagents consumption obtained for the Angularli deposit are also illustrated.

COMPARISON OF ANGULARLI, NABARLEK AND RANGER LEACH PARAMETERS

Leach Parameters	Unit	Angularli	Nabarlek[1] (Jul 1983-Jan 1984)	Ranger[2, 3]
Temperature (ºC)	(ºC)	35-40	35-40	35-45
pH	-	1.6	1.6	1.9-2.0
Residence time	hours	24	24	24
Feed density	%w/w	50	50	55
Sulphuric acid consumption	kg/t	14	54.7	30-40
Oxidant consumption	kg/t	1.4	2.0#	5*
Uranium extraction	**%**	**98.5**	**97.5**	**91.5**

#Operating plant data using hydrogen peroxide mixed with concentrated sulphuric acid to form Caro's Acid.
* Ranger uses pyrolusite (MnO2) as an oxidant.

1. Fulton, E. J., Caro's Acid – Its Introduction to Uranium Acid Leaching in Australia, The AusIMM Conference, Darwin 1984.
2. Uranium Evaluation and Mining Techniques, IAEA Proceedings of a Symposium, Buenos Aires, 1979.
3. Ring, B., Uranium Ore Processing in Australia – Past, Present and Future, ALTA Conference, Perth, 2006.

FOCUS ON
THE URANIUM MARKET

This year the investment community became focussed on uranium, viewing it as significantly undervalued as the demand and supply dynamics have begun to rebalance.

Kazatomprom announced that annual output continues to be reduced and Cameco Corporation announced the suspension of operations for an indeterminate period at the McArthur River - Key Lake Mine which accounts for primary supply of 18Mlbs U_3O_8 per year. Other important developments include the shuttering of Langer Heinrich in Namibia, the announcement of Ranger's closure in 2020, and cuts by Orano in Niger.

Actions by these suppliers that started during 2016 have removed approximately 40Mlbs from the market. The expected demand in 2018 is around 173Mlbs resulting in a shortfall of 47Mlbs.

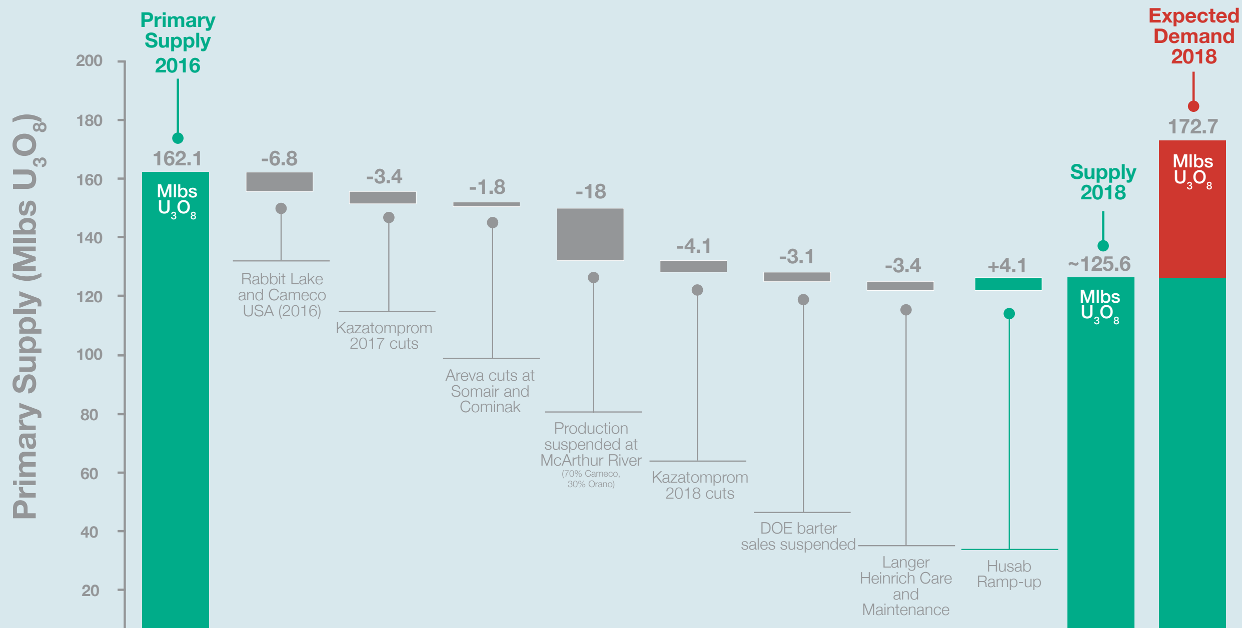
While some of this shortfall can be met by secondary supplies, most of it will be managed in the short term by stockpiling strategies which are simply not sustainable. New supply will require new contracts, and new contracts will need to be written at sustainable prices.

The new investors into uranium include the London Stock Exchange listing of Yellow Cake PLC in July 2018, which was founded to purchase and hold U_3O_8, reinforcing the emerging supply side discipline seen in the market, and to leverage off any increase in the uranium price. Other players are expanding or entering this market, as well as the royalties and equities space.

Importantly, Yellow Cake and the others who are buying physical uranium are doing so from the spot market. Combined with Cameco's foray into the spot market, this is expected to put upward pressure on the spot price in the coming months and years.

One could argue that there are strong similarities between today's market and the uranium boom of 2004-2007, which culminated in a price spike of US$136/lb U_3O_8 in 2007. However, many of the dynamics are different, particularly on the supply side, and a uranium price above US$100/lb U_3O_8 is very unlikely. That said, the spot price has risen almost 40% since April, making uranium one of the best performing commodities this year.

DEMAND TO OUTSTRIP SUPPLY



Source: WNA, company reports, Vimy estimates

The spot price has risen almost 40% since April, making uranium one of the best performing commodities this year.

VIMY'S MARKETING PLAN

In the past three years, Executive Director Julian Tapp and I have ensured that the nuclear industry around the world is aware of the developments at Mulga Rock. The completion of the DFS meant that we could deepen our engagement with utilities with a view to obtaining strategic offtake agreements.

In February this year we appointed Scott Hyman as US-based VP of Sales and Marketing. Scott has significant experience and knowledge in both the procurement and sale of uranium, through his previous roles at Cameco Inc (USA) and Dominion Energy. His expertise and network of industry contacts have already greatly enhanced our marketing strategy and increased our access to energy suppliers in the USA and Europe.

Most of our focus is on the US and European markets. The US market comprises 25% of global uranium purchases. Furthermore, the US market begins to rapidly lose contract coverage at about the same time that Vimy proposes being in production. By 2022, 60% of requirement in the US utilities will be uncovered by contracts and by 2027, this goes out to 90%. Vimy is coming into the contracting sweet spot just as we come into production.

From being a rank outsider, Vimy is now considered an important member of the nuclear industry. The Company is a member of two important organisations, the London-based World Nuclear Association (WNA), and the US-based Nuclear Energy Institute (NEI). We are active participants in the WNA's working groups which give members the opportunity to share analyses of the market. Julian's background as an economist has allowed him to play an important role in compiling the WNA's biennial Nuclear Fuel Report.

OUTLOOK FOR 2019

As shareholders, now it's your turn to focus on the Company and its future. The market has been stubbornly difficult in the past two years and pressure on our share price has probably left you disappointed. And I know that because I am also a shareholder.

You will have heard this before, but I'll say it again. Our strategy is to be like the surfer in the take-off zone, waiting for the set of waves and not the guy on the beach waxing his board. We have stayed focussed on being ready for the waves that are coming. With supply at best static, demand growing, and most stockpiles inaccessible by market participants, the price has nowhere to go but up. With traders and financial institutions circling like sharks in the water, a feeding frenzy remains a distinct possibility. Vimy Resources is the single best leverage play to the uranium price.

Mike Young
Managing Director and CEO

MINERAL RESOURCE & ORE RESERVE UPDATES

MULGA ROCK PROJECT

On 12 July 2017, the Company announced that the Mulga Rock Project aggregate Mineral Resource had moved above the 90Mlb mark to 90.1Mlbs U_3O_8, from 71.2Mt at 570ppm U_3O_8, with 50% of the global Mineral Resource in Measured and Indicated status.

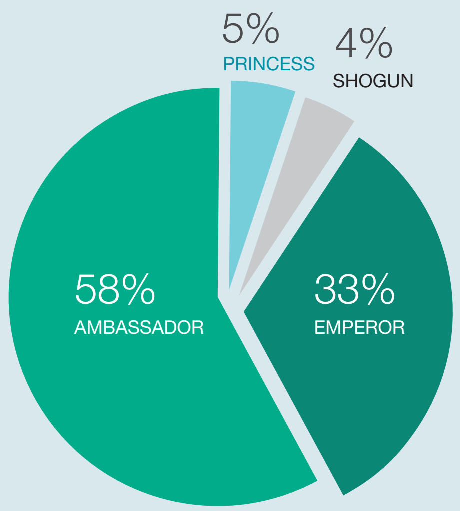
On 4 September 2017, the Company announced that most of the Measured and Indicated material was converted to Proved and Probable Reserves. The Mulga Rock East mining centre, comprising the Princess and Ambassador deposits, will be the focus of initial mine development, with sufficient mineral inventory in the Ore Reserve (which also includes the Shogun deposit) to feed the process plant for the first thirteen years of production, at a nominal rate of 3.5Mlbs U_3O_8 per annum.

The Mineral Resource at Mulga Rock East has increased by 30% for a total of 56.4Mlbs U_3O_8 at 680ppm U_3O_8 compared to the November 2016 estimate (17% increase in grade). The Princess and Ambassador resources represent 63% of the global resource as shown on the chart to the right.

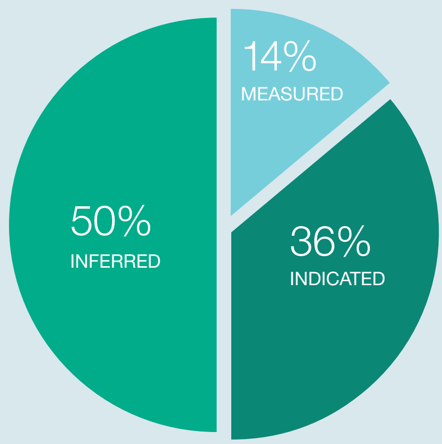
OVERVIEW

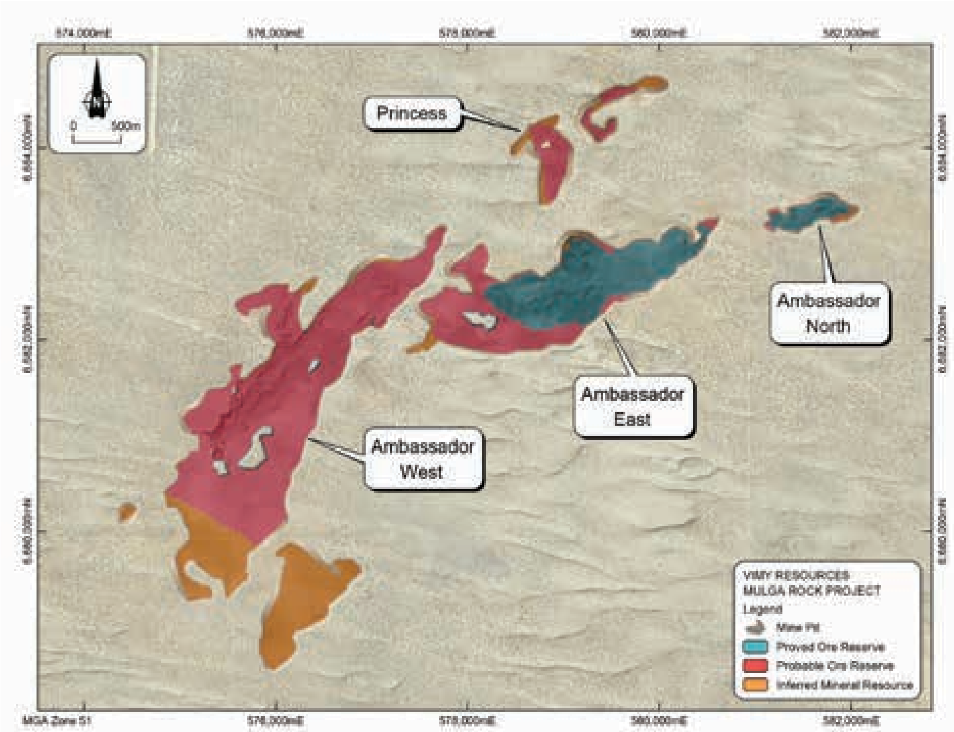
- The Mulga Rock Project global uranium Mineral Resource estimate increased by 15% between 1 July 2017 and 30 June 2018, from 78.5Mlbs to 90.1Mlbs (from 67.9Mt at 525ppm U_3O_8 to 71.2Mt at 570ppm), all reported in accordance with the JORC Code 2012.
- The Ambassador and Princess resources are grouped to form the Mulga Rock East Deposit and the Shogun and Emperor resources form the Mulga Rock West Deposit.
- The Ore Reserve for the Mulga Rock Project increased from 31.2Mlbs U_3O_8 (18.7Mt at 755ppm U_3O_8) to 42.3Mlbs U_3O_8 (22.7Mt at 845ppm U_3O_8), for a 36% increase in metal and 12% increase in grade in the Ore Reserve. This was accompanied by the definition of a maiden Proved Ore Reserve of 12.3Mlbs U_3O_8 (5.3Mt at 1,055ppm U_3O_8). That Proved Ore Reserve is derived from a maiden Measured Resource of 12.6Mlbs U_3O_8 (5.2Mt at 1,100ppm U_3O_8), announced on 12 July 2017.
- This Ore Reserve is based on optimised pit shells derived at US$55/lb U_3O_8, and remaining economic under a broad range of uranium prices. The optimised pit designs which form this Ore Reserve are the basis of the mine design for the DFS announced in January 2018.

CONTAINED METAL BY DEPOSIT

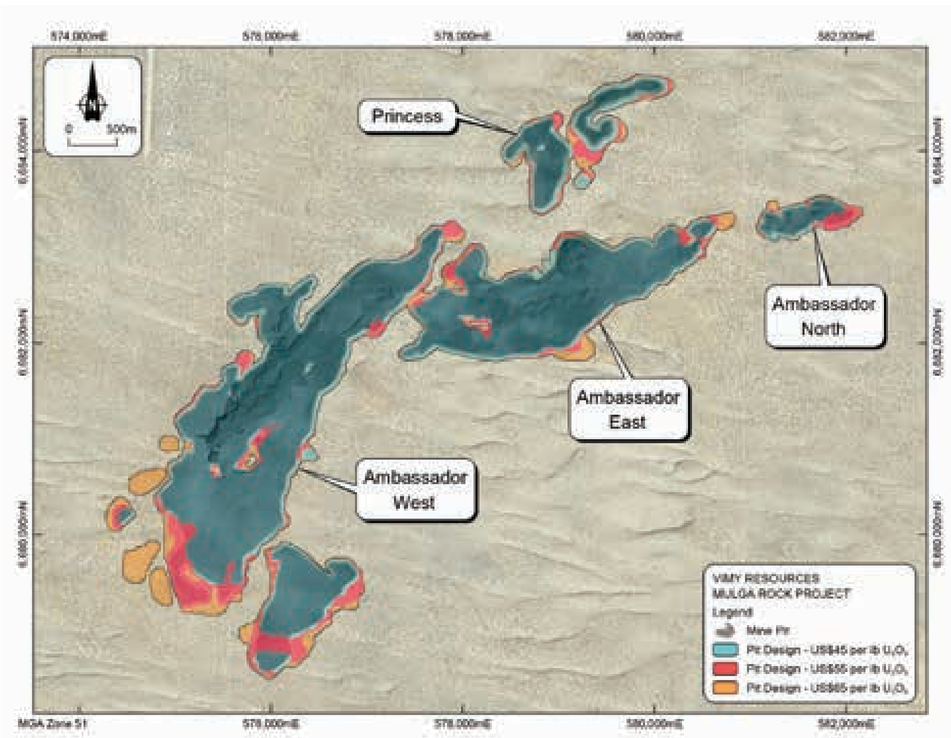


RESOURCE STATUS





Plan view of the Ambassador and Princess (Mulga Rock East) optimised pit designs and Ore Reserve classification



Change in pit shell boundary with varying long-term uranium price assumptions

MULGA ROCK PROJECT MINERAL RESOURCE, JULY 2017

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					
Shogun	Indicated	150	2.2	680	3.2
Shogun	Inferred	150	0.9	290	0.6
Emperor	Inferred	150	30.8	440	29.8
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).

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.

MULGA ROCK PROJECT TOTAL MINERAL RESOURCE

30 June 2018 compared to 30 June 2017, reported at a 150ppm cut-off grade

		2018			2017		
Deposit / Resource	Classification	Tonnes (Mt)[1]	U_3O_8 (ppm)[2]	U_3O_8 (Mlbs)	Tonnes (Mt)[2]	U_3O_8 (ppm)	U_3O_8 (Mlbs)
Mulga Rock East							
Princess	Indicated	2.0	820	3.6	1.3	690	1.9
	Inferred	1.3	420	1.2	2.5	380	2.1
Ambassador	Measured	5.2	1,100	12.6	5.1	1,105	12.4
	Indicated	14.8	800	26.0	14.0	655	20.1
	Inferred	14.2	420	13.1	11.3	335	8.3
Sub-total		**37.4**	**680**	**56.4**	**34.2**	**595**	**45.0**
Mulga Rock West							
Emperor	Inferred	30.8	440	29.8	30.8	440	29.8
Shogun	Indicated	2.2	680	3.2	1.9	680	2.9
Shogun	Inferred	0.9	290	0.6	1.1	390	0.9
Sub-total		**33.8**	**450**	**33.6**	**33.7**	**450**	**33.6**
Total Resource		**71.2**	**570**	**90.1**	**67.9**	**525**	**78.5**

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 the table above is extracted from ASX announcement entitled '*Significant Resource Update – Mulga Rock Cracks 90Mlbs*' released on 12 July 2017 and available to download from www.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.

MULGA ROCK PROJECT TOTAL ORE RESERVE

30 June 2018 compared to 30 June 2017, reported at a 150ppm cut-off grade

		2018			2017		
Deposit / Resource	Classification	Tonnes (Mt)[3]	U_3O_8 (ppm)[4]	U_3O_8 (Mlbs)	Tonnes (Mt)[3]	U_3O_8 (ppm)[4]	U_3O_8 (Mlbs)
Mulga Rock East							
Ambassador	Proved	5.3	1,055	12.3	-	-	-
Ambassador	Probable	14.1	775	24.0	16.4	753	27.3
Princess	Probable	1.7	870	3.3	1.1	734	1.7
Sub-total		**21.1**	**850**	**39.6**	**17.5**	**752**	**29.0**
Mulga Rock West							
Shogun	Probable	1.6	760	2.7	1.2	808	2.2
Sub-total		**1.6**	**760**	**2.7**	**1.2**	**808**	**2.2**
Total Reserves		**22.7**	**845**	**42.3**	**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 U_3O_8 composites (combined chemical and radiometric grades).
4 Metallurgical plant recovery factors are not applied to Total Metal content.
The information in the table above is extracted from ASX announcement entitled '*Major Ore Reserve Update – Moving to the go line*' released on 4 September 2017 and available to download from www.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.

ALLIGATOR RIVER PROJECT

Vimy announced the acquisition of the Alligator River Project from Cameco Australia on 1 March 2018. During due diligence for the acquisition, Vimy commissioned an independent JORC Mineral Resource estimate by Optiro Consultants.

OVERVIEW

- A Maiden Inferred Mineral Resource for the Angularli Deposit of 25.9Mlbs U_3O_8 for 0.91Mt at 1.29% U_3O_8, at a cut-off grade of 0.15% U_3O_8 was announced to the ASX on 20 March 2018.
- The Angularli deposit is located within the King River-Wellington Range project. The King River-Wellington Range project is the subject of a Joint Venture with Rio Tinto Exploration Pty Limited (Rio Tinto), a wholly owned subsidiary of Rio Tinto Ltd, with current JV interests of Vimy: 75% / Rio Tinto: 25%.

Chip tray sampling at Angularli

ALLIGATOR RIVER PROJECT MINERAL RESOURCE, MARCH 2018

Deposit / Resource	Classification	Cut-off Grade (ppm U_3O_8)	Tonnes (Mt)[1]	U_3O_8 (ppm)[2]	U_3O_8 (Mlbs)[3]
Angularli	Inferred	0.10	0.95	1.24	26.0
		0.15	**0.91**	**1.29**	**25.9**
		0.20	0.88	1.33	25.8
		0.25	0.77	1.49	25.2
		0.30	0.72	1.58	24.9

1 t = metric dry tonnes; appropriate rounding has been applied and rounding errors may occur.
2 Using chemical U_3O_8 composites from drill core
3 Vimy: 75% / Rio Tinto: 25%

TENEMENTS

Tenement details for the Mulga Rock Project are shown in the table below.

On 1 March 2018 the Company announced the acquisition of the Alligator River Project in the Northern Territory. This acquisition was legally completed on 17 July 2018 and as a consequence the changes in granted tenements have been reported in the September 2018 quarter.

MULGA ROCK PROJECT TENEMENT DETAILS AS AT 30 JUNE 2018

Tenement	Nature of Interest	Mineral Field
M39/1104	Granted	Mt Margaret
M39/1105	Granted	Mt Margaret
E39/876	Granted	Mt Margaret
E39/877	Granted	Mt Margaret
E39/1148	Granted	Mt Margaret
E39/1149	Granted	Mt Margaret
E39/1150	Granted	Mt Margaret
E39/1551	Granted	Mt Margaret
E39/1683	Granted	Mt Margaret
E39/1902	Granted	Mt Margaret
E39/1953	Granted	Mt Margaret
L39/193	Granted	Mt Margaret
L39/219	Granted	Mt Margaret
L39/239	Granted	Mt Margaret
L39/240	Granted	Mt Margaret
L39/241	Granted	Mt Margaret
L39/242	Granted	Mt Margaret
L39/252	Granted	Mt Margaret
L39/253	Granted	Mt Margaret
L39/254	Granted	Mt Margaret
L39/243	Granted	Mt Margaret
P39/5844	Granted	Mt Margaret
P39/5853	Granted	Mt Margaret


Drilling at the Mulga Rock Project

2018 FINANCIAL REPORT

Vimy Resources Limited - Consolidated Entity

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DIRECTORS' REPORT

FINANCIAL STATEMENTS

This financial report covers Vimy Resources Limited as a Group consisting of Vimy Resources Limited and its subsidiaries.

The financial report covers the year ended 30 June 2018 and is presented in Australian dollars.

Vimy Resources Limited is a company limited by shares, incorporated and domiciled in Australia. Its registered office and principal place of business is:

Ground Floor, 10 Richardson Street West Perth, Western Australia, 6005

The financial report was authorised for issue by the Directors on 18 September 2018. The Company has the power to amend and reissue the financial report.

Through the use of the internet, we have ensured that our corporate reporting is timely, complete, and available globally at minimum cost to the Company. Public releases are available at asx.com.au by entering the Company's ASX code 'VMY'. Additional information on the Company is available on its website http://www.vimyresources.com.au.

DIRECTORS' REPORT

FOR THE YEAR ENDED 30 JUNE 2018

Your Directors present their report on Vimy Resources Limited consolidated entity ('Group') for the financial year ended 30 June 2018.

DIRECTORS

The names and details of Directors who held office during the year ended 30 June 2018 and up to the date of this report (unless otherwise stated), are:

The Hon. Cheryl Edwardes AM, LLM, B.Juris, BA
Independent Non-Executive Chairman

Appointed 26 May 2014

A lawyer by training, Mrs Edwardes is a former Minister in the Western Australian Legislative Assembly with extensive experience and knowledge of WA's legal and regulatory framework relating to mining projects, environmental, native title, and heritage and land access. Mrs Edwardes was appointed in August 2017 as a part-time member of the Foreign Investment Review Board for a five-year period. Mrs Edwardes assists the clients of FTI Consulting with a range of complex statutory approvals required for resources and infrastructure projects. She also chairs the Port Hedland International Airport, a joint venture company between AMP Capital and Infrastructure Capital Group and is a Commissioner on the WA Football Commission.

During her political career, Mrs Edwardes held positions including WA Attorney General, Minister for the Environment and Minister for Labour Relations. She also has broad experience and networks within China's business community.

Mrs Edwardes was awarded an Order of Australia in the Queen's Birthday Honours 2016 for "significant service to the people and Parliament of Western Australia, to the law and to the environment, and through executive roles with business, education and community organisations."

Listed company directorships in the last three years: Atlas Iron Limited May 2015 to present, AusCann Group Holdings Limited May 2016 to present, and CropLogic Limited March 2018 to present.

Michael (Mike) Young BSc (Hon), MAIG
Managing Director and Chief Executive Officer

Appointed 17 April 2013

Mr Young was the first CEO and MD of BC Iron Limited and played an integral role in taking that company to a position as a significant iron ore producer. Mr Young successfully steered BC Iron through first stage exploration, definition of resources, feasibility study, the negotiation of development agreements with Fortescue Metals Group and ultimately the profitable production of iron ore.

Mr Young is a geologist and a graduate of Queens University, Canada with a Bachelor of Science (Honours) degree in Geological Sciences. His experience includes base metals, iron ore, uranium and gold, with a strong focus on mine-camp exploration, resource definition, and mine development. Mr Young was a founding director of uranium developer Bannerman Resources Limited and is the Non-Executive Chairman and founder of Cassini Resources Limited.

Mr Young is a Director of the Minerals Council of Australia and Chairman of its Uranium Forum.

Listed company directorships in the last three years: BC Iron Limited October 2006 to November 2014, Cassini Resources Limited January 2012 to present, Ascot Resources Limited June 2015 to December 2015 (delisted), and Cycliq Group Limited February 2017 to present.

Julian Tapp BA, MSc
Executive Director

Appointed 18 March 2013

Mr Tapp brings a wealth of experience in regulatory approvals. In his previous role as Head of Government Relations for Fortescue Metals Group, Mr Tapp was instrumental in overseeing and expediting the approvals process for Fortescue's world-class Pilbara iron ore project from conception through to operation.

Mr Tapp trained and worked as an economist, lecturing at a number of universities, before holding high-level roles in companies around the globe, including Ford of Europe, BP and BAeSystems.

Mr Tapp is on the Demand and Uranium Sub-Groups of the World Nuclear Association's Fuel Report Working Group.

Listed company directorships in the last three years: Nil

DIRECTORS' REPORT

FOR THE YEAR ENDED 30 JUNE 2018

David Cornell B.Comm, CA
Independent Non-Executive Director

Appointed 17 July 2012

Mr Cornell is a director of Element Capital Pty Ltd and has significant experience providing strategic and corporate advice to listed companies, with a strong focus on transaction services.

Mr Cornell has assisted several companies, including Vimy Resources Limited, through the listing process and has raised over a quarter of a billion dollars through debt, equity and hybrid structures for leading resource companies including Atlas Iron and CopperCo.

Mr Cornell is a Chartered Accountant, gaining his experience with the international accounting firms Arthur Andersen and Ernst & Young where he specialised in providing corporate and professional services to both Western Australian junior explorers and international mining companies.

Listed company directorships in the last three years: Nil

Andrew (Andy) Haslam Grad Dip. Min (Ballarat), GAICD
Non-Executive Director

Appointed 1 April 2016

Mr Haslam is a mining professional with over 30 years of operational and senior executive experience in the Australian mining industry. He was previously Managing Director of ASX listed Vital Metals, Managing Director of ASX listed Territory Resources Ltd and Executive General Manager - Iron ore, with ASX listed Mineral Resources Limited. Prior to these roles, he held a number of key operational roles in the mining contracting industry in Australia.

Mr Haslam currently serves as a Non-Executive Director of BC Iron Limited, industry representative on the WA Quarry Managers' Board of Examiners and a consultant to a number of companies in the mining industry.

Mr Haslam holds a Graduate Diploma of Mining from the University of Ballarat, Victoria, a Graduate Diploma from the Australian Institute of Company Directors, Diploma of Extractive Industries Management from SEM College WA and WA Quarry Manager's Certificate of Competency.

Listed company directorships in the last three years: BC Iron Limited from August 2011 to present.

Malcolm (Mal) James B.Bus., FAICD, AusIMM
Non-Executive Director

Appointed 1 April 2016

Mr James has over 30 years' experience in merchant banking, engineering, manufacturing, mining, energy, financing, philanthropic and social ventures. Over the past 25 years he has had active roles in identifying, exploring, financing and developing a number of significant natural resource and energy projects in Australia, the former Soviet Union, the Middle East, Africa, Asia, South America and the USA.

Mr James has held executive and Non-Executive Board positions on several Australian and London listed companies, business associations, sporting and not-for profit organisations. He has been directly involved in over A$2.5 billion of equity and debt financing and was a founding Director of MRJ Advisors – a boutique resource and capital management firm that was responsible for the identification, financing and listing of several projects/companies on the Australian and London Securities Exchanges.

Mr James is currently Executive Chairman/Managing Director of Algae.Tec Limited, a specialist algae producer focused on the key algae-based nutraceutical, animal and aquaculture markets, and the Non-Executive Chairman of Anova Metals Limited.

Mr James holds a Bachelor of Business (Accounting) from RMIT University in Melbourne, he is a Fellow of the Australian Institute of Company Directors (FAICD) and Member Australasian Institute of Mining and Metallurgy (AusIMM).

Mr James is a representative of the shareholder, Forrest Family Investments Pty Ltd (Peepingee Trust).

Listed company directorships in the last three years: Anova Metals Limited from September 2012 to present; and Algae Tec Limited from September 2014 to present.

DIRECTORS' REPORT

FOR THE YEAR ENDED 30 JUNE 2018

Dr Vanessa Guthrie BSc (Hons), PhD (Geology), Dip. Nat. Res., Dip. Bus. Mgt, Dip. Comm. Res. Law, MAICD, FTSE
Non-Executive Director

Appointed 6 October 2017

Dr Guthrie has more than 30 years' experience in the resources sector in diverse roles such as operations, environment, community and indigenous affairs, corporate development and sustainability.

Dr Guthrie has qualifications in geology, environment, law and business management including a PhD in Geology. She was awarded an Honorary Doctor of Science from Curtin University in 2017 for her contribution to sustainability, innovation and policy leadership in the resources industry.

Dr Guthrie is the former Managing Director and CEO of Toro Energy Limited and VP Sustainable Development at Woodside Energy, and is currently Chair of the Minerals Council of Australia, Deputy Chair of the WACA, a Non-Executive Director of the Australian Broadcasting Corporation, Santos Limited, Adelaide Brighton Limited and a Council member of Curtin University.

Dr Guthrie is an active member of the Australian Institute of Company Directors and Chief Executive Women, and a Fellow of the Australian Academy of Technological Sciences and Engineering.

Dr Guthrie is a representative of the shareholder, Resource Capital Fund VI L.P.

Listed company directorships in the last three years: Toro Energy Limited up to December 2016, Santos Limited July 2017 to present, and Adelaide Brighton Limited February 2018 to present.

COMPANY SECRETARY

Ronald (Ron) Chamberlain BCom, FCA
Chief Financial Officer and Company Secretary

Appointed 5 February 2016

Mr Chamberlain has over twenty-five years' experience in the resources industry as a finance professional, with significant involvement in all the mine stages from exploration through to mine closure. Mr Chamberlain has held a number of senior executive roles in the uranium industry; he was the inaugural CFO for Paladin Energy where he played an integral role in the funding and development of the Langer Heinrich and Kayelekera projects, and then Acting CFO and subsequently Non-Executive Director for Extract Resources prior to China Guangdong Nuclear Power's acquisition of the Husab project. Mr Chamberlain has worked on resource project developments and acquisitions in Australia, Africa, North America and Asia.

Mr Chamberlain holds a Bachelor of Commerce degree from the University of Western Australia and is a Fellow of the Chartered Accountants Australia and New Zealand.

Listed company directorships in the last three years: Nil

PRINCIPAL ACTIVITIES

The principal activities of the Group during the year ended 30 June 2018 was exploration and evaluation on the Mulga Rock Project with the Definitive Feasibility Study completed during the year. The acquisition of the Alligator River Uranium Project was finalised after 30 June 2018.

SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

During the year the following significant events occurred:

- On 31 July 2017, the Company announced the completion of a heavily oversubscribed placement to new institutional and sophisticated investors which raised $6 million at $0.14 per share before costs. The funds raised were primarily to enable completion of the Definitive Feasibility Study work programs for the Mulga Rock Project.
- On 6 October 2017, Dr Vanessa Guthrie was appointed as a Non-Executive Director, representing the substantial shareholder Resource Capital Fund VI L.P.
- On 30 January 2018, the Company released its Definitive Feasibility Study on the Mulga Rock Project.
- On 12 February 2018, the Company announced the expansion of the Vimy team with the appointment of a US-based Vice President Sales and Marketing.
- On 1 March 2018, the Company announced the acquisition of Cameco's Alligator River Project in the Northern Territory, the largest granted and permitted tenement package in a world-class uranium province. This acquisition was subject to customary conditions, including third party and regulatory approvals, and was finalised on 17 July 2018 following completion of tenement transfers (refer to Matters Subsequent to the End of the Year).

- On 8 May 2018, the Company announced the completion a placement from new and existing institutional and sophisticated investors which raised $6 million at $0.11 per share before costs. The funds were raised to carry out an exploration program at the Alligator River Project as well as to progress the battery minerals options at the Mulga Rock Project.
- On 13 June 2018, the Company noted the sell down from its substantial shareholder Macquarie Bank Limited from a relevant interest of 8.74% to below 0.1%.

OPERATING AND FINANCIAL REVIEW

OPERATING RESULT

The consolidated operating loss after tax for the year ended 30 June 2018 attributable to members of the Group was $9,545,741 (2017: operating loss after tax $11,500,157). The loss after tax is mainly attributable to the accounting policy to expense all exploration and evaluation expenditure as incurred.

Key highlights for the year were as follows:

- Other income decreased to $707,819 (2017: $7,724,364) as a consequence of lower research and development tax incentive grant income in 2018 related to a reduction in activities during the year. The research and development tax incentive grant income for the 2017 financial year related to both the 2017 and 2016 income tax years.
- Lower exploration and evaluation expenditure of $5,951,592 (2017: $13,597,184) as a result of completing the Mulga Rock Project Definitive Feasibility Study during the year.

DIVIDENDS

No dividends were paid in the current year (2017: $nil).

REVIEW OF OPERATIONS

The Group's flagship project is the Mulga Rock Project, one of Australia's largest undeveloped uranium resources, located 290 kilometres east-northeast of Kalgoorlie in the Great Victoria Desert of Western Australia.

After 30 June 2018 the Group completed the acquisition of the largest granted uranium exploration package in the world-class Alligator River uranium district, located in the Northern Territory.

As an exploration and evaluation company, Vimy Resources Limited is in the high-risk, high-reward sector of the global mining industry. Exploration and evaluation companies are the critical front-end of the mining industry with the highest risk, and as such the Company's business model is specific to this sector.

During the year the following significant events occurred:

- On 12 July 2017, the Company announced the results from a significant mineral resource update at its Mulga Rock Project. The new mineral resource has increased by 17% to 71.2Mt at 570ppm U_3O_8 for 90.1Mlbs U_3O_8 compared to the November 2016 estimate of 76.8Mlb U_3O_8.
- On 4 September 2017, the Company announced a major ore reserve update at the Mulga Rock Project to 42.3Mlbs U_3O_8 from 22.7Mt at 845ppm U_3O_8, including a maiden proved ore reserve of 12.3Mlbs from 5.3Mt at 1,055ppm U_3O_8, and a 36% increase in ore reserve metal since the last reserve update in November 2016.
- On 6 September 2017, the Company announced that it had received all results from testing of the uranium oxide concentrate (UOC) product samples dispatched to three overseas commercial converters, confirming the high quality of the UOC from the Mulga Rock Project.
- On 30 January 2018, the Company released the Mulga Rock project definitive feasibility study, which confirmed the project as a world class uranium project, with robust financials and simple, low cost mining and metallurgical processes.
- On 20 March 2018, the Company announced the maiden mineral resource for Angularli deposit at the Alligator River Project, containing approximately 26Mlbs U_3O_8 from 0.91Mt at 1.3% U_3O_8 (75% Vimy:25% Rio Tinto Exploration Pty Limited). This is the most advanced of many exciting prospects in this under-explored province known to host large uranium deposits with exceptional grade. This acquisition was finalised on 17 July 2018 following completion of tenement transfers (refer to Matters Subsequent to the End of the Year).
- On 12 April 2018, the Company announced the potential upside to uranium value at Mulga Rock Project through base metal by-product credits from copper-zinc and nickel-cobalt mixed sulphide products. These base metals would be separate products and NOT part of the UOC product.

The Company currently has two mining leases that cover the entire area required for the successful development and exploitation of the Mulga Rock Project.

DIRECTORS' REPORT

FOR THE YEAR ENDED 30 JUNE 2018

Financial Position

Net assets at 30 June 2018 were $6,483,983 (2017: Net assets of $4,627,848) and are low as a consequence of the Group being in the exploration and evaluation phase and expensing related expenditure on granted tenements as incurred.

Cash and cash equivalents at 30 June 2018 totalled $6,734,623 (2017: $5,081,972).

Going Concern

The Directors have reviewed a cash flow forecast for the next 12 months from the date of signing the financial report which demonstrates that the Group will have sufficient cash resources to continue as a going concern, subject to successful fundraising activities during the period.

The Group's ability to continue as a going concern and to advance the Mulga Rock project and its exploration and evaluation activities, including the Alligator River Project acquired subsequent to year end, depends on its ability to obtain additional funding through equity, debt or hybrid financing, joint ventures, production off-take arrangements or other means. This creates a material uncertainty as to the ability of the Group to continue as a going concern.

In considering these circumstances, the Directors have taken into account the Group's demonstrated past successes in raising equity and debt, and in the event that additional funding is not able to be obtained at the amounts and timeframes anticipated, the Directors would actively curtail both project and corporate expenditure to conserve cash resources.

For these reasons the Directors continue to adopt the going concern basis in preparing these financial reports.

If the Group is unable to continue as a going concern, it may be required to realise its assets and/or settle its liabilities other than in the ordinary course of business and at amounts different from those stated in the financial report.

LIKELY DEVELOPMENTS AND BUSINESS STRATEGY

The Group's strategy is to develop its assets and to ultimately become a uranium producer. At the same time, the Group is continually looking for other uranium exploration and development opportunities to add to its project pipeline. New assets will be evaluated on a case-by-case basis.

The Group's objectives are to develop the Mulga Rock Project by negotiation of offtake contracts with electrical power utilities, and funding facilities, and to undertake exploration and evaluation activities at the recently acquired Alligator River Project.

MATTERS SUBSEQUENT TO THE END OF THE YEAR

Since 30 June 2018 the following significant subsequent events have occurred:

- From 1 July 2018 the Company has reduced Non-Executive Director Board fees by 10% and modified Executive Team contracts to provide the Company with flexibility to respond to uranium market conditions in the next six months while maintaining core intellectual property (refer to Remuneration Report).
- On 17 July 2018, the Company announced the completion of the transfer of tenements relating to the Alligator River Uranium Project in Arnhem Land, Northern Territory. The Company has made an assessment whether it had been transferred significant risk and rewards, had legal rights and control to tenure at 30 June 2018, and as such whether the acquisition should be recognised at 30 June 2018. The Company concluded that the acquisition from Cameco Australia Pty Ltd was not completed until 17 July 2018 following transfer of tenements, and therefore the acquisition has been disclosed as a subsequent event. The Company has acquired the project for a cash consideration of $6.5 million staged over 30 months and granted Cameco a conditional buy-back option. The first instalment of $1.5 million was paid in July 2018.
- On 20 July 2018, the Company issued 4,030,000 ordinary shares under the terms and conditions of the 2016 Vimy Employee Share Plan as approved by shareholders on 18 November 2016. The shares are subject to vesting conditions as well as repayment of a limited recourse loan provided by the Company (refer to the Remuneration Report for details of the plan).
- On 27 July 2018, the Company noted a reduction in the shareholdings of the Managing Director Mike Young and Executive Director Julian Tapp. Their 2013 employee share plan shares were trading below the June 2013 issue price at the end of their five-year term, and as a consequence the Company bought back the shares in repayment of the non-recourse loan under the terms of the employee share plan, and then cancelled the shares.
- On 13 August 2018, the Company announced commencement of exploration drilling at the Alligator River Project to extend known mineralisation at the Angularli deposit and confirm prospectivity at the Such Wow prospect.

DIRECTORS' REPORT

FOR THE YEAR ENDED 30 JUNE 2018

MEETINGS OF DIRECTORS

The meetings of the Company's Board of Directors held during the year ended 30 June 2018, and the number of meetings attended by each Director were:

	Full meetings of Directors		Remuneration Committee		Audit Committee	
Directors during the year ended 30 June 2018	A	B	A	B	A	B
C. Edwardes	14	14	4	4	2	2
M. Young	14	14	*	*	*	*
J. Tapp	12	14	*	*	*	*
D. Cornell	14	14	4	4	2	2
A. Haslam	14	14	4	4	2	2
M. James	11	14	4	4	1	2
V. Guthrie (appointed 7 October 2017)	11	12	2	3	2	2

A = Number of meetings attended in person or electronic means.
B = Number of meetings held during the time that the Director held office and for which they were entitled to participate.
* = Not a member of the relevant committee.

DIRECTORS' INTERESTS IN SHARES AND OPTIONS

Particulars of Directors' interests and of persons connected with them in shares of the Group as at the reporting date are as follows:

Director	Number of shares	Number of options
C. Edwardes	857,142	-
M. Young	5,538,094	714,285
J. Tapp	3,571,427	714,285
D. Cornell	-	-
A. Haslam	-	-
M. James [(a)]	-	-
V. Guthrie (appointed 7 October 2017) [(b)]	-	-

(a) Mr James is the nominated representative of Forrest Family Investments Pty Ltd, an investment entity within Andrew Forrest's Minderoo Group which currently holds 57,142,857 ordinary shares. Mr James has no direct interest in this shareholding of Forrest Family Investments Pty Ltd.

(b) Dr Guthrie is the nominated representative of Resource Capital Fund VI L.P. which currently holds 92,512,184 ordinary shares. Dr Guthrie has no direct interest in this shareholding of Resource Capital Fund VI L.P.

SHARE OPTIONS

Options over ordinary shares of the Group as at the reporting date are as follows:

Date granted	Expiry date	Fair value per option at grant date	Exercise price	Number of options
17 December 2014	16 December 2019	$0.31	$0.80	1,428,570
17 March 2014	16 December 2018	$0.35	$1.54	8,714,281
17 March 2014	16 December 2018	$0.35	$0.70	8,714,283

No option holder has any right under the options to participate in any other share issue of the Group or of any other controlled entity. No options were exercised during the year ended 30 June 2018.

CONTINGENTLY ISSUABLE SHARES

On 31 August 2018 the Remuneration Committee and Board approved a 2018 short-term benefit of $149,400 future issue of shares to key management personnel based on their individual performance during the year. The issue of shares in the future is subject to an additional service condition through to 30 June 2019, unless the employee is terminated by the Company without cause.
The future issue of a portion of the shares is to Directors and as a consequence is also subject to shareholder approval.

ENVIRONMENTAL REGULATIONS AND PERFORMANCE

The Group has conducted exploration and evaluation activities on mineral tenements. The right to conduct these activities is granted subject to environmental conditions and requirements. The Group aims to ensure a high standard of environmental care is achieved, and as a minimum, to comply with relevant environmental regulations. There have been no known material breaches of any of the environmental conditions.

REMUNERATION REPORT (AUDITED)

The Directors of the Group present the Remuneration Report of Non-Executive Directors, executive Directors and other key management personnel, prepared in accordance with the Corporation Act 2001 and the Corporation Regulations 2001.

The Remuneration Report is set out under the following main headings:

A. Principles used to determine the nature and amount of remuneration

B. Details of remuneration

C. Service agreements

D. Share-based compensation

E. Additional information

A. Principles used to determine the nature and amount of remuneration

The objective of the Group's executive reward framework is to ensure reward for performance is competitive and appropriate for the results delivered. Remuneration levels are set to attract qualified and experienced people to pursue the Group's stated objectives. The Board, through the Remuneration Committee, takes advice on industry remuneration standards through internal database benchmarking or use of external consultants. During the 2017 year no external consultants were engaged by the Company. In the 2018 year, advice was sought from external consultants on the short term incentive performance plan for a cost of $7,650.

The Board has established a remuneration charter, administered by the Remuneration Committee, which provides oversight guidance on remuneration and incentive policies and practices and specific recommendations on remuneration packages and other terms of employment for executive Directors, other senior executives and Non-Executive Directors.

The Board recognises that the Company's future performance will be dependent on the quality of its people. To achieve its financial and operating objectives, the Group must be able to attract, retain and motivate highly capable people.

To this end, the Board and management have reviewed and agreed the appropriate people systems required at each level of company development. These will be implemented over time in order to support the continuing growth and change of the business.

Non-Executive Directors

From 1 July 2018 the Company has reduced Non-Executive Director Board fees by 10%.

Fees and payments to Non-Executive Directors reflect the demands which are made on, and the responsibilities of, the Directors. Non-Executive Directors' fees and payments are reviewed periodically by the Board through the Remuneration Committee. The Chairman does not attend any discussions relating to determination of her own remuneration. Non-Executive Directors' fees are determined within an aggregate Directors' fee pool limit, which is periodically recommended for approval by shareholders. The maximum fee pool currently stands at $500,000 per annum. There are no retirement allowances for Non-Executive Directors other than statutory superannuation contributions.

Executive pay

From 1 July 2017 the Company has modified Executive Team contracts to provide the Company with flexibility to respond to uranium market conditions in the next six months. Refer to section C. Service agreements for the specific details on the modifications.

The executive pay and reward framework has three components:

(i) *Base pay and benefits, including superannuation*

Base pay is structured as a total employment cost package which may be delivered as a combination of cash and prescribed non-financial benefits at the executives' discretion.

Employees are offered a competitive base pay that comprises the fixed component of pay and rewards.

External remuneration consultants provide initial analysis and advice to ensure base pay is set to reflect the market for a comparable role. Base pay for senior executives is reviewed annually to ensure the executive's pay is competitive with the market. An executive's pay is also reviewed on promotion.

There are no guaranteed base pay increases included in any executive contract.

Superannuation contributions are made to employees' chosen superannuation funds in accordance with Australian regulatory requirements.

(ii) *Short-term incentives*

The Board, through the Remuneration Committee, is responsible for assessing short-term incentives for key management personnel. Short-term incentives are established against key performance indicators which are assessed by the Board through the Remuneration Committee. The key performance indicators used during the year included Group performance in safety, Company share price performance compared to a peer group, and specific individual and Group work program achievements.

During the 2018 year advice was sought from external consultants on the short-term incentive performance plan for a cost of $7,650. This has resulted in the Company revising the short-term incentive performance plan from 1 July 2018 to better align executive reward outcomes with shareholder wealth creation.

(iii) *Long-term incentives*

Long-term incentives are provided to employees through the 2016 Vimy Employee Share Plan.

When shares are issued under the plan they are subject to vesting conditions as well as repayment of a limited recourse loan provided by the Company. The vesting conditions assessed during the year related to specific Group work program achievements for the Chief Executive Officer and Managing Director as approved by shareholders on 18 November 2016.

See section D – Share-based compensation for further information.

Company performance

The Company is currently focused on exploration and evaluation of its projects and is not expected to generate profits during this development phase. Share price performance will occur as a result of the success in progressing project development, quality of the projects, management's performance and external factors such as commodity price.

Consequences of performance on shareholder wealth

In considering the Group's performance and benefits for shareholder wealth, the Board has regard to the following indices in respect of the current financial year and the previous four financial years:

Item	2018	2017	2016	2015	2014 *
Loss per share (cents)	(2.62)	(4.11)	(5.24)	(5.26)	(13.72)
Dividend (cents per share)	-	-	-	-	-
Net loss	(9,545,741)	(11,500,157)	(11,957,825)	(10,725,302)	(8,298,813)
Share price ($)	0.10	0.18	0.34	0.26	0.35

* The figures for this year have been retrospectively changed to factor in the consolidation of share capital of the Company on a basis that every 7 shares were consolidated into 1 share.

B. *Details of remuneration*

Amounts of remuneration

The key management personnel of the Group are the Directors and specified executives. Details of the remuneration of the key management personnel of the Group for the years ended 30 June 2018 and 2017 are set out in the following tables.

		Short-term benefits			*Post-employment benefits*	*Share-based payments*	
		Cash salary and fees	**Cash bonus [a]**	**Share-based payments [b]**	**Superannuation**	**Value of shares / options**	**Total**
Directors							
Non-Executive							
C. Edwardes	2018	90,000	-	-	8,550	-	98,550
Chairman	2017	90,000	-	-	8,550	67,513	166,063
D. Cornell	2018	40,000	-	-	3,800	-	43,800
	2017	40,000	-	-	3,800	-	43,800
A. Haslam	2018	43,800	-	-	-	-	43,800
	2017	43,800	-	-	-	-	43,800
M. James	2018	43,800	-	-	-	-	43,800
	2017	43,800	-	-	-	-	43,800
V. Guthrie	2018	29,462	-	-	2,799	-	32,261
Appointed 7 October 2017	2017	-	-	-	-	-	-
Executive							
M. Young	2018	425,000	-	25,500 [b]	25,000	100,294	575,794
CEO and MD	2017	425,000	179,775 [a]	-	25,000	302,953	932,728
J. Tapp	2018	325,000	-	13,000 [b]	25,000	-	363,000
	2017	325,000	103,100 [a]	-	25,000	107,768	560,868
Total Directors	2018	997,062	-	38,500 [b]	65,149	100,294	1,201,005
	2017	967,600	282,875 [a]	-	62,350	478,234	1,791,059

(a) Cash bonus payments to M. Young and J. Tapp in 2017 relate to both the 2017 and 2016 years. No recognition of cash bonus payments were made in 2016 for M. Young and J. Tapp as no legal or constructive obligation existed as at 30 June 2016 for the entitlement. During 2017 the service agreements for M. Young and J. Tapp were amended to include a short-term incentive entitlement, which has resulted in the recognition of both 2017 and 2016 cash bonus payments in the 2017 year.

(b) The short-term benefit share-based payments in 2018 relate to an award of a fixed value of future issue of shares to key management personnel based on their individual performance during the year. The issue of shares in the future is subject to an additional service condition through to 30 June 2019, unless the employee is terminated by the Company without cause. The share-based payments have been provisionally expensed in accordance with accounting standards over a two year vesting period, from commencement of the performance period on 1 July 2017 to end of the service condition on 30 June 2019. The Remuneration Committee and Board approved the award and future issue of shares on 31 August 2018, subject to the service condition. The future issue of shares to M. Young and J. Tapp is also subject to shareholder approval.

		Short-term benefits			Post-employment benefits	Share-based payments	
		Cash salary and fees	Cash bonus	Share-based payments [a]	Superannuation	Value of shares	Total
Key management personnel							
T. Chamberlain	2018	380,000	-	15,200 [a]	20,049	-	415,249
Chief Operating Officer	2017	380,000	58,900	-	19,616	113,019	571,535
R. Chamberlain	2018	300,000	-	12,000 [a]	28,500	-	340,500
CFO and Company Secretary	2017	300,000	45,000	-	28,500	120,508	494,008
Total key management personnel	2018	680,000	-	27,200 [a]	48,549	-	755,749
	2017	680,000	103,900	-	48,116	233,527	1,065,543

(a) The short-term benefit share-based payments in 2018 relate to an award of a fixed value of future issue of shares to key management personnel based on their individual performance during the year. The issue of shares in the future is subject to an additional service condition through to 30 June 2019, unless the employee is terminated by the Company without cause. The share-based payments have been provisionally expensed in accordance with accounting standards over a two year vesting period, from commencement of the performance period on 1 July 2017 to end of the service condition on 30 June 2019. The Remuneration Committee and Board approved the award and future issue of shares on 31 August 2018, subject to the service condition.

Annual short-term incentive bonus is a component of the service agreement. Award of incentive bonus is dependent upon the Group performance in safety, Company share price performance compared to a peer group, and specific individual project achievements.

For the 2018 year short-term benefit, M. Young received 40% of the maximum annual short-term incentive bonus (60% forfeited), J. Tapp received 40% of the maximum annual short-term incentive bonus (60% forfeited), T. Chamberlain received 40% of the maximum annual short-term incentive bonus (60% forfeited), and R. Chamberlain received 40% of the maximum annual short-term incentive bonus (60% forfeited). The short-term benefit share-based payments in 2018 relate to an award of a fixed value of shares to be issued in the future to key management personnel based on their individual performance during the year. The issue of shares in the future is subject to an additional service condition through to 30 June 2019, unless the employee is terminated by the Company without cause.

For the 2017 year, cash bonus payments, M. Young received 78% of the maximum annual short-term incentive bonus (22% forfeited), J. Tapp received 70% of the maximum annual short-term incentive bonus (30% forfeited), T. Chamberlain received 77.5% of the maximum annual short-term incentive bonus (22.5% forfeited), and R. Chamberlain received 75% of the maximum annual short-term incentive bonus (25% forfeited).

The relative proportions of remuneration that are linked to performance and those that are fixed are as follows:

	Fixed remuneration		*At risk – short term incentives*		*At risk – long term incentives*	
	2018	**2017**	**2018**	**2017**	**2018**	**2017**
Directors						
Non-executive						
C. Edwardes	100%	59%	-	-	-	41%
D. Cornell	100%	100%	-	-	-	-
A. Haslam	100%	100%	-	-	-	-
M. James	100%	100%	-	-	-	-
V. Guthrie *Appointed 7 October 2017*	100%	-	-	-	-	-
Executive						
M. Young	78%	48%	5%	19%	17%	33%
J. Tapp	96%	63%	4%	18%	-	19%
Key management personnel						
T. Chamberlain	96%	70%	4%	10%	-	20%
R. Chamberlain	96%	67%	4%	9%	-	24%

C. *Service agreements*

Remuneration and other terms of employment for certain key management are formalised in service agreements. Employees are eligible for long term incentive benefits under the 2016 Vimy Employee Share Plan.

From 1 July 2018 the Company has modified the Executive Team contracts to provide the Company with flexibility to respond to uranium market conditions in the next six months. These modifications relate to the key management personnel service agreements noted below and include:

- Allowing external consultancy work to be undertaken in the six months from 1 July 2018 as unpaid leave for a minimum period. This minimum period ranges from 1 to 2 days per week depending upon the key management personnel and has been arrived at by a mutual understanding and has the effect of reducing ongoing remuneration by between 20% to 40%.
- Reduction in the contract notice periods for the key management personnel from 6 months to 2 months by either party.

The service agreements in effect for the year ended 30 June 2018 were:

Mr M. Young, Chief Executive Officer and Managing Director

- Base Remuneration - $450,000 inclusive of superannuation.
- Short Term Incentive – Maximum annual award of 30% of base remuneration.
- Term of Agreement – The executive service agreement has no fixed completion term.
- Termination – The Company may terminate Mr Young's employment at any time with six months' written notice or the payment of six months' remuneration in lieu of notice. Mr Young must provide six months' written notice to terminate the agreement.
- The service agreement may be terminated by the Company at any time, without notice to the executive as a result of misconduct, wilful neglect, material breaches of his duties, the executive being charged with a criminal offence which brings the Company into serious disrepute, the executive becoming insolvent or becoming ineligible to hold office as a Director.
- Change of Control - If there is a change of control of the Company, and there is a material diminution of the executive's duties or decision-making authority which is not agreed with the executive, the executive will be entitled to twelve months base remuneration plus the equivalent of the full year short term incentive bonus. This change of control entitlement is inclusive of the applicable notice period.

Mr J. Tapp, Executive Director

- Base Remuneration - $350,000 inclusive of superannuation.
- Short Term Incentive – Maximum annual award of 20% of base remuneration.
- Term of Agreement – The executive service agreement has no fixed completion term.
- Termination – The Company may terminate Mr Tapp's employment at any time with six months' written notice or the payment of six months' remuneration in lieu of notice. Mr Tapp must provide six months' written notice to terminate the agreement.
- The service agreement may be terminated by the Company at any time, without notice to the executive as a result of misconduct, wilful neglect, material breaches of his duties, the executive being charged with a criminal offence which brings the Company into serious disrepute, the executive becoming insolvent or becoming ineligible to hold office as a Director.
- Change of Control - If there is a change of control of the Company, and there is a material diminution of the executive's duties or decision-making authority which is not agreed with the executive, the executive will be entitled to twelve months base remuneration plus the equivalent of the full year short term incentive bonus. This change of control entitlement is inclusive of the applicable notice period.

Mr T. Chamberlain, Chief Operating Officer

- Base Remuneration - $380,000 plus superannuation capped at the maximum super contribution base.
- Short Term Incentive – Maximum annual award of 20% of base remuneration.
- Term of Agreement – The executive service agreement has no fixed completion term.
- Termination – The Company may terminate Mr T. Chamberlain's employment at any time with six months' written notice or the payment of six months' remuneration in lieu of notice. Mr T. Chamberlain must provide six months' written notice to terminate the agreement.
- The service agreement may be terminated by the Company at any time, without notice to the executive as a result of misconduct, wilful neglect, material breaches of his duties, the executive being charged with a criminal offence which brings the Company into serious disrepute, the executive becoming insolvent or becoming ineligible to hold office as an officer.
- Change of Control - If there is a change of control of the Company, and there is a material diminution of the executive's duties or decision-making authority which is not agreed with the executive, the executive will be entitled to twelve months base remuneration plus the equivalent of the full year short term incentive bonus. This change of control entitlement is inclusive of the applicable notice period.

Mr R. Chamberlain, Chief Financial Officer and Company Secretary

- Base Remuneration - $300,000 plus superannuation.
- Short Term Incentive – Maximum annual award of 20% of annual base remuneration.
- Term of Agreement – The executive service agreement has no fixed completion term.
- Termination – The Company may terminate Mr R. Chamberlain's employment at any time with six months' written notice or the payment of six months' remuneration in lieu of notice. Mr R. Chamberlain must provide six months' written notice to terminate the agreement.
- The service agreement may be terminated by the Company at any time, without notice to the executive as a result of misconduct, wilful neglect, material breaches of his duties, the executive being charged with a criminal offence which brings the Company into serious disrepute, the executive becoming insolvent or becoming ineligible to hold office as an officer.
- Change of Control - If there is a change of control of the Company, and there is a material diminution of the executive's duties or decision making authority which is not agreed with the executive, the executive will be entitled to twelve months' base remuneration plus the equivalent of the full year short term incentive bonus. This change of control entitlement is inclusive of the applicable notice period.

DIRECTORS' REPORT

FOR THE YEAR ENDED 30 JUNE 2018

D. Share-based compensation

During the year no shares were issued under the 2016 Vimy Employee Share Plan.

Subsequent to 30 June 2018 the Remuneration Committee and Board on 31 August 2018 approved the award and future issue of shares to key management personnel which is considered a grant of equity instruments relating to remuneration. This grant related to 2018 short-term benefits in the form of a fixed value of future issue of shares based on individual performance during the year, but also subject to an additional service condition through to 30 June 2019, unless the employee is terminated by the Company without cause.

Key management personnel	Incentive plan	Number granted	Grant date	Fair value at grant date	Vesting date	Service condition end date
T. Chamberlain	Short-term incentive	Fixed value of $30,400 converted to shares based on the closing share price on 28 June 2019	31 Aug 2018	$30,400	30 June 2019	30 June 2019
R. Chamberlain	Short-term incentive	Fixed value of $24,000 converted to shares based on the closing share price on 28 June 2019	31 Aug 2018	$24,000	30 June 2019	30 June 2019

In relation to 2018 short-term benefits to M. Young and J. Tapp, as the future issue of these shares are also subject to shareholder approval, these are not as yet considered a grant of equity instruments relating to remuneration.

The 2018 short-term benefits are considered to be share-based payments and as a result they have been provisionally expensed in accordance with accounting standards over a two year vesting period, from commencement of the performance period on 1 July 2017 to end of the service condition on 30 June 2019.

E. Additional Information

Shareholdings

The number of ordinary shares in the Company held during the year by each Director and key management personnel, including their personally related entities or associates, are set out below.

	Balance at the start of the period	Granted as remuneration	Purchased on market	Balance at the end of the period
30 June 2018				
Directors				
C. Edwardes	857,142	-	-	857,142
M. Young	5,238,094	-	300,000	5,538,094
J. Tapp	3,571,427	-	-	3,571,427
D. Cornell	-	-	-	-
A. Haslam	-	-	-	-
M. James [(a)]	-	-	-	-
V. Guthrie [(b)]	-	-	-	-
	9,666,663	-	-	9,966,663
Key management personnel				
T. Chamberlain	1,142,857	-	-	1,142,857
R. Chamberlain	500,000	-	-	500,000
	1,642,857	-	-	1,642,857

(a) Mr James is the representative of Forrest Family Investments Pty Ltd (Peepingee Trust) which held 57,142,857 ordinary shares in the Company during the year ended 30 June 2018. Mr James has no direct interest in the shareholding of Forrest Family Investments Pty Ltd.

(b) Dr Guthrie is the nominated representative of Resource Capital Fund VI L.P. which held 92,512,184 ordinary shares in the Company during the year ended 30 June 2018. Dr Guthrie has no direct interest in this shareholding of Resource Capital Fund VI L.P.

DIRECTORS' REPORT

FOR THE YEAR ENDED 30 JUNE 2018

Option holdings

The movement during the reporting period, by number of options over ordinary shares in the Company held directly, indirectly or beneficially, by each key management person is set out below.

	Balance at the start of the period	Granted as remuneration	Exercised	Expired	Balance at the end of the period	Vested and exercisable at 30 June 2018
Directors						
C. Edwardes	-	-	-	-	-	
M. Young	2,142,856	-	-	1,428,571	714,285	714,285
J. Tapp	2,142,856	-	-	1,428,571	714,285	714,285
D. Cornell	-	-	-	-	-	
A. Haslam	-	-	-	-	-	
M. James	-	-	-	-	-	
V. Guthrie	-	-	-	-	-	
	4,285,712	-	-	2,857,142	1,428,570	1,428,570
Key management personnel						
T. Chamberlain	-	-	-	-	-	-
R. Chamberlain	-	-	-	-	-	-
	-	-	-	-	-	-

Vesting Profiles

Details of the vesting profiles of employee share plans held at 30 June 2018 by each key management personal of the Company are detailed below.

	Number of Shares	Grant Date	% vested in year	% forfeited in year	% expired during year	Financial year in which grant vests
Directors						
C. Edwardes	857,142	17 Dec 2014	-%	-%	-%	2017
M. Young	1,666,667	22 Nov 2016	13%	-%	-%	2017, 2018, 2019
M. Young [(a)]	714,285	17 Dec 2014	-%	-%	-%	2017
M. Young	1,428,571	14 June 2013	-%	-%	-%	2013
J. Tapp	714,285	17 Dec 2014	-%	-%	-%	2017
J. Tapp [(a)]	1,428,571	14 June 2013	-%	-%	-%	2013
	6,809,521					
Key management personnel						
T. Chamberlain	1,000,000	20 Nov 2015	100%	-%	-%	2018
T. Chamberlain	142,857	5 Sep 2014	-%	-%	-%	2016
R. Chamberlain	500,000	3 June 2016	-%	-%	-%	2017
	1,642,857					

(a) The 2013 share grants to Mr Young and Mr Tapp were bought back by the Company after 30 June 2018 as these shares were trading below their June 2013 issue price at the end of their five year term. This buy back is in repayment of the non-recourse loan under the terms of the employee share plan, and the Company subsequently cancelled the shares.

Details of the vesting profiles of employee share options held at 30 June 2018 by each key management personal of the Company are detailed below.

	Number of Options	Grant date	% vested in year	% forfeited in year	% expired during the year	Financial year in which grant vests
Directors						
M. Young	714,285	16 Dec 2014	-%	-%	-%	2017
M. Young	1,428,571	14 June 2013	-%	-%	100%	2013
J. Tapp	714,285	16 Dec 2014	-%	-%	-%	2017
J. Tapp	1,428,571	14 June 2013	-%	-%	100%	2013
	4,285,712					

Loans to Directors and Key Management Personnel

During 2013, shareholders approved an employee share scheme for the Company. As a result, the Company adopted the employee share plan to be known as the 2013 Vimy Employee Share Plan ('2013 Plan'), pursuant to which employees (including Directors) of the Company can be invited to subscribe for shares using financial assistance provided by the Company.

During 2016, shareholders approved an employee share scheme for the Company. As a result, the Company adopted the employee share plan to be known as the 2016 Vimy Employee Share Plan ('2016 Plan'), pursuant to which employees (including Directors) of the Company can be invited to subscribe for shares using financial assistance provided by the Company.

The Plans provide a mechanism for the Company to invite employees (including the Directors) to subscribe for shares in the Company and to apply for a loan from the Company to pay the subscription price for those shares ('Plan Shares'). The Company takes security over the Plan Shares acquired under the Plans until the limited recourse loan provided for the subscription price for those shares has been repaid in full ('Limited Recourse Loan').

A summary of the terms of issue and the Limited Recourse Loan(s) provided is shown below.

	Grant date	Number of shares acquired	Amount of the loan	Term of the loan
Directors (or associate)				
C. Edwardes	17/12/2014	857,142	$357,500	up to 5 years
M. Young	22/11/2016	1,666,667	$407,500	up to 5 years
M. Young	17/12/2014	714,285	$298,000	up to 5 years
M. Young [(a)]	14/6/2013	1,428,571	$246,753	up to 5 years
J. Tapp	17/12/2014	714,285	$298,000	up to 5 years
J. Tapp [(a)]	14/6/2013	1,428,571	$246,753	up to 5 years
Key management personnel (or associate)				
T. Chamberlain	20/11/2015	1,000,000	$340,800	up to 5 years
T. Chamberlain	5/9/2014	142,857	$69,200	up to 5 years
R. Chamberlain	3/06/2016	500,000	$158,450	up to 5 years

(a) The 2013 share grants to Mr Young and Mr Tapp were bought back by the Company after 30 June 2018 as these shares were trading below their June 2013 issue price at the end of their five year term. This buy back is in repayment of the non-recourse loan under the terms of the employee share plan, and the Company subsequently cancelled the shares.

Share based payment

As non-interest bearing limited recourse loans were provided to purchase Plan Shares in the Company and these loans are secured against the same Plan Shares, AASB 2 (share-based payments) applies. On this basis, the loan amount is not recognised in the financial statements.

Loan terms

The key terms of each Limited Recourse Loan provided under the Plans are as follows:

(i) the Limited Recourse Loan may only be applied towards the subscription price for the shares issued under the Plans;

(ii) the Limited Recourse Loan will be interest free, provided that if the Limited Recourse Loan is not repaid by the repayment date set by the Board, the Limited Recourse Loan will incur interest at 9% per annum after that date (which will accrue on a daily basis and compound annually on the then outstanding loan balance);

(iii) by signing and returning an application for a Limited Recourse Loan, the participants of the Plans (each a Participant):

- acknowledges and agrees that the Plan Shares will not be transferred, encumbered, otherwise disposed of, or have a security interest granted over it, by or on behalf of the Participant until the Limited Recourse Loan is repaid in full to the Company; and
- authorises the Company (at its election) either to take such action in the Participant's name or direct that Participant take such action in relation to the Plan Shares as the Company considers appropriate which may include but is not limited to the Company undertaking buy-back of the Plan Shares or selling the Plan Shares;

(iv) the Limited Recourse Loan becomes repayable on the earliest of:

- the date which is five years after the grant date of the Limited Recourse Loan ('Repayment Date');
- one month after the Participant ceases for any reason to be employed by the Company; and
- (by the legal personal representative of the Participant) six months after the Participant ceases to be an employee of the Company due to their death;

(v) notwithstanding paragraph (iv) above and subject to any voluntary escrow conditions entered into by the individual Participant, the Participant may repay all or part of the loan at any time before the Repayment Date; and

(vi) on the repayment date the repayment obligation under the Limited Recourse Loan will be limited to the lesser of:

- the outstanding balance of the Limited Recourse Loan; and
- the market value of the Plan Shares on that date.

In addition, where the Participant has elected for the Plan Shares to be provided to the Company in full satisfaction of the Limited Recourse Loan, the Company must accept the Plan Shares as full settlement of the repayment obligation under the Limited Recourse Loan.

Rights attaching to Plan Shares

The Plan Shares will rank equally with all other shares on issue in the capital of the Company. Holders of Plan Shares issued under the Plans will be entitled to exercise all voting rights attaching to the Shares in accordance with the Constitution. In addition, holders of Plan Shares issued under the Plans will be entitled to participate in dividends declared and paid by the Company in accordance with the Constitution.

Sale of Plan Shares

Where the Participant has been granted a Limited Recourse Loan to purchase the Plan Shares; and subject to voluntary escrow, those Plan Shares may only be sold by a Participant when the Limited Recourse Loan has been repaid proportionately to the number of Plan Shares to be sold. Otherwise any dealing by the Participant in the Plan Shares is prohibited without the prior written consent of the Company.

If the Limited Recourse Loan becomes due and payable and the Participant has not repaid the amount of the Limited Recourse Loan in full within one month of the due date, then the Participant will forfeit their interest in the Plan Shares as full consideration for the repayment of the outstanding loan balance. The Company may either (at its election) take such action in the Participant's name or direct that Participant take such action in relation to the Plan Shares as the Company considers appropriate, which may include but is not limited to the Company undertaking buy-back of the Plan Shares or selling the Plan Shares.

Other transactions with Director and key management personnel related entities

	Consolidated	
	2018 $	**2017 $**
Dr Vanessa Guthrie provided corporate consulting services to Vimy Resources Limited at commercial rates. The amount unpaid at 30 June 2018 was $nil (2017: N/A).		
Corporate Consulting Services	50,000	-

End of audited remuneration report.

DIRECTORS' REPORT

FOR THE YEAR ENDED 30 JUNE 2018

AUDITOR

KPMG was appointed as the Group's auditor on 17 November 2017 in accordance with section 327 of the *Corporations Act 2001*.

NON-AUDIT SERVICES

During the period, the following fees were paid or payable for services provided by the auditor of the Parent entity, its related practices and non-related audit firms:

	Consolidated	
	Year ended 30 June 2018 $	**Year ended 30 June 2017 $**
1. Audit services		
Audit of financial reports and other audit work under the *Corporations Act 2001:*		
Grant Thornton Audit Pty Ltd in 2017 (resigned 17 November 2017)	-	41,417
KPMG in 2018 (appointed 17 November 2017)	40,300	-
2. Non-audit services		
KPMG research and development tax incentive compliance and advisory	77,100	-
KPMG accounting advisory fees	14,350	-
KPMG taxation return preparation and advisory	17,850	-
KPMG general taxation advisory fees	21,781	-
Total auditor's remuneration	171,381	41,417

AUDITORS' INDEMNITIES AND INSURANCE

The Company does not indemnify its auditors for liability to another person's or the Company that may arise out of the conduct of the Audit.

AUDITOR'S INDEPENDENCE DECLARATION

A copy of the auditor's independence declaration as required under section 307C of the *Corporations Act 2001* is set out on the page following this Directors' Report.

OFFICERS' INDEMNITIES AND INSURANCE

The Company has agreed to indemnify former and current Directors and officers of the Company against all liabilities to another person and the Company that may arise from their position as Directors and officers of the Company and its controlled entities, except where the liability arises out of conduct involving a wilful breach of duty. The agreement stipulates that the Company will meet the full amount of such liabilities including costs and expenses.

The Company has also agreed to pay a premium in respect of a contract insuring Directors and officers of the Company. That contract of insurance prohibits the Company disclosing the nature of the liability insured against and the amount of the premium paid. The liabilities insured include legal costs that may be incurred in defending civil or criminal proceedings that may be brought against the officers in their capacity as officers of entities in the Group, and any other payments arising from liabilities incurred by the officers in connection with such proceedings, other than where such liabilities arise out of conduct involving a wilful breach of duty by the officers or the improper use by the officers of their position or of information to gain advantage for themselves or someone else or to cause detriment to the Company. It is not possible to apportion the premium between amounts relating to the insurance against legal costs and those relating to other liabilities.

DIRECTORS' REPORT
FOR THE YEAR ENDED 30 JUNE 2018

PROCEEDINGS ON BEHALF OF THE COMPANY

No person has applied to the court under section 237 of the *Corporations Act 2001* for leave to bring proceedings on behalf of the Company, or to intervene in any proceedings to which the Company is a party, for the purpose of taking responsibility on behalf of the Company for all or part of those proceedings.

No proceedings have been brought or intervened in or on behalf of the Company with leave of the court under section 237 of the *Corporations Act 2001*.

ROUNDING OF AMOUNTS

The Company is of a kind referred to in Class Order 98/100, issued by the Australian Securities and Investments Commission, relating to the 'rounding off' of amounts in the Directors' report. Amounts in the Directors' report have been rounded off in accordance with the Class Order to the nearest dollar.

This Directors' Report, incorporating the Remuneration Report, is made in accordance with a resolution of the Directors.

Michael Young
Managing Director and Chief Executive Officer

Dated 18 September 2018

Lead Auditor's Independence Declaration under Section 307C of the Corporations Act 2001

To the Directors of Vimy Resources Limited

I declare that, to the best of my knowledge and belief, in relation to the audit of Vimy Resources Limited for the financial year ended 30 June 2018 there have been:

i. no contraventions of the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the audit; and

ii. no contraventions of any applicable code of professional conduct in relation to the audit

KPMG

KPMG

Derek Meates
Partner
Perth
18 September 2018

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 30 JUNE 2018

	Note	Consolidated 2018 $	Consolidated 2017 $
Other Income	6	707,819	7,724,364
Exploration and evaluation expenditure		(5,951,592)	(13,597,184)
Corporate and administration expense		(3,801,829)	(3,809,237)
Financing expense		(325,145)	(913,419)
Share based payments expense	7(b)	(174,994)	(904,681)
Loss before income tax		(9,545,741)	(11,500,157)
Income tax expense		-	-
Loss attributable to members of the Company		(9,545,741)	(11,500,157)
Other comprehensive income, net of tax		-	-
Total comprehensive loss attributable to members of the Company		(9,545,741)	(11,500,157)

Loss per share from continuing operations attributable to the ordinary equity holder of the Company:		**Cents per share**	**Cents per share**
Basic and diluted loss per share	4	(2.62)	(4.11)

The above consolidated statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE 2018

	Note	Consolidated 2018 $	Consolidated 2017 $
CURRENT ASSETS			
Cash and cash equivalents	9	6,734,623	5,081,972
Trade and other receivables	10	811,820	2,363,665
Prepayments	11	98,274	82,813
Total Current Assets		7,644,717	7,528,450
NON-CURRENT ASSETS			
Trade and other receivables	10	229,015	190,506
Prepayments	11	466,540	-
Plant and equipment	12	211,119	299,265
Total Non-Current Assets		906,674	489,771
TOTAL ASSETS		**8,551,391**	**8,018,221**
CURRENT LIABILITIES			
Trade and other payables	13	889,289	2,403,709
Provisions	14	965,960	377,390
Other financial liabilities	15	-	22,237
Total Current Liabilities		1,855,249	2,803,336
NON-CURRENT LIABILITIES			
Provisions	14	212,159	587,037
Total Non-Current Liabilities		212,159	587,037
TOTAL LIABILITIES		**2,067,408**	**3,390,373**
NET ASSETS		**6,483,983**	**4,627,848**
EQUITY			
Contributed equity	16	99,475,560	88,248,678
Reserves	17	4,323,109	4,148,115
Accumulated losses	19	(97,314,686)	(87,768,945)
TOTAL EQUITY		**6,483,983**	**4,627,848**

The above consolidated statement of financial position should be read in conjunction with the accompanying notes

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 JUNE 2018

	Contributed equity $	Accumulated losses $	Reserves $	Total $
CONSOLIDATED				
Balance at 1 July 2016	67,727,303	(76,268,788)	3,243,434	(5,298,051)
Loss attributable to members of the Company	-	(11,500,157)	-	(11,500,157)
Total comprehensive loss attributable to members of the Company	**-**	**(11,500,157)**	**-**	**(11,500,157)**
Transactions with owners in their capacity as owners:				
Issue of ordinary shares net of issue costs	20,521,375	-	-	20,521,375
Share based payments expense	-	-	904,681	904,681
	20,521,375	-	904,681	21,426,056
Balance at 30 June 2017	**88,248,678**	**(87,768,945)**	**4,418,115**	**4,627,848**
Balance at 1 July 2017	88,248,678	(87,768,945)	4,148,115	4,627,848
Loss attributable to members of the Company	-	(9,545,741)	-	(9,545,741)
Total comprehensive loss attributable to members of the Company	**-**	**(9,545,741)**	**-**	**(9,545,741)**
Transactions with owners in their capacity as owners:				
Issue of ordinary shares net of issue costs	11,226,882	-	-	11,226,882
Share based payments expense	-	-	174,994	174,994
	11,226,882	-	174,994	11,401,876
Balance at 30 June 2018	**99,475,560**	**(97,314,686)**	**4,323,109**	**6,483,983**

The above consolidated statement of changes in equity should be read in conjunction with the accompanying notes

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 30 JUNE 2018

	Note	Consolidated 2018 $	Consolidated 2017 $
Cash Flows from Operating Activities			
Interest received		145,173	197,958
Payments to other suppliers and employees		(10,202,366)	(17,107,671)
Research and development tax incentive grant income		2,250,621	3,973,698
Interest paid		(947,319)	(34,965)
Net cash used in Operating Activities	23	(8,753,891)	(12,970,980)
Cash Flows from Investing Activities			
Purchase of plant and equipment		(124,785)	(81,536)
Proceeds from sale of assets		-	12,737
Security deposits		(229,015)	-
Prepaid tenement acquisition costs		(466,540)	-
Net cash used in Investing Activities		(820,340)	(68,799)
Cash Flows from Financing Activities			
Proceeds from issue of ordinary shares		12,070,000	6,419,898
Share issue costs		(843,118)	(370,756)
Proceeds from drawdown of loan		-	7,500,000
Net cash provided by Financing Activities		11,226,882	13,549,142
Net increase in cash and cash equivalents held		1,652,652	509,363
Cash and cash equivalents at the beginning of the financial year		5,081,972	4,572,609
Cash and cash equivalents at the end of the financial year	9	6,734,623	5,081,972

The above consolidated statement of cash flows should be read in conjunction with the accompanying notes

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2018

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NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2018

REPORTING ENTITY

Vimy Resources Limited ('the Company') is a company incorporated and domiciled in Australia. The address of the Company's registered office and principal place of business is Ground Floor, 10 Richardson Street, West Perth, WA, 6005, Australia. The consolidated financial statements of the Company as at and for the year ended 30 June 2018 comprise the Company and its subsidiaries, together referred to as the ('Group'). The Group is a for-profit entity and primarily involved in uranium project exploration and evaluation.

1. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

(a) Carrying amounts of assets and liabilities

The carrying amounts of certain assets and liabilities are often determined based on estimates and assumptions of future events. The key estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of certain assets and liabilities within the next annual reporting period are:

(i) Share-based payment transactions

The Group measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined by using the Black-Scholes formula. The accounting estimates and assumptions relating to equity-settled share-based payments would have no impact on the carrying amounts of assets and liabilities within the next annual reporting period but may impact expenses and equity.

(ii) Rehabilitation provision

Significant estimates and assumptions are made in determining the provision for rehabilitation of the project area as there are numerous factors that will affect the ultimate liability payable.

These factors include estimates of the extent and costs of rehabilitation activities, technological changes, regulatory changes, cost increases as compared to inflation rates, and changes in discount rates. These uncertainties may result in future actual expenditure differing from the amounts currently provided.

(iii) Income taxes

The Group is subject to income taxes in Australia. There are many transactions and calculations undertaken during the ordinary course of business for which the ultimate tax determination is uncertain. Sufficient tax losses exist to offset any deferred tax liabilities. The Group's ability to access existing tax losses is dependent on it demonstrating achievement of either of two income tax defined tests, being the continuity of ownership test or the same business test.

(iv) Impairment

At each reporting date, the Group reviews the carrying amounts of its assets, excluding deferred tax assets, to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order determine the extent of the impairment loss (if any). Where the asset does not generate cash flows that are independent from other assets, the Group estimates the recoverable amount of the cash generating unit to which the asset belongs. Where a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocated basis can be identified. Intangible assets with indefinite useful lives and intangible assets not available for use are tested for impairment annually and whenever there is an indication that the asset may be impaired.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of the money and the risks specific to the asset for which the estimated of the future cash flows have not been adjusted.

If recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the assets (cash generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

(b) Going concern

The Group incurred a net loss of $9,545,741 during the year ended 30 June 2018. The cash and cash equivalents held as at 30 June 2018 was $6,734,623. Current assets exceed current liabilities by $5,789,467 as at 30 June 2018. The Group's net cash used in operating activities for the year ended 30 June 2018 was $8,753,891.

Accordingly, the Directors have reviewed a cash flow forecast for the next 12 months from the date of signing the financial report which demonstrates that the Group will have sufficient cash resources to continue as a going concern, subject to successful fundraising activities during the period.

The Group's ability to continue as a going concern and to advance the Mulga Rock project and its exploration and evaluation activities, including the Alligator River Project acquired subsequent to year end (refer Note 26), depends on its ability to obtain additional funding through equity, debt or hybrid financing, joint ventures, production off-take arrangements or other means. This creates a material uncertainty as to the ability of the Group to continue as a going concern.

In considering these circumstances, the Directors have taken into account the Group's demonstrated past successes in raising equity and debt, and in the event that additional funding is not able to be obtained at the amounts and timeframes anticipated, the Directors would actively curtail both project and corporate expenditure to conserve cash resources.

For these reasons the Directors continue to adopt the going concern basis in preparing these financial reports.

If the Group is unable to continue as a going concern, it may be required to realise its assets and/or settle its liabilities other than in the ordinary course of business and at amounts different from those stated in the financial report.

2. SEGMENT INFORMATION

The Group has identified its operating segments based on the internal reports that are reviewed and used by the Board of Directors (chief operating decision maker) in assessing performance and determining the allocation of resources.

The Group operates one business segment: Exploration and Evaluation. The activities undertaken by the Exploration and Evaluation segment including exploration on granted tenements in Western Australia. These activities do not generate any sales revenue.

	Exploration	
	2018 $	2017 $
Result		
Segment loss for the year	(5,951,592)	(13,597,184)
Reconciliation to Consolidated Loss		
Segment contribution	(5,951,592)	(13,597,184)
Corporate and administration expense	(3,801,829)	(3,809,237)
Finance expense	(325,145)	(913,419)
Share based payments expense	(174,994)	(904,681)
Research and development tax incentive grant income	558,132	6,150,723
Gain on share issue	-	1,346,153
Interest revenue and other income	149,687	227,488
Loss from continuing operations	(9,545,741)	(11,500,157)

	Exploration	
	2018 $	2017 $
Total assets		
Segment assets	1,082,464	357,411
Reconciliation to Consolidated Total Assets		
Segment assets	1,082,464	357,411
Corporate and administration assets	7,468,927	7,660,810
Total assets	8,551,391	8,018,221
Total liabilities		
Segment liabilities	1,168,733	1,557,655
Reconciliation to Consolidated Total Liabilities		
Segment liabilities	1,168,733	1,557,655
Corporate and administration liabilities	898,675	1,832,718
Total liabilities	2,067,408	3,390,373

3. FINANCIAL RISK MANAGEMENT

The Group's activities may expose it to a variety of financial risks in the future such as market risk (including fair value interest rate risk), credit risk, and liquidity risk. The Group's overall financial risk management focuses on the unpredictability of the financial markets and seeks to minimise potential adverse effects on the financial performance of the Group.

Risk management is carried out under an approved framework covering a risk management policy and internal compliance and control by management. The Board identifies, evaluates and approves measures to address financial risks.

The Group holds the following financial instruments:

	Consolidated	
	2018 $	2017 $
Financial assets		
Cash and cash equivalents	6,734,623	5,081,972
Trade and other receivables – current	209,225	21,904
Trade and other receivables – non-current	229,015	190,506
	7,172,863	5,294,382
Financial liabilities		
Trade and other payables – current	841,510	2,282,159
Other financial liabilities – current	-	22,237
	841,510	2,304,396

(a) Market risk

Cash flow and fair value interest rate risk

The Group's main interest rate risk arises from cash deposits. Deposits at variable rates expose the Group to cash flow interest rate risk. Deposits at fixed rates expose the Group to fair value interest rate risk. During 2018 and 2017, the Group's deposits at variable rates were denominated in Australian dollars.

As at the reporting date, the Group had the following variable rate cash at bank and fixed rate short-term deposits:

	2018		2017	
	Weighted average interest rate	Balance $	Weighted average interest rate	Balance $
Short-term deposits		4,500,000		4,500,000
Cash at bank		2,234,623		581,972
Net exposure to cash flow interest rate risk	2.02%	6,734,623	1.96%	5,081,972

The Group analyses its interest rate exposure on each occasion a deposit term expires. The Group aims to maximise interest returns from available funds and at the same time retain operating flexibility through adequate access to funds. During 2018 and 2017 if interest rates had been 10% higher or lower than the prevailing rates realised, with all other variables held constant, there would be an immaterial change in post-tax loss for the year. Equity would not have been materially impacted.

(b) Credit risk

The Group has no significant concentrations of credit risk. Cash transactions are limited to high credit quality financial institutions.

Credit risk arises from cash and cash equivalents, derivative financial instruments and deposits with banks and financial institutions, as well as credit exposures on outstanding receivables and committed transactions. For banks and financial institutions, the Group will only hold deposits with A or better rated banks or financial institutions. All funds are currently banked with the Australian and New Zealand Banking Group Limited. Receivables are generally limited to Goods and Services Tax refunds or Research and Development Tax Incentive grant income from the Australian Taxation Office. Events leading to other receivables are reviewed on a case by case basis and if there is no independent rating, management assesses the credit quality of the transaction party, taking into account its financial position, past experience and other factors.

The maximum exposure to credit risk at the reporting date is the carrying amount of the financial assets as summarised at the beginning of this note. All receivables at 30 June 2018 are expected to be received within three months.

(c) Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash, the availability of funding through an adequate amount of committed credit facilities and the ability to close-out market positions. The Group manages liquidity risk by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities. The Group will aim at maintaining flexibility in funding by accessing appropriate committed credit lines available from different counterparties where appropriate and possible. Surplus funds when available are generally only invested in high credit quality financial institutions in highly liquid markets.

Maturities of financial liabilities

As at 30 June 2018, the Group's financial liabilities have contractual maturities (including interest payments where applicable) as summarised below:

	Current		*Non-current*	
	Within Six Months $	Six - Twelve Months $	One - Five Years $	Later than Five Years $
30 June 2018				
Trade and other payables	841,510	-	-	-
Total	841,510	-	-	-

This compares to the maturity of the Group's non-derivative financial liabilities in the previous reporting periods as follows:

	Current		*Non-current*	
	Within Six Months $	**Six - Twelve Months $**	**One - Five Years $**	**Later than Five Years $**
30 June 2017				
Trade and other payables	1,559,222	1,044,841	-	-
Other financial liabilities	-	22,237	-	-
Total	1,559,222	1,067,078	-	-

(d) Capital management

The Group's capital management objective is to ensure adequate funding is obtained to enable it to progress its exploration and evaluation activities, while retaining sufficient cash reserves to ensure the Group continues as a going concern. As a project development company, funds for activities are generally sourced from equity markets, asset sales, or from borrowing facilities. The Group has utilised equity raisings and borrowings in the past to maintain adequate funding. The Board monitors cash resources against expenditure forecasts associated with the Company's stated growth strategies and development plans to assess financial requirements.

(e) Fair value estimation

Financial assets and financial liabilities measured at fair value in the statement of financial position are grouped into three Levels of a fair value hierarchy. The three levels are defined based on the observability of significant inputs to the measurement, as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly
- Level 3: unobservable inputs for the asset or liability

There were no financial assets measured at fair value which required allocation into the Levels of fair value hierarchy at 30 June 2018 or 30 June 2017.

There were no financial liabilities measured at fair value which required allocation into the Levels of fair value hierarchy at 30 June 2018. At the 30 June 2017 $22,237 of financial liabilities were classified at Level 2 in the fair value hierarchy.

Value techniques used to derive Level 2 fair values

The fair value of financial instruments that are not traded in an active market is determined using valuation techniques. These valuation techniques maximise the use of observable market data where it is available and rely as little as possible on entity specific estimates.

The fair value of the embedded derivatives associated with the RCF VI Bridge Finance facility are valued using a Black-Scholes option pricing model that takes into account the exercise price, term of the facilities, non-tradeable nature of the facilities, the share price at drawdown date and expected share price volatility of the underlying share, the expected dividend yield, and the risk-free rate for the term of the facility.

The table below summarises the model inputs for the bridge finance facility embedded derivatives as at 30 June 2017:

Dividend yield	0%
Expected volatility of Company's shares	101%
Risk-free rate	1.75%
Term remaining (years)	0.75
Conversion price (cents)	30
Underlying security spot price at valuation date (cents)	18
Valuation date	30 June 2017
Black-Scholes valuation per share	$0.0342

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4. EARNINGS PER SHARE

	Consolidated 2018	Consolidated 2017
Basic and diluted loss per share (cents per share)	(2.62) cents	(4.11) cents
Loss after tax used in the calculation of basic and diluted EPS	$(9,545,741)	$(11,500,157)
Weighted average number of shares outstanding during the year used in calculations of loss per share	#364,167,577	#279,447,019

There are 18,857,136 (2017: 21,714,274) potential ordinary shares in the form of unlisted options that have not been included in the dilutive EPS calculation because they are anti-dilutive.

5. DIRECTORS AND KEY MANAGEMENT PERSONNEL DISCLOSURE

(a) Key management personnel

In addition to the Directors the following persons had authority and responsibility for planning, directing and controlling the activities of the Group, directly or indirectly, during the year:

Name	Position	Employer
T. Chamberlain	Chief Operating Officer	Vimy Resources Limited
R. Chamberlain	Chief Financial Officer and Company Secretary	Vimy Resources Limited

(b) Key management personnel compensation

	Consolidated 2018 $	Consolidated 2017 $
Short-term benefits – cash salary and fees	1,677,062	1,647,600
Short-term benefits – cash bonus	-	386,775
Short-term benefits – share-based payments	65,700	-
Post-employment benefits	113,698	110,466
Long-term incentives - share-based payments	100,294	711,761
	1,956,754	2,856,602

(c) Loans to Director and Key Management Personnel

During 2013, shareholders approved a new employee share scheme for the Company. As a result, the Company adopted the employee share plan to be known as the 2013 Vimy Employee Share Plan ('2013 Plan'), pursuant to which certain employees (including Directors) of the Company can be invited to subscribe for shares using financial assistance provided by the Company.

During 2016, shareholders approved a new employee share scheme for the Company. As a result, the Company adopted the employee share plan to be known as the 2016 Vimy Employee Share Plan ('2016 Plan'), pursuant to which certain employees (including Directors) of the Company can be invited to subscribe for shares using financial assistance provided by the Company.

The Plans provide a mechanism for the Company to invite employees (including the Directors) to subscribe for shares in the Company and to apply for a loan from the Company to pay the subscription price for those shares ('Plan Shares'). The Company takes security over the Shares acquired under the Plans until the limited recourse loan provided for the subscription price for those shares is repaid in full ('Limited Recourse Loan').

Subsequent to shareholder approval of the Plans and separate shareholder approval to issue shares to Directors, a summary of the terms of issue and the Limited Recourse Loan provided is shown below.

	Grant Date	Number of shares acquired	Amount of the loan	Term of the loan
Directors (or associate)				
C. Edwardes	17/12/2014	857,142	$357,500	up to 5 years
M. Young	22/11/2016	1,666,667	$407,500	up to 5 years
M. Young	17/12/2014	714,285	$298,000	up to 5 years
M. Young [(a)]	14/6/2013	1,428,571	$246,753	up to 5 years
J. Tapp	17/12/2014	714,285	$298,000	up to 5 years
J. Tapp [(a)]	14/6/2013	1,428,571	$246,753	up to 5 years
Key management personnel (or associate)				
T. Chamberlain	20/11/2015	1,000,000	$340,800	up to 5 years
T. Chamberlain	5/9/2014	142,857	$69,200	up to 5 years
R. Chamberlain	3/06/2016	500,000	$158,450	up to 5 years

(a) The 2013 share grants to Mr Young and Mr Tapp were bought back by the Company after 30 June 2018 as these shares were trading below their June 2013 issue price at the end of the five year term. This buy back is in repayment of the non-recourse loan under the terms of the employee share plan and the Company has subsequently cancelled the shares.

Share based payment

As non-interest bearing limited recourse loans were provided to purchase Plan Shares in the Company and these loans are secured against the same Plan Shares, AASB 2 (share-based payments) applies. On this basis, the loan amount is not recognised in the financial statements.

Loan terms

The key terms of each Limited Recourse Loan provided under the Plans are as follows:

(i) the Limited Recourse Loan may only be applied towards the subscription price for the shares issued under the Plans;

(ii) the Limited Recourse Loan will be interest free, provided that if the Limited Recourse Loan is not repaid by the repayment date set by the Board, the Limited Recourse Loan will incur interest at 9% per annum after that date (which will accrue on a daily basis and compound annually on the then outstanding loan balance);

(iii) by signing and returning an application for a Limited Recourse Loan, the participants of the Plans (each a Participant):

- acknowledges and agrees that the Plan Shares will not be transferred, encumbered, otherwise disposed of, or have a security interest granted over it, by or on behalf of the Participant until the Limited Recourse Loan is repaid in full to the Company; and
- authorises the Company (at its election) either to take such action in the Participant's name or direct that Participant take such action in relation to the Plan Shares as the Company considers appropriate which may include but is not limited to the Company undertaking buy-back of the Plan Shares or selling the Plan Shares;

(iv) the Limited Recourse Loan becomes repayable on the earliest of:

- the date which is five years after the grant date of the Limited Recourse Loan ('Repayment Date');
- one month after the Participant ceases for any reason to be employed by the Company; and
- (by the legal personal representative of the Participant) six months after the Participant ceases to be an employee of the Company due to their death;

(v) notwithstanding paragraph (iv) above and subject to any voluntary escrow conditions entered into by the individual participant, the Participant may repay all or part of the loan at any time before the Repayment Date; and

(vi) the Limited Recourse Loan will be limited recourse such that on the repayment date the repayment obligation under the Limited Recourse Loan will be limited to the lesser of:

- the outstanding balance of the Limited Recourse Loan; and
- the market value of the Plan Shares on that date.

In addition, where the Participant has elected for the Plan Shares to be provided to the Company in full satisfaction of the Limited Recourse Loan, the Company must accept the Plan Shares as full settlement of the repayment obligation under the Limited Recourse Loan.

Rights attaching to Plan Shares

The Plan Shares will rank equally with all other shares on issue in the capital of the Company. Holders of Plan Shares issued under the Plan will be entitled to exercise all voting rights attaching to the Shares in accordance with the Constitution. In addition, holders of Plan Shares issued under the Plan will be entitled to participate in dividends declared and paid by the Company in accordance with the Constitution.

Sale of Plan Shares

Where the Participant has been granted a Limited Recourse Loan to purchase the Plan Shares; and subject to voluntary escrow those Plan Shares may only be sold by a Participant when the Limited Recourse Loan has been repaid proportionately to the number of Plan Shares to be sold. Otherwise any dealing by the Participant in the Plan Shares is prohibited without the prior written consent of the Company.

If the Limited Recourse Loan becomes due and payable and the Participant has not repaid the amount of the Limited Recourse Loan in full within one month of the due date, then the Participant will forfeit their interest in the Plan Shares as full consideration for the repayment of the outstanding loan balance. The Company may either (at its election) take such action in the Participant's name or direct that Participant take such action in relation to the Plan Shares as the Company considers appropriate, which may include but is not limited to the Company undertaking buy-back of the Plan Shares or selling the Plan Shares.

(d) Other transactions with Director and key management personnel related entities

	Consolidated	
	2018 $	2017 $
Dr Vanessa Guthrie provided corporate consulting services to Vimy Resources Limited at commercial rates. The amount unpaid at 30 June 2018 was $nil (2017: N/A).		
Corporate Consulting Services	50,000	-

(e) Vesting profiles of share based payments to key management personnel

Details of the vesting profiles of employee share options held by each key management personal of the Company are detailed below.

	Number of Options	Grant date	% vested in year	% forfeited in year	% expired during the year	Financial year in which grant vests
Directors						
M. Young	714,285	16 Dec 2014	-%	-%	-%	2017
M. Young	1,428,571	14 June 2013	-%	-%	100%	2013
J. Tapp	714,285	16 Dec 2014	-%	-%	-%	2017
J. Tapp	1,428,571	14 June 2013	-%	-%	100%	2013
	4,285,712					

Details of the vesting profiles of employee share plans held by each key management personal of the Company are detailed below.

	Number of Shares	Grant date	% vested in year	% forfeited in year	% expired during the year	Financial year in which grant vests
Directors						
C. Edwardes	857,142	17 Dec 2014	-%	-%	-%	2017
M. Young	1,666,667	22 Nov 2016	13%	-%	-%	2017, 2018, 2019
M. Young [(a)]	714,285	17 Dec 2014	-%	-%	-%	2017
M. Young	1,428,571	14 June 2013	-%	-%	-%	2013
J. Tapp	714,285	17 Dec 2014	-%	-%	-%	2017
J. Tapp [(a)]	1,428,571	14 June 2013	-%	-%	-%	2013
	6,809,521					
Key Management Personnel						
T. Chamberlain	1,000,000	20 Nov 2015	100%	-%	-%	2018
T. Chamberlain	142,857	5 Sep 2014	-%	-%	-%	2016
R. Chamberlain	500,000	3 June 2016	-%	-%	-%	2017
	1,642,857					

(a) The 2013 share grants to Mr Young and Mr Tapp were bought back by the Company after 30 June 2018 as these shares were trading below their June 2013 issue price at the end of their five year term. This buy back is in repayment of the non-recourse loan under the terms of the employee share plan, and the Company subsequently cancelled the shares.

6. OTHER INCOME

	Consolidated 2018 $	Consolidated 2017 $
Interest revenue	149,462	195,761
R&D tax incentive grant income [(a)]	558,132	6,150,723
Gain on share issue	-	1,346,153
Other income	225	31,727
	707,819	7,724,364

(a) The research and development tax incentive grant income for the 2018 financial year relates to the 2018 income tax year. The research and development tax incentive grant income for the 2017 financial year relates to both the 2017 and 2016 income tax years.

7. LOSS FOR THE YEAR

The loss from ordinary activities before income tax has been determined after:

	Consolidated 2018 $	Consolidated 2017 $
(a) Expenses		
Depreciation expense	214,335	222,927
Operating leases costs	337,958	334,279
Audit and review fees	40,300	41,417
	592,593	598,623

NOTES TO THE FINANCIAL STATEMENTS

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	Consolidated 2018 $	Consolidated 2017 $
(b) Employee benefits expense		
Wages, salaries and Directors' fees	4,127,420	4,428,272
Defined contribution superannuation expense	279,941	288,608
Share based payments expense (refer Note 18(d))	174,994	904,681
Other employee benefits	33,423	31,231
	4,615,778	5,652,792
(c) Embedded derivative		
Fair value movement on embedded derivative (refer Note 15)	(22,237)	1,821

8. INCOME TAX BENEFIT

(a) Income tax recognised

No income tax is payable by the Group as it recorded losses for income tax purposes for the year.

(b) Reconciliation of effective tax rate

	Consolidated 2018 $	Consolidated 2017 $
Loss after income tax	(9,545,741)	(11,500,157)
Income tax expense	-	-
Loss before income tax	(9,545,741)	(11,500,157)
Income tax using the Company's domestic tax rate of 30 percent (2017: 30 percent)	(2,863,722)	(3,450,047)
Non-deductible expenses and non-assessable income	4,713	4,964
Equity based remuneration	52,498	271,404
Research and development grant incentive income	(167,440)	(1,845,217)
Research and development expenditure	334,163	1,501,397
Commercial debt forgiveness	-	(409,546)
Reduction of tax losses	-	409,546
Movement in deferred tax assets not brought to account as future income tax benefits	2,639,788	866,679
Under recognition in prior year of deferred tax assets not brought to account as future income tax benefits	-	2,650,820
	-	-

(c) Unrecognised deferred tax assets and liabilities

Deferred tax assets and liabilities are attributable to the following:	Consolidated 2018 $	2017 $
Property, plant and equipment	57,539	27,327
Accrued income	(8,990)	(5,817)
Employee provisions	161,344	137,077
S40-880 costs	307,714	177,647
Other costs	90,787	128,880
Loans and borrowings	-	224,412
Rehabilitation provision	199,975	159,129
Tax losses	21,938,811	19,018,840
Net tax assets	22,747,180	19,867,495
Unrecognised tax assets	(22,747,180)	(19,867,495)
	-	-

On 1 July 2007, Vimy Resources Limited and its wholly-owned Australian subsidiaries have formed an income tax consolidation group under the Tax Consolidation Regime. Each entity in the Group will continue to recognise its own current and deferred tax liabilities, except for any deferred tax assets resulting from unused tax losses and tax credits, which are immediately assumed by the Parent entity. The current tax liability of each Group entity will then subsequently be assumed by the Parent entity. The tax consolidated group entered into a tax sharing agreement whereby each company in the Group contributes to the income tax payable in proportion to their contribution to profit before tax of the tax consolidated group.

9. CASH AND CASH EQUIVALENTS

	Consolidated 2018 $	2017 $
Cash at bank and in hand	2,234,623	581,972
Short-term deposits	4,500,000	4,500,000
	6,734,623	5,081,972

(a) Cash and cash equivalents at the end of the financial period as per the statement of cash flows.

(b) Cash at bank and on hand includes interest-bearing amounts. The weighted average rate applicable to the Group's balance at 30 June 2018 was 2.02% (2017: 1.96%).

10. TRADE AND OTHER RECEIVABLES

	Consolidated 2018 $	2017 $
Current		
Other receivables	26,186	21,904
R&D Tax Incentive Grant receivable	484,536	2,177,025
Security deposit (a)	190,506	-
Goods and services tax receivable	110,592	164,736
	811,820	2,363,665
Non-Current		
Security deposit (b) (a)	229,015	190,506

(a) The security deposit for $190,506 (2017: $190,506) is cash security required for a bank guarantee related to the office lease at 10 Richardson Street, West Perth.

(b) The security deposit of $229,015 (2017: N/A) is cash security for a bank guarantee relating to the Alligator River Project in the Northern Territory.

NOTES TO THE FINANCIAL STATEMENTS
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11. PREPAYMENT

	Consolidated 2018 $	Consolidated 2017 $
Current		
Deposits for tenement applications	92,797	78,995
Other prepayments	5,477	3,818
	98,274	82,813
Non-Current		
Tenement acquisition costs [a]	466,540	-

(a) The tenement acquisition costs relate to the purchase of the Alligator River Project from Cameco Australia Pty Ltd that was finalised on 17 July 2018, refer Note 26 for further disclosure.

12. PLANT AND EQUIPMENT

	Consolidated 2018 $	Consolidated 2017 $
Office equipment		
Cost	261,471	332,714
Accumulated depreciation	(238,975)	(300,335)
Total office equipment	22,496	32,379
Exploration equipment		
Cost	1,482,561	1,424,387
Accumulated depreciation	(1,293,938)	(1,157,501)
Total exploration equipment	188,623	266,886
Total office and exploration equipment	211,119	299,265

Movements in the carrying amounts of each class of assets at the beginning and end of the current financial period is as set out below:

	2018 $	2017 $
Office equipment		
Balance at the beginning of year	32,379	45,359
Additions	18,987	16,156
Depreciation expense	(28,870)	(29,136)
Carrying amount at the end of the year	22,496	32,379
Exploration equipment		
Balance at the beginning of year	266,886	385,396
Additions	107,202	75,280
Depreciation expense	(185,465)	(193,790)
Carrying amount at the end of the year	188,623	266,886
Total carrying amount at the end of the year	211,119	299,265

NOTES TO THE FINANCIAL STATEMENTS

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13. TRADE AND OTHER PAYABLES

	Consolidated 2018 $	2017 $
Current		
Trade payables and accruals	784,395	1,677,905
Interest payable [(a)]	104,894	725,804
	889,289	2,403,709

(a) Interest payable relates to the Resource Capital Fund VI L.P. ('RCF') Bridge Facility Agreement which was fully repaid in January 2017. Interest on the facility contained a deferred interest component of 11% payable on 31 March 2018 if certain circumstances were not met. As the Company did not meet all the circumstances the majority of the deferred interest was repaid during the current financial year, with the balance repaid in July 2018.

14. PROVISIONS

	Consolidated 2018 $	2017 $
CURRENT		
Employee entitlement: Annual Leave		
Opening balance	302,632	246,028
Employee entitlements provided for	187,980	250,907
Employee entitlements used	(171,194)	(194,303)
Closing balance	319,418	302,632
The current provision relates to annual leave for employees of the Group. The provision is expected to be used over the forthcoming twelve months.		
Employee entitlement: Long Service Leave		
Opening balance	74,758	-
Employee entitlements provided for	28,349	37,697
Reclassification from non-current	7,766	37,061
Closing balance	110,873	74,758
Rehabilitation		
Opening balance	-	451,460
Reclassification from/(to) non-current	535,669	(451,460)
Closing balance	535,669	-
The Group has a provision for rehabilitation relating to the geotechnical test pits designed to provide information inputs into the Definitive Feasibility Study for the Mulga Rock Project. The rehabilitation work is to be completed by March 2019 (2018: Current; 2017: Non-Current).		
Total current provision	965,960	377,390

NOTES TO THE FINANCIAL STATEMENTS

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	Consolidated 2018 $	Consolidated 2017 $
NON-CURRENT		
Employee entitlement: Long Service Leave		
Opening balance	56,608	79,870
Employee entitlements provided for	32,404	13,799
Reclassification to current	(7,766)	(37,061)
Closing balance	81,246	56,608
Rehabilitation		
Opening balance	530,429	-
Reclassification from/(to) current	(535,669)	451,460
Rehabilitation provided for	136,153	78,969
Closing balance	130,913	530,429
The Group has a provision for rehabilitation relating to the Mulga Rock Project airstrip, roads and camp site.		
Total non-current provision	212,159	587,037

15. OTHER FINANCIAL LIABILITIES

	Consolidated 2018 $	Consolidated 2017 $
Current		
Embedded derivatives [(a)]	-	22,237
Total	-	22,237

(a) The embedded derivative relates to the Resource Capital Fund VI L.P. ('RCF') Bridge Facility Agreement, where RCF held a conversion price option to convert deferred interest payable (refer Note 13) into shares at a fixed price. This option expired unexercised during the current financial year. At 30 June 2017 the fair value of this embedded derivative was $22,237.

NOTES TO THE FINANCIAL STATEMENTS

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16. CONTRIBUTED EQUITY

414,734,372 (2017: 316,885,800) fully paid ordinary shares

	Consolidated	
	Number	$
Ordinary shares		
At 1 July 2016	229,761,367	67,727,303
5 July 2016 Share placement @ 30 cents per share	213,937	64,181
29 August 2016 Share placement @ 31 cents per share	281,776	87,350
31 August 2016 Share buy back	(100,000)	-
30 September 2016 Share placement @ 26 cents per share	24,093,844	6,264,400
3 October 2016 Share placement @ 24.50 cents per share	284,315	69,657
4 October 2016 Share placement @ 25 cents per share	417,253	104,313
1 November 2016 Share placement @ 24 cents per share	383,398	92,015
4 November 2016 Share purchase plan @ 26 cents per share	398,066	103,497
22 November 2016 Employee share plan grant	1,666,667	-
23 November 2016 Debt conversion share issue @ 24 cents/share	19,230,769	4,615,385
1 December 2016 Share placement @ 26 cents per share	955,464	248,421
3 January 2017 Share placement @ 24 cents per share	532,072	127,697
24 January 2017 Debt conversion share issue @ 23.50 cents/share	38,461,539	9,038,462
30 January 2017 Share placement @ 23.50 cents per share	105,333	24,753
2 February 2017 Share placement @ 26 cents per share	200,000	52,000
Share issue costs	-	(370,756)
Balance at 30 June 2017	316,885,800	88,248,678
At 1 July 2017	-	-
4 August 2017 Share placement @ 14 cents per share	43,000,000	6,020,000
7 May 2018 Share placement @ 11 cents per share	55,000,000	6,050,000
27 June 2018 Share Buy Back	(151,428)	-
Share issue costs	-	(843,118)
Balance at 30 June 2018	414,734,372	99,475,560

Employee share plan shares

The number of fully paid ordinary shares disclosed in Note 16 includes the outstanding shares issued under the employee share plans. At 30 June 2018 this amounted to 10,515,231 shares (2017: 10,666,659 shares) which have either not vested to the employee or the employee has not repaid the non-recourse loan used to fund the share issue. Both these conditions must be met in order for the employee to freely trade the shares.

Fully paid ordinary shares

Ordinary shares participate in dividends and the proceeds on winding up of the Parent entity in proportion to the number of shares held. At shareholders' meetings, each ordinary share is entitled to one vote when a poll is called, otherwise each shareholder has one vote on a show of hands. The ordinary shares have no par value.

17. RESERVES

Employee Share Option Reserve

	Consolidated 2018 $	2017 $
Reserve comprises the following:		
Balance as at start of financial year	1,419,026	1,316,153
1,428,570 options vested	-	102,873
Balance as at end of the financial year	1,419,026	1,419,026

Employee Share Plan Reserve

The employee share plan reserve records items recognised as expenses on the valuation of employee shares.

	Consolidated 2018 $	2017 $
Reserve comprises the following:		
Balance as at start of financial year	2,729,089	1,927,281
2,285,712 shares issued and vested	-	180,284
1,000,000 shares issued and vested	-	113,019
1,300,000 shares issued and vested	-	313,319
1,666,667 shares issues and vesting [(a)]	100,294	195,186
Balance as at end of the financial year	2,829,383	2,729,089

(a) On 22 November 2016, a total of 1,666,667 shares were issued to Mr M. Young after shareholder approval was received and have been funded by a non-interest bearing, limited recourse loan from the Company. The shares are subject to a variety of vesting conditions over a three year period, and expire on 22 November 2021. The Black Scholes valuation expense will be proportionally allocated over the vesting period.

As non-interest bearing limited recourse loans were provided to purchase Plan shares in the Company and these loans are secured against the same Plan shares, AASB 2 (share based payments) applies. On this basis, the loan amount is not recognised in the financial statements and instead an amount is expensed as a share based payment.

Employee Short-term Incentive Reserve

The employee short-term incentive reserve records items recognised as expenses relating to contingently issuable shares for employee short-term incentives.

	Consolidated 2018 $	2017 $
Reserve comprises the following:		
Balance as at start of financial year	-	-
2018 short term incentives	74,700 [(a)]	-
Balance as at end of the financial year	74,700	-

(a) On 31 August 2018 the Remuneration Committee and Board approved a 2018 short-term benefit of a fixed value of future issue of shares to key management personnel based on their individual performance during the year. The issue of shares in the future is subject to an additional service condition through to 30 June 2019, unless the employee is terminated by the Company without cause. The future issue of a portion of the shares is to Directors and as a consequence is also subject to shareholder approval. The share-based payments have been provisionally expensed in accordance with accounting standards over a two year vesting period, from commencement of the performance period on 1 July 2017 to end of the service condition on 30 June 2019.

	Consolidated 2018 $	2017 $
Total Reserves	4,323,109	4,148,115

NOTES TO THE FINANCIAL STATEMENTS

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18. SHARE BASED PAYMENTS

(a) Employee share option plan

The Company had an employee share option plan, which was also available to Directors (the issue of securities to Directors requires shareholder approval), called the Vimy Resources Limited Employee Share Option Plan ("Plan"). This Plan was replaced by the Vimy Employee Share Plan on 14 June 2013, however, some options remain outstanding under the prior employee option plan. No options were issued during the year.

Set out below is a summary of options granted to employees under the Vimy Resources Limited Employee Option Plan:

Grant date	Expiry date	Number Balance at start of year	Number Granted during year	Number Exercised during year	Number Forfeited during year	Number Balance at end of year	Number Exercisable at end of year
14 June 2013	14 June 2018	2,857,142	-	-	(2,857,142)	-	-
17 December 2014	16 December 2019	1,428,570	-	-	-	1,428,570	1,428,570
		4,285,712	-	-	(2,857,142)	1,428,570	1,428,570
Weighted average exercise price						$0.80	$0.80
Weighted average remaining contractual life						1.46 years	1.46 years

(b) Employee share plans

On 14 June 2013, the Company established an employee share plan, which is also available to Directors (the issue of securities to Directors requires shareholder approval). The plan is called the 2013 Vimy Employee Share Plan.

On 18 November 2016, the Company established an employee share plan, which is also available to Directors (the issue of securities to Directors requires shareholder approval). The plan is called the 2016 Vimy Employee Share Plan.

A summary of the main terms and conditions of the Vimy Employee Share Plans can be found at Note 5.

No new shares were issued under the Employee Share Plan during the current reporting period. Set out below is a summary of shares granted to employees under the Plans:

Issue date	Number Balance at start of year	Number Issued during year	Number Forfeited during year	Number Balance at end of year
14 June 2013	2,857,142	-	-	2,857,142
5 September 2014	1,557,138	-	(71,428)	1,485,710
17 December 2014	2,285,712	-	-	2,285,712
20 November 2015	1,000,000	-	-	1,000,000
3 June 2016	1,300,000	-	(80,000)	1,220,000
22 November 2016	1,666,667	-	-	1,666,667
	10,666,659	-	(151,428)	10,515,231

(c) Employee short-term incentive – contingently issuable shares

On 31 August 2018 the Remuneration Committee and Board approved a 2018 short-term benefit of a fixed value of future issue of shares to key management personnel based on their individual performance during the year. This share issue is subject to an additional service condition through to 30 June 2019, unless the employee is terminated by the Company without cause. A portion of the shares is issuable to Directors and as a consequence is also subject to shareholder approval.

The value of contingently issuable shares on 31 August 2018 was $149,400 which relates to both the 2018 and 2019 financial years. The share-based payments have been provisionally expensed in accordance with accounting standards over a two year vesting period, resulting in the recognition of a $74,700 expense in 2018.

(d) Expenses recognised in profit and loss

Total expenses arising from share-based payment transactions recognised during the year as part of employee benefit expense were as follows:

	Consolidated 2018 $	Consolidated 2017 $
Employee share options granted in 2015	-	102,875
Employee share plan shares granted in 2015	-	180,282
Employee share plan shares granted in 2016	-	426,338
Employee share plan shares granted in 2017	100,294	195,186
Employee short-term incentives for 2018	74,700	-
	174,994	904,681

19. ACCUMULATED LOSSES

	Consolidated 2018 $	Consolidated 2017 $
Accumulated losses at the beginning of the financial year	(87,768,945)	(76,268,788)
Net loss attributable to members of the Company	(9,545,741)	(11,500,157)
Accumulated losses at the end of the financial year	(97,314,686)	(87,768,945)

20. EXPENDITURE COMMITMENTS

	Consolidated 2018 $	Consolidated 2017 $
(a) Operating lease commitments		
Non-cancellable operating leases contracted for but not capitalised in the financial statements relating to office space		
Payable - minimum lease payments		
- not later than 12 months	83,732	248,757
- between 12 months and 5 years	-	83,732
	83,732	332,489

The Company leases the Ground Floor, 10 Richardson Street, West Perth, Western Australia. The lease term expires in October 2018. A cash backed guarantee bond has been established for $190,506 in relation to the lease, refer to Note 10.

(b) Expenditure commitments contracted for:

Exploration tenements

In order to maintain current rights of tenure to exploration tenements, the Group is required to meet the minimum expenditure requirements. These obligations are not provided for in the financial statements:

	Consolidated 2018 $	Consolidated 2017 $
- not later than 12 months	2,227,300	1,723,700
- between 12 months and 5 years	7,065,200	6,840,800
	9,292,500	8,564,500

NOTES TO THE FINANCIAL STATEMENTS
30 JUNE 2018

21. CONTROLLED ENTITIES

	Country of incorporation	Percentage owned 2018	2017
Parent entity:			
Vimy Resources Limited	Australia		
Subsidiaries of Vimy Resources Limited:			
Narnoo Mining Pty Ltd	Australia	100%	100%
Vélo Resources Pty Ltd (previously Camuco Pty Ltd)	Australia	100%	100%
Viva Resources Pty Ltd (previously Gunbarrel Energy and Minerals Australia Pty Ltd)	Australia	100%	100%

22. REMUNERATION OF AUDITORS

	Consolidated 2018 $	2017 $
1. Audit services		
Audit of financial reports and other audit work under the *Corporations Act 2001:*		
Grant Thornton Audit Pty Ltd in 2017 (resigned 17 November 2017)	-	41,417
KPMG in 2018 (appointed 17 November 2017)	40,300	-
2. Non-audit services		
KPMG research and development tax incentive compliance and advisory	77,100	-
KPMG accounting advisory fees	14,350	-
KPMG taxation return preparation and advisory	17,850	-
KPMG general taxation advisory fees	21,781	-
Total auditor's remuneration	171,381	41,417

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2018

23. CASH FLOW INFORMATION

	Consolidated 2018 $	Consolidated 2017 $
(a) Reconciliation of Loss after tax to net cash outflow from Operating Activities		
Loss after income tax	(9,545,741)	(11,500,157)
Adjustments for:		
Depreciation expense	214,335	222,927
Share based payments expense	174,994	904,681
Fair value adjustment to embedded derivative	(22,237)	1,821
Gain on issue of shares	-	(1,346,153)
Exploration and evaluation expenses settled in shares	-	474,735
Financing expenses settled in shares	-	321,014
	(9,178,649)	(10,921,132)
Changes in operating assets and liabilities:		
(Increase) / Decrease in trade and other receivables	1,742,351	(1,977,177)
(Increase) / Decrease in prepayments	(15,461)	184,817
Increase / (Decrease) in trade and other payables	(1,515,824)	(444,557)
Increase / (Decrease) in provisions	213,692	187,069
Net cash outflow from operating activities	(8,753,891)	(12,970,980)

24. CONTINGENT LIABILITIES

Contingent Liability - Royalty

In 2015 the Company entered into a royalty agreement with RCF VI. Narnoo Mining Pty Ltd ('Narnoo'), wholly owned subsidiary of Vimy, has agreed to pay a royalty to RCF VI of 1.15% on the gross proceeds received by Narnoo from selling mineral products extracted and recovered from the tenements that make up the Mulga Rock Project.

The Company has granted security to RCF VI for the royalty obligations, in the form of a mortgage over the mining tenements.

25. PARENT ENTITY INFORMATION

	Parent Entity 2018 $	Parent Entity 2017 $
Information relating to Vimy Resources Limited:		
Current assets	7,446,431	7,313,288
Total assets	8,311,244	7,615,268
Current liabilities	817,429	1,752,737
Total liabilities	898,675	1,831,582
Total net assets	7,412,569	5,783,686
Contributed equity	99,475,560	88,248,678
Reserves	4,323,109	4,148,115
Accumulated losses	(96,386,100)	(86,613,107)
Total equity	7,412,569	5,783,686
Loss of the parent entity	(9,772,993)	(11,273,404)
Total comprehensive loss of the parent entity	(9,772,993)	(11,273,404)

Guarantees of the Parent:

On 1 July 2007, Vimy Resources Limited and its wholly-owned Australian subsidiaries have formed an income tax consolidation group under the Tax Consolidation Regime. Each entity in the Group will continue to recognise its own current and deferred tax liabilities, except for any deferred tax assets resulting from unused tax losses and tax credits, which are immediately assumed by the Parent entity. The current tax liability of each Group entity will then subsequently be assumed by the Parent entity. The tax consolidated group entered into a tax sharing agreement whereby each company in the Group contributes to the income tax payable in proportion to their contribution to profit before tax of the tax consolidated group.

	Parent Entity	
	2018 $	2017 $
Commitments and contingent liabilities of the Parent		
Expenditure commitments		
Non-cancellable operating leases contracted for but not capitalised in the financial statements relating to office space		
Payable - minimum lease payments		
- not later than 12 months	83,732	248,757
- between 12 months and 5 years	-	83,732
	83,732	332,489

26. EVENTS OCCURRING AFTER REPORTING DATE

Since 30 June 2018 the following significant subsequent events have occurred:

- From 1 July 2018 the Company has reduced Non-Executive Director Board fees by 10% and modified Executive Team contracts to provide the Company with flexibility to respond to uranium market conditions in the next six months while maintaining core intellectual property.
- On 17 July 2018, the Company announced completion of the transfer of tenements relating to the Alligator River Uranium Project in Arnhem Land, Northern Territory. The Company has made an assessment whether it had been transferred significant risk and rewards, had legal rights and control to tenure at 30 June 2018, and as such whether the acquisition should be recognised at 30 June 2018. The Company concluded that the acquisition from Cameco Australia Pty Ltd was not completed until 17 July 2018 following transfer of tenements, and therefore the acquisition has been disclosed as a subsequent event. The Company has acquired the project for a cash consideration of $6.5 million staged over 30 months and granted Cameco a conditional buy-back option. The first instalment of $1.5 million was paid in July 2018.
- On 20 July 2018, the Company issued 4,030,000 ordinary shares under the terms and conditions of the 2016 Vimy Employee Share Plan as approved by shareholders on 18 November 2016. The shares are subject to vesting conditions as well as repayment of a limited recourse loan provided by the Company (refer to the Remuneration Report for details of the plan).
- On 13 August 2018, the Company announced commencement of exploration drilling at the Alligator River Project to extend known mineralisation at the Angularli deposit and confirm prospectivity at the Such Wow prospect.

27. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

This note provides a list of the significant accounting policies adopted in the preparation of these consolidated financial statements to the extent they have not already been disclosed in other notes above. These policies have been consistently applied to all the years presented, unless otherwise stated. The financial statements are for the Group consisting of Vimy Resources Limited and its subsidiaries.

(a) Basis of preparation

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board and the *Corporations Act 2001*. Vimy Resources Limited is a for-profit entity for the purpose of preparing the financial statements.

Compliance with IFRS

The consolidated financial statements of Vimy Resources Limited Group also comply with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB).

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2018

Historical cost convention

These financial statements have been prepared under the historical cost convention, as modified by the revaluation of available-for-sale financial assets, and financial assets and liabilities at fair value.

Critical accounting estimates

The preparation of financial statements in conformity with Australian Accounting Standards requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 1.

Functional and presentation currency

These consolidated financial statements are presented in Australian dollars, which is the Company's functional currency and are rounded to the nearest dollar.

New and amended standards adopted by the Group

The following new standards and amendments to standards are mandatory for the first time for the financial year beginning 1 July 2017:

- *AASB 2016-1 Amendments to Australian Accounting Standards – Recognition of Deferred Tax Assets for Unrealised Losses*
- *AASB 2016-2 Amendments to Australian Accounting Standards – Disclosure Initiative: Amendments to AASB 107*
- AASB 2017-*1* Amendments to Australian Accounting Standards – Transfers of Investment Property, Annual Improvements 2014-201*6 Cycle and Other Amendments*
- AASB 2017-2 Amendments to Australian Accounting Standards – Further Annual Improvements 2014-201*6 Cycle*

The adoption of the above new standards and amendments to standards had no impact on the amounts recognised and disclosures in Vimy's financial statements.

New standards and interpretations not yet adopted

Certain new accounting standards and interpretations have been published that are not mandatory for 30 June 2018 reporting periods. These standards and interpretations have not been early adopted. The Group's assessment of the impact of these new standards and interpretations is set out below.

- AASB 9 *Financial Instruments* (effective for annual reporting periods beginning on or after 1 January 2018). AASB 9 addresses the clarification, measurement and de-recognition of financial assets and financial liabilities and introduces new rules for hedge accounting. As Vimy is a project development company focussed on exploration and evaluation and has no complex financial assets or financial liabilities, Vimy has determined that AASB 9 will have no material impact on the way the Group accounts for or discloses its financial instruments.
- AASB 15 *Revenue from Contracts with Customers* (effective for annual reporting periods beginning on or after 1 January 2018). AASB 15 introduces new framework for accounting for revenue and will replace AASB 118 *Revenue* and AASB 111 *Construction Contracts*. The new standard is based on the principle that revenue is recognised when control over goods and services transfers to a customer, therefore the notion of control replaces the existing notion of risks and rewards. As the Company is focussed on exploration and evaluation and project development, Vimy has a reasonable expectation based on an initial assessment that there will be no material impact of the new standard on the Group's financial statements.
- AASB 16 *Leases* (effective for annual reporting periods beginning on or after 1 January 2019). AASB 16 introduces new framework for accounting for leases and will replace AASB 117 Leases. The new standard will primarily affect the accounting by lessees and will result in the recognition of almost all leases on the Statement of Financial Position. The standard removes the current distinction between operating and financing leases and requires recognition of an asset (the right to use the leased item) and a financial liability to pay rentals for almost all lease contracts. Vimy expects that AASB 16 will result in an increase in assets and liabilities as fewer leases will be expensed as payments are made. It is also expected that depreciation expense will increase related to the additional assets, and cash flow from operating activities will increase as lease payments will be recorded as financing outflows in the cash flow statement. As the main lease the Company has entered into relates to rental of a small amount of corporate and project office space for a short period of time, it is not expected that AASB 16 will have a material impact on the Group's financial statements.

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2018

(b) Principles of consolidation

The Group financial statements consolidate those of the Parent Company and all of its subsidiaries as of 30 June 2018. Subsidiaries are all entities (including structured entities) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity, and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

Intercompany transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

(c) Segments

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision maker has been identified as the Board of Directors.

(d) Revenue and income recognition

Revenue and income are recognised and measured at the fair value of the consideration received or receivable to the extent it is probable that the economic benefits will flow to the Group and the revenue and income can be reliably measured. The following specific recognition criteria must also be met before revenue and income is recognised:

Interest revenue

Revenue is recognised as interest accrues using the effective interest method. This is a method of calculating the amortised cost of a financial asset and allocating the interest income over the relevant period using the effective interest rate.

R&D Tax Incentive grant income

Any grant received for eligible research and development tax incentive income is recognised in the Consolidated Statement of Profit or Loss and Other Comprehensive Income as a consequence of the accounting policy to expense exploration and evaluation costs as incurred. The grant income is only recognised when it can be measured reliably which the Group has defined as the point of submitting the claim for the grant income.

(e) Income tax

The income tax expense for the period is the tax payable on the current period's taxable income based on the national income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and unused tax losses.

Deferred tax assets and liabilities are recognised for temporary differences at the tax rates expected to apply when the assets are recovered, or liabilities are settled, based on those tax rates which are enacted or substantively enacted for each jurisdiction. The relevant tax rates are applied to the cumulative amounts of deductible and taxable temporary differences to measure the deferred tax asset or liability.

Deferred tax assets are recognised only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax liabilities and assets are not recognised for temporary differences between the carrying amount and tax bases of investments in controlled entities where the Parent entity is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future.

Current and deferred tax balances attributable to amounts recognised directly in equity are also recognised directly in equity.

(f) Leases

Operating lease payments are recognised as an expense in the Statement of Comprehensive Income on a straight-line basis over the lease term.

(g) Impairment of assets

At each reporting date, the entity reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where the asset does not generate cash flows that are independent from other assets, the entity estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

(h) Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and deposits held at call with financial institutions, together with other short-term, highly liquid investments that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value.

(i) Trade and other receivables

Trade receivables are recognised and carried at original invoice amount less a provision for impairment.

(j) Financial instruments

(i) Non-derivative financial assets

Loans and receivables

Loans and receivables are financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are recognised initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition loans and receivables are measured at amortised cost using the effective interest method, less any impairment losses.

Loans and receivables comprise trade and other receivables.

(ii) Non-derivative financial liabilities

The Group classifies non-derivative financial liabilities into the other financial liabilities category. Such financial liabilities are recognised initially at fair value less any directly attributable transaction costs. Subsequent to initial recognition, these financial liabilities are measured at amortised cost using the effective interest rate method.

The Group derecognises a financial liability when its contractual obligations are discharged, cancelled or expire.

Other financial liabilities comprise loans, borrowings, trade and other payables.

(k) Plant and equipment

Plant and equipment is stated at cost less accumulated depreciation and any impairment in value. Depreciation is calculated on a straight-line basis over the estimated useful life of the asset as follows:

Plant and equipment – 2 to 15 years

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each reporting date.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in the statement of comprehensive income.

(l) Trade and other payables

These amounts represent liabilities for goods and services provided to the Group prior to the end of financial year which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period.

(m) Loans and borrowings

Loans and borrowings are initially recognised at fair value, net of transaction cost incurred. Loans and borrowings are subsequently measured at amortised costs. Loans and borrowings are derecognised from the Statement of Financial Position when the obligation specified in the contract is discharged, cancelled or expired.

(n) Provisions

Provisions for legal claims are recognised when the Group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. Provisions are not recognised for future operating losses.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as an expense.

(o) Rehabilitation and site restoration

The Group is required to rehabilitate mine sites, to the extent that any environmental disturbance has occurred, to a condition acceptable to the relevant authorities. Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as an expense.

(p) Employee benefits

Employee entitlement

Provision is made for employee benefits accumulated as a result of employees rendering services up to the reporting date. These benefits include wages and salaries, annual leave and long service leave. Liabilities arising in respect of wages and salaries, annual leave and long service leave and any other benefits expected to be settled wholly within twelve months of the reporting date are measured at their nominal amounts based on remuneration rates which are expected to be paid when the liability is settled. All other employee benefit liabilities are measured at the present value of the estimated future cash outflow to be made in respect of services provided by employees up to the reporting date. In determining the present value of future cash outflows, the market yield as at the reporting date on high quality corporate bonds, which have terms to maturity approximating the terms of the related liabilities, are used.

Share-based payments

The Company provides staff with Employee Share Plans, whereby eligible participants are granted shares in the Company funded by a limited recourse loan from the Company. The limited recourse loans are recorded within equity and not as a receivable or financial asset to be recovered from the Company. Share-based compensation benefits may be provided to employees and Directors via both the 2013 and 2016 Vimy Employee Share Plans.

The Group measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined by using the Black-Scholes formula.

(q) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, unless the GST incurred is not recoverable from the taxation authority. In this case it is recognised as part of the cost of acquisition the asset or as part of the expense.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the taxation authority is included with other receivables or payables in the Statement of Financial Position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to the taxation authority, are presented as operating cash flow.

(r) Exploration and evaluation expenditure

Exploration and evaluation expenditure that has been acquired in a business combination or asset acquisition and associated transaction costs are capitalised under the scope of AASB 6, Exploration for and Evaluation of Mineral Resources. All other exploration and evaluation expenditure is expensed in the year it is incurred.

Pre-exploration and evaluation expenditure, where the Group does not hold legal title to a tenement or a license to explore, is expensed in the year it is incurred.

Exploration and evaluation expenditure is allocated separately to specific areas of interest. Each area of interest is limited to a size related to a known or probable mineral resource capable of supporting a mining operation. Such expenditure comprises direct exploration and evaluation costs incurred, together with an appropriate portion of directly related overhead expenditure.

Exploration and evaluation assets are only continued to be recognised if the rights to the area are current and either:

(i) the exploration and evaluation expenditures are expected to be recouped through successful development and exploration of the area of interest or by its sale; or

(ii) exploration and evaluation activities have not at the reporting date reached a stage which permits a reasonable assessment of the existence of economically recoverable resources, and active operations are continuing.

Exploration and evaluation assets are assessed for impairment if facts and circumstances suggest that the carrying amount of an exploration and evaluation asset may exceed its recoverable amount. For the purposes of impairment testing, exploration and evaluation assets are allocated to cash generating units (CGU's) to which the exploration activity relates. The CGU shall not be larger than the area of interest.

In the event that an area of interest is abandoned or if the Directors consider the exploration and evaluation assets attributable to the area of interest to be of reduced value, the exploration and evaluation assets are impaired in the period in which the assessment is made. Each area of interest is reviewed at each reporting period and accumulated costs are written off to the extent that they will not be recoverable in future.

When a decision to proceed to development is made for an area of interest, exploration and evaluation assets attributable to that area of interest are first tested for impairment and then reclassified to mine property assets within property, plant and equipment.

DIRECTORS' DECLARATION

30 JUNE 2018

1. In the opinion of the Directors of Vimy Resources Limited:

   (a) the consolidated financial statements and notes of Vimy Resources Limited are in accordance with the *Corporations Act 2001*, including:

      i. giving a true and fair view of the consolidated entity's financial position as at 30 June 2018 and of its performance for the financial year ended on that date; and

      ii. complying with Accounting Standards, the Corporations Regulations 2001, and other mandatory professional reporting requirements.

   (b) there are reasonable grounds to believe that Vimy Resources Limited will be able to pay its debts as and when they become due and payable; and

2. The Directors have been given the declarations by the chief executive officer and chief financial officer required by Section 295A of the *Corporations Act 2001*.

3. The consolidated financial statements comply with International Financial Reporting Standards as issued by the International Accounting Standards Board.

This declaration is made in accordance with a resolution of the Directors:

Michael Young
Managing Director and Chief Executive Officer

Dated 18 September 2018

Independent Auditor's Report

To the shareholders of Vimy Resources Limited

Report on the audit of the Financial Report

Opinion

We have audited the ***Financial Report*** of Vimy Resources Limited (the Company).

In our opinion, the accompanying Financial Report of the Company is in accordance with the *Corporations Act 2001*, including:

- giving a true and fair view of the ***Group***'s financial position as at 30 June 2018 and of its financial performance for the year ended on that date; and
- complying with *Australian Accounting Standards* and the *Corporations Regulations 2001*.

The ***Financial Report*** comprises:

- Consolidated statement of financial position as at 30 June 2018
- Consolidated statement of profit or loss and other comprehensive income, Consolidated statement of changes in equity, and Consolidated statement of cash flows for the year then ended
- Notes including a summary of significant accounting policies
- Directors' Declaration.

The ***Group*** consists of the Company and the entities it controlled at the year-end or from time to time during the financial year.

Basis for opinion

We conducted our audit in accordance with *Australian Auditing Standards*. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the Financial Report* section of our report.

We are independent of the Group in accordance with the *Corporations Act 2001* and the ethical requirements of the *Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the Financial Report in Australia. We have fulfilled our other ethical responsibilities in accordance with the Code.

KPMG

Material uncertainty related to going concern

We draw attention to Note 1(b), "Going Concern" in the financial report. The conditions disclosed in Note 1(b) indicate a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern and, therefore, whether it will realise its assets and discharge its liabilities in the normal course of business, and at the amounts stated in the financial report. Our opinion is not modified in respect of this matter.

In concluding there is a material uncertainty related to going concern we evaluated the extent of uncertainty regarding events or conditions casting significant doubt in the Group's assessment of going concern. Our approach to this involved:

- Evaluating the feasibility, quantum and timing of the Group's plans to raise additional shareholder funds to address going concern;
- Assessing the Group's cash flow forecasts for incorporation of the Group's operations and plans to address going concern, in particular in light of the history of loss making operations; and
- Determining the completeness of the Group's going concern disclosures for the principle matters casting significant doubt on the Group's ability to continue as a going concern, the Group's plans to address these matters, and the material uncertainty.

Key Audit Matters

Key Audit Matters are those matters that, in our professional judgement, were of most significance in our audit of the Financial Report of the current year.

These matters were addressed in the context of our audit of the Financial Report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

In addition to the matter described in the *Material uncertainty related to going concern* section, we have determined the matter described below to be the Key Audit Matter.

KPMG

Timing of the acquisition of the Alligator River Uranium Project (A$6,500,000)

Refer to Note 26 to the Financial Report

The key audit matter	How the matter was addressed in our audit
The timing of the acquisition of the Alligator River Uranium Project for $6.5 million is a key audit matter due to: • the size and nature of the transaction having a pervasive impact on the Group's financial statements; and • the level of judgement used by the Group to determine the date of the acquisition. The determination of the acquisition date as either prior to 30 June 2018 (the financial year-end), or as subsequent to year-end, significantly impacts the recognition of amounts reported in the consolidated financial statements and the related disclosures. We focused on assessing the Group's documentation of the status of the conditions precedent in the Sale and Purchase Agreement to finalise the acquisition against our interpretation of the criteria in the accounting standards. This required significant audit effort and greater involvement of senior team members in gathering evidence on the status of conditions precedent to the sale.	Our procedures included: • Reading the Sale and Purchase Agreement and associated agreements related to the acquisition to understand the key terms, the nature of the transaction and the conditions precedent to finalise the acquisition; • Inspected the correspondence between the Company, the parties to the Sale and Purchase Agreement and regulatory agencies to assess the status of the necessary approvals precedent to the sale at 30 June 2018; • Involving our senior audit team members to assess the Group's evaluation of the acquisition date against the criteria in the accounting standards. We focused on the Group's evaluation of the transfer of risks and rewards, control and legal rights to tenure; and • Assessing the Group's subsequent event disclosures in relation to the acquisition against our understanding of the acquisition and the requirements of the accounting standards.

Other Information

Other Information is financial and non-financial information in Vimy Resources Limited's annual reporting which is provided in addition to the Financial Report and the Auditor's Report. The Directors are responsible for the Other Information.

The Other Information we obtained prior to the date of this Auditor's Report was the Director's Report. The Chairman's Letter, CEO's Review of Activities, Outlook for 2019, Operations Review, Mineral Resource and Ore Reserve statement, Additional Information and Corporate Governance Statement are expected to be made available to us after the date of the Auditor's Report.

Our opinion on the Financial Report does not cover the Other Information and, accordingly, we do not express an audit opinion or any form of assurance conclusion thereon, with the exception of the Remuneration Report and our related assurance opinion.

KPMG

In connection with our audit of the Financial Report, our responsibility is to read the Other Information. In doing so, we consider whether the Other Information is materially inconsistent with the Financial Report or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

We are required to report if we conclude that there is a material misstatement of this Other Information, and based on the work we have performed on the Other Information that we obtained prior to the date of this Auditor's Report we have nothing to report

Responsibilities of the Directors for the Financial Report

The Directors are responsible for:

- preparing the Financial Report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001*
- implementing necessary internal control to enable the preparation of a Financial Report that gives a true and fair view and is free from material misstatement, whether due to fraud or error
- assessing the Group's ability to continue as a going concern and whether the use of the going concern basis of accounting is appropriate. This includes disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless they either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the Financial Report

Our objective is:

- to obtain reasonable assurance about whether the Financial Report as a whole is free from material misstatement, whether due to fraud or error; and
- to issue an Auditor's Report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with *Australian Auditing Standards* will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error. They are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this Financial Report.

A further description of our responsibilities for the audit of the Financial Report is located at the *Auditing and Assurance Standards Board* website at: http://www.auasb.gov.au/auditors_responsibilities/ar1.pdf. This description forms part of our Auditor's Report.

KPMG

Report on the Remuneration Report

Opinion

In our opinion, the Remuneration Report of Vimy Resources Limited for the year ended 30 June 2018, complies with *Section 300A* of the *Corporations Act 2001*.

Directors' responsibilities

The Directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with *Section 300A* of the *Corporations Act 2001*.

Our responsibilities

We have audited the Remuneration Report included in pages 29 to 38 of the Directors' report for the year ended 30 June 2018.

Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with *Australian Auditing Standard*.

KPMG

KPMG

Derek Meates
Partner
Perth
18 September 2018

ADDITIONAL INFORMATION

AS AT 15 OCTOBER 2018

Capital structure

The capital structure of the Company at the date of this report was:

Ordinary shares	Unlisted options
416,680,731	18,857,134

Distribution of listed ordinary fully paid shares

Size of holding			Number of shareholders	Number of ordinary shares
1	-	1,000	445	160,492
1,001	-	5,000	495	1,311,790
5,001	-	10,000	247	1,962,120
10,001	-	100,000	789	34,730,454
100,001	-	and over	384	378,515,875
			2,360	**416,680,731**

The number of shareholders holding less than a marketable parcel of ordinary shares was 989.

Twenty largest shareholders of listed ordinary shares

	Name	Ordinary shares held	% of total
1	Merrill Lynch (Australia) Nominees Pty Limited	67,476,612	16.19%
2	Forrest Family Investments Pty Ltd	57,142,857	13.71%
3	BNP Paribas Nominees Pty Ltd	26,959,638	6.47%
4	Sumico (WA) Pty Ltd	26,734,508	6.42%
5	Mr Peter Sarantzouklis	20,000,000	4.80%
6	Lexband Pty Ltd	10,000,000	2.40%
7	FF Okram Pty Ltd	7,692,307	1.85%
8	BNP Paribas Nominees Pty Ltd	6,782,986	1.63%
9	Mr Michael E. Fewster and Mrs Suzanne T. Fewster	5,138,571	1.23%
10	JH Nominees Australia Pty Ltd	4,900,000	1.18%
11	Eaglefield Holdings Pty Ltd	3,545,714	0.85%
12	HSBC Custody Nominees (Australia) Limited	3,525,293	0.85%
13	Rookharp Investments Pty Limited	3,300,000	0.79%
14	Safari Capital Pty Ltd	3,109,813	0.75%
15	Citicorp Nominees Pty Limited	3,059,855	0.73%
16	Mr Jamie Pherous	2,347,557	0.56%
17	CS Fourth Nominees Pty Limited	2,276,146	0.55%
18	Egmont Pty Ltd	2,000,000	0.48%
19	ABN Amro Clearing Sydney Nominees Pty Ltd	1,993,505	0.48%
20	Basapa Pty Ltd	1,850,000	0.44%
		259,835,362	**62.36%**

Voting rights of ordinary shares (ASX Code: VMY)

At a general meeting, on a show of hands, every ordinary shareholder present in person or by proxy has one vote. On the taking of a poll, every ordinary shareholder present in person or by proxy, and whose shares are fully paid, has one vote for each of his or her shares.

ADDITIONAL INFORMATION

AS AT 15 OCTOBER 2018

Distribution of all unlisted employee option plan holders:

Size of holding	Number of option holders	Number of options
100,001 - and over	2	1,428,570
	2	**1,428,570**

Holders of 20% or more of the securities listed above:

Michael C. Young and J. T. Young ATF the MJE Trust	714,285 options
Julian R. Tapp	714,285 options

Distribution of unlisted option holders (expiring on 16 December 2018, exercisable at $1.54 per share):

Size of holding	Number of option holders	Number of options
100,001 - and over	6	8,714,281
	6	**8,714,281**

Holders of 20% or more of the securities listed above:

National Nominees Limited	3,290,235 options
Macquarie Bank Limited	4,292,751 options

Distribution of unlisted option holders (expiring on 16 December 2018, exercisable at 70 cents per share):

Size of holding	Number of option holders	Number of options
100,001 - and over	6	8,714,283
	6	**8,714,283**

Holders of 20% or more of the securities listed above:

National Nominees Limited	3,242,318 options
Macquarie Bank Limited	4,230,236 options

Unlisted options

Until exercised, unlisted options confer no voting rights and no rights to subscribe for new securities in the Company. They do not entitle the holder to a dividend, or to participate in a winding up of the Company. The unlisted options are a separate class of security that may be converted into the Company's shares on a one-for-one basis once they are exercised.

Substantial shareholders

	Name	Ordinary shares held	% of total
1	Resource Capital Fund VI LP	67,476,612	16.19%
2	Forrest Family Investments Pty Ltd	57,142,857	13.71%
3	Acorn Capital Limited	35,941,085	8.63%
4	Michael Edward Fewster	35,418,793	8.50%

On-market buy back

There is no current on-market buy back of the Company's shares in place.

ADDITIONAL INFORMATION

AS AT 15 OCTOBER 2018

Investor Relations

Shareholders and investors seeking information on the Company should reference the Australian Securities Exchange website **asx.com.au** and search announcements under the Company's ASX symbol VMY, or contact the Chief Executive Officer or Company Secretary at:

Vimy Resources Limited
Ground Floor
10 Richardson Street
West Perth WA 6005

Telephone:	+61 8 9389 2700
Facsimile:	+61 8 9389 2722
Email:	info@vimyresources.com.au
Website:	www.vimyresources.com.au

Shareholder enquiries

Enquiries relating to shareholding, tax file number and notification of change of address should be directed to:

Computershare Investor Services Pty Limited
Level 11, 172 St Georges Terrace
Perth WA 6000
Australia

Telephone:	1300 850 505 (within Australia)
	+61 3 9415 4000 (outside Australia)
Facsimile:	+61 3 9473 2500
Email:	www.investorcentre.com/contact
Website:	www.computershare.com

CORPORATE GOVERNANCE STATEMENT

STATEMENT

Vimy Resources Limited ('Company') has adopted systems of control and accountability as the basis for the administration of corporate governance. Some of these policies and procedures are summarised in this statement. Commensurate with the spirit of the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations Third Edition ("Principles and Recommendations"), the Company has followed each recommendation where the Board has considered the recommendation to be an appropriate benchmark for its corporate governance practices. Where the Company's corporate governance practices follow a recommendation, the Board has made appropriate statements reporting on the adoption of the recommendation. Where, after due consideration, the Company's corporate governance practices depart from a recommendation, the Board has offered full disclosure and reason for the adoption of its own practice, in compliance with the "if not, why not" regime.

This statement is current as at 5 October 2018.

DISCLOSURE – PRINCIPLES AND RECOMMENDATIONS

The Company reports below on how it has followed (or otherwise departed from) each of the Principles and Recommendations during the 2018 financial year ('Reporting Period').

Principle 1 – Lay solid foundations for management and oversight

A listed entity should establish and disclose the respective roles and responsibilities of Board and management and how their performance is monitored and evaluated.

Recommendation 1.1:

A listed entity should disclose:

(a) the respective roles and responsibilities of Board and management; and

(b) those matters expressly reserved to the Board and those delegated to management.

Disclosure:

The Company has established functions reserved to the Board and has set out these functions in its Board Charter.

A copy of the Company's Board Charter is made available on the Company's website.

The Board is collectively responsible for promoting the success of the Company through its key functions of overseeing the management of the Company, providing overall corporate governance of the Company, monitoring the financial performance of the Company, engaging appropriate management commensurate with the Company's structure and objectives, involvement in the development of corporate strategy and performance objectives and reviewing, ratifying and monitoring systems of risk management and internal control, codes of conduct and legal compliance.

The Company has established the functions delegated to senior executives and has set out these functions in its Board Charter. Senior executives are responsible for supporting the Chief Executive Officer and Managing Director and assisting the Managing Director and Chief Executive Officer in implementing the running of the general operations and financial business of the Company, in accordance with the delegated authority of the Board.

Senior executives are responsible for reporting all matters which fall within the Company's materiality thresholds at first instance to the Managing Director and Chief Executive Officer or, if the matter concerns the Managing Director and Chief Executive Officer, then directly to the Chairman of the Board.

Recommendation 1.2:

A listed entity should:

(a) undertake appropriate checks before appointing a person, or putting forward to security holders a candidate for election, as a Director; and

(b) provide security holders with all material information in its possession relevant to a decision on whether or not to elect or re-elect a Director

CORPORATE GOVERNANCE STATEMENT

Disclosure:

When the Board determines that changes are required to the Board or indeed, if a Director resigns from the Board, in determining candidates for the Board, the Board will follow a prescribed procedure whereby it considers the balance of independent Directors on the Board as well as the skills and qualifications of potential candidates that will best enhance the Board's effectiveness.

The Board recognises that Board renewal is critical to performance and the impact of Board tenure on succession planning. Directors are rotated on the basis of: "At each annual general meeting one-third of the Directors for the time being, or, if their number is not a multiple of three, then the whole number nearest one-third, shall retire from office and based on that calculation the Directors to retire at an annual general meeting are those who have been longest in office since their last election. A retiring Director is eligible for re-election. Re-appointment of Directors is not automatic."

The Company Policy and Procedure for the Selection and (Re)/Appointment of Directors requires that shareholders shall be informed of the names of candidates submitted for election as Directors at a general meeting of shareholders. In order to enable shareholders to make an informed decision regarding the election, the following information shall be supplied to shareholders:

- biographical details (including competencies and qualifications and information sufficient to enable an assessment of the independence of the candidate);
- details of material business relationships between the candidate and the Company; and the candidate and Directors of the Company;
- Directorships held;
- the term of office currently served by any Directors subject to re-election; and
- any other particulars required by law.

A copy of the Company's Policy and Procedure for the Selection and (Re)/Appointment of Directors is made available on the Company's website.

Recommendation 1.3:

A listed entity should have a written agreement with each Director and senior executive setting out the terms of their appointment.

Disclosure:

Remuneration and other terms of employment for key management personnel are formalised in service agreements which are disclosed in the Remuneration Report which forms part of the Directors' Report. Non-Executive Directors sign a formal letter of appointment.

Recommendation 1.4:

The company secretary of a listed entity should be accountable directly to the Board, through the Chairman, on all matters to do with the proper functioning of the Board.

Disclosure:

The Company Secretary fulfils other management responsibilities in addition to company secretarial duties. The formal reporting line of the Company Secretary is to the Managing Director and Chief Executive Officer. For any matter relevant to the company secretarial duties or conduct of the Board, the Company Secretary has an indirect reporting line, and is accountable, to the Chairman of the Board.

Recommendation 1.5:

A listed entity should:

(a) have a diversity policy which includes requirements for the Board or a relevant committee of the Board to set measurable objectives for achieving gender diversity and to assess annually both the objectives and the entity's progress in achieving them;

(b) disclose that policy or a summary of it; and

(c) disclose as at the end of each reporting period the measurable objectives for achieving gender diversity set by the Board or a relevant committee of the Board in accordance with the entity's diversity policy and its progress towards achieving them and either:

  - the respective proportions of men and women on the Board, in senior executive positions and across the whole organisation (including how the entity has defined "senior executive" for these purposes); or
  - if the entity is a "relevant employer" under the Workplace Gender Equality Act, the entity's most recent "gender equality indicators", as defined in and published under that Act.

CORPORATE GOVERNANCE STATEMENT

Notification of departure:

The Company does not have a diversity policy.

Explanation for departure:

The Company has not established a formal diversity policy and has not developed measurable objectives for achieving gender diversity at this point in time due to the relatively small size of the Company and the limited scope of work activities. The Company is committed to ensuring a diverse mix of skills and talent exists amongst its Directors, officers and employees to enhance the Company's performance.

At 30 June 2018, the Board was comprised of seven members with two women; being the Non-Executive Chairman The Hon. Cheryl Edwardes AM and Non-Executive Director Dr Vanessa Guthrie the nominated representative of Resource Capital Funds VI L.P. The Company had twenty employees at 30 June 2018, with seven women which represented 35% of the total employees. There are no women in senior executive roles which have been defined as the Executive Directors and key management personnel of the Company as disclosed in the Remuneration Report which forms part of the Directors' Report.

Recommendation 1.6:

A listed entity should:

(a) have and disclose a process for periodically evaluating the performance of the Board, its committees and individual Directors; and

(b) disclose, in relation to each reporting period, whether a performance evaluation was undertaken in the reporting period in accordance with that process.

Disclosure:

The Company has formalised a policy relating to the Process for Performance Evaluation, and a copy is made available on the Company's website.

The assessment process used by the Board requires each Director to complete a questionnaire relating to the role, composition, procedures, practices and behaviour of the Board and its members. Senior executives having most direct contact with the Board may also be invited to complete similar questionnaires. Responses to the questionnaires are confidential and provided direct to the Company Secretary with the results individually and in aggregate then communicated to the Chairman of the Board.

During the Reporting Period, a formal evaluation of the Board did not take place. The composition of the Board was last reviewed at the time of appointing Dr Vanessa Guthrie as a Non-Executive Director on 6 October 2017.

Recommendation 1.7:

A listed entity should:

(a) have and disclose a process for periodically evaluating the performance of its senior executives; and

(b) disclose, in relation to each reporting period, whether a performance evaluation was undertaken in the reporting period in accordance with that process.

Disclosure:

The performance of all senior executives is reviewed at least annually. The Board evaluates the performance of senior executives having regard to such things as: the responsibilities of the executive; performance against budget and goals that have been set; any communicated key performance indicators; and qualitative as well as quantitative measures.

No senior executive is involved with their own evaluation, and the Board evaluates such parties without such parties being present. An evaluation of senior executives was undertaken during the 2018 financial year in accordance with this process.

The Company's policy on remuneration is contained in the Remuneration Report which forms part of the Directors' Report.

CORPORATE GOVERNANCE STATEMENT

Principle 2 – Structure the Board to add value

A listed entity should have a Board of an appropriate size, composition, skills and commitment to enable it to discharge its duties effectively.

Recommendation 2.1:

The Board of a listed entity should:

(a) have a nomination committee which:

- has at least three members, a majority of whom are independent Directors; and
- is chaired by an independent Director,

and disclose:

- the charter of the committee;
- the members of the committee; and
- as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or

(b) if it does not have a nomination committee, disclose that fact and the processes it employs to address Board succession issues and to ensure that the Board has the appropriate balance of skills, knowledge, experience, independence and diversity to enable it to discharge its duties and responsibilities effectively.

Notification of departure:

The Board has not established a Nomination Committee.

Explanation for departure:

The full Board assumes the role of the Nomination Committee.

A separate Nomination Committee has not been formed due to the relatively small size and structure of the Board. The Board considers that at this stage no efficiencies or other benefits would be gained by establishing a separate Nomination Committee. The Board discusses nomination-related matters on an ongoing basis, as required. When considering matters of nomination, the Board functions in accordance with its Nomination Committee Charter. Items that are usually required to be discussed by a Nomination Committee are marked as separate agenda items at Board meetings when required. The Board deals with any conflicts of interest that may occur when convening in the capacity of Nomination Committee by ensuring the Director with conflicting interests is not party to the relevant discussions.

A copy of the Company's Nomination Committee Charter is made available on the Company's website.

Recommendation 2.2:

A listed entity should have and disclose a Board skills matrix setting out the mix of skills and diversity that the Board currently has or is looking to achieve in its membership.

Disclosure:

During the 2018 financial year the Board completed a Board skills matrix to more formally disclose the mix of skills and diversity of the current Board. The matrix focussed on professional skills, industry skills, personal attributes, diversity and non-skills based criteria.

The professional skills assessed were strategy, financial performance, risk and compliance oversight, corporate governance, information technology strategy and governance, executive management, and commercial experience.

The industry skills assessed were technical, management, project, permitting and approvals, legal, finance and funding, uranium industry and marketing, investor and community relations.

The personal attributes that all directors on the Company's Board are expected to possess are integrity (ethics), effective listener and communicator, constructive questioner, contributor and team player, commitment, influencer and negotiator, critical and innovative thinker, and leader.

The non-skills based criteria assessed were previous Board experience and conflicts of interest.

CORPORATE GOVERNANCE STATEMENT

A detailed analysis of individual Director skills and experience confirmed that the Board currently has the appropriate level of experience and skills necessary to meet its responsibilities.

A profile of each Director containing their skills, experience, expertise and term of office is set out in the Directors' Report.

Recommendation 2.3:

A listed entity should disclose:

(a) the names of the Directors considered by the Board to be independent Directors;

(b) if a Director has an interest, position, association or relationship of the type described in Box 2.3 of the Principles and Recommendations, but the Board is of the opinion that it does not compromise the independence of the Director; the nature of the interest, position, association or relationship in question and an explanation of why the Board is of that opinion; and

(c) the length of service of each Director.

Disclosure:

The Company has formalised a policy relating to Assessing the Independence of Directors, and a copy is made available on the Company's website.

For the reporting period the Board consisted of seven members with Dr Vanessa Guthrie appointed on 6 October 2017. The Company has three independent Directors, being The Hon. Cheryl Edwardes AM, Mr David Cornell, and Mr Andrew Haslam.

These Directors are independent as they are non-executive Directors who are not members of management and they are free of any material business or other relationship that could materially interfere with, or could reasonably be perceived to materially interfere with, the independent exercise of their judgement.

The Director's interest, position, association or relationship and length of service is set out in the Directors' Report.

Recommendation 2.4:

A majority of the Board of a listed entity should be independent Directors.

Notification of departure:

The Company did not have a majority of independent Directors, with only three on a Board consisting of seven members since Dr Vanessa Guthrie was appointed on 6 October 2017.

Explanation for departure:

The Board considers that the composition of the Board is adequate for the Company's current size and operations, and includes an appropriate mix of skills and expertise, relevant to the Company's business.

Recommendation 2.5:

The chair of the Board of a listed entity should be an independent Director and, in particular, should not be the same person as the Managing Director and Chief Executive Officer of the entity.

Disclosure:

The Hon. Cheryl Edwardes AM is the independent Non-Executive Chairman and Mr Michael Young is the Managing Director and Chief Executive Officer of the Company.

Recommendation 2.6:

A listed entity should have a program for inducting new Directors and provide appropriate professional development opportunities for Directors to develop and maintain the skills and knowledge needed to perform their role as Directors effectively.

Disclosure:

The formal letter of appointment and induction pack provided to Directors contains sufficient information to allow the new Director to gain an understanding of:

- the rights, duties and responsibilities of Directors;
- the role of Board Committees;

- the roles and responsibilities of the senior executives; and
- the Company's financial, strategic, and operational risk management position.

New Directors undertake an induction program which comprises:

- an information pack which includes a copy of the Company's constitution; Board and Committee charters; most recent annual report; most recent monthly performance report; the Company's strategic plan; organisational chart; deed of access, insurance and indemnity and details of the Company's Director and officers' insurance policy; and a copy of the register of the Company's most significant risks;
- a program of meetings with members of the Company's senior executives; and
- visits to the Company's projects.

The Company actively encourages Directors to participate in continuing professional education opportunities to update and enhance their relevant skills and knowledge.

Principle 3 – Act ethically and responsibly

A listed entity should act ethically and responsibly.

Recommendation 3.1:

A listed entity should:

(a) have a code of conduct for its Directors, senior executives and employees; and

(b) disclose that code or a summary of it.

Disclosure:

The Company has established a Code of Conduct as to the practices necessary to maintain confidence in the Company's integrity, practices necessary to take into account their legal obligations and the expectations of their stakeholders and responsibility and accountability of individuals for reporting and investigating reports of unethical practices.

A summary of the Company's Code of Conduct is made available on the Company's website.

Principle 4 – Safeguard integrity in financial reporting

Recommendation 4.1:

The Board of a listed entity should:

(a) have an audit committee which:

  - has at least three members, all of whom are non-executive Directors and a majority of whom are independent Directors; and
  - is chaired by an independent Director, who is not the Chairman of the Board,

  and disclose:

  - the charter of the committee;
  - the relevant qualifications and experience of the members of the committee; and
  - in relation to each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or

(b) if it does not have an audit committee, disclose that fact and the processes it employs that independently verify and safeguard the integrity of its corporate reporting, including the processes for the appointment and removal of the external auditor and the rotation of the audit engagement partner.

Disclosure:

The Company has an Audit and Risk Committee.

For the reporting period, Mr David Cornell was the independent Chairman of the Audit and Risk Committee.

During the reporting period the Audit and Risk Committee had five members – Mr David Cornell, The Hon. Cheryl Edwardes AM, Mr Malcolm James, Mr Andrew Haslam and Dr Vanessa Guthrie was appointed on 6 October 2017. Of these members three are considered to be independent – Mr David Cornell, The Hon. Cheryl Edwardes AM and Mr Andrew Haslam, which represents a majority of the committee.

The Audit and Risk Committee Charter is made available on the Company's website.

CORPORATE GOVERNANCE STATEMENT

The number of Audit and Risk Committee meetings held during the 2018 financial year and the qualifications of the Directors are disclosed in the Directors' Report.

Recommendation 4.2:

The Board of a listed entity should, before it approves the entity's financial statements for a financial period, receive from its Managing Director and Chief Executive Officer and Chief Financial Officer a declaration that, in their opinion, the financial records of the entity have been properly maintained and that the financial statements comply with the appropriate accounting standards and give a true and fair view of the financial position and performance of the entity and that this opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.

Disclosure:

The Managing Director and Chief Executive Officer and Chief Financial Officer have provided the declaration to the Board in accordance with section 295A of the *Corporations Act 2001.*

This declaration is that:

- the financial records of Vimy Resources Limited for the financial year ended 30 June 2018 have been properly maintained in accordance with section 286 of the Australian Corporations Act 2001; and
- the financial statements, and the notes referred to in paragraph 295(3)(b) of the Australian Corporations Act 2001, for the financial year ended 30 June 2018 comply with the accounting standards; and
- the financial statements and notes for the financial year ended 30 June 2018 give a true and fair view (section 297 of the Australian Corporations Act 2001); and
- any other matters that are prescribed by the regulations in relation to the financial statements and the notes for the financial year ended 30 June 2018 are satisfied.

The consolidated financial statements comply with International Financial Reporting Standards.

Recommendation 4.3:

A listed entity that has an Annual General Meeting ('AGM') should ensure that its external auditor attends its AGM and is available to answer questions from security holders relevant to the audit.

Disclosure:

The external auditor attends the Company's AGM. Shareholders may submit written questions to the auditor to be considered at the meeting in relation to the conduct of the audit and the preparation and content of the Independent Audit Report by providing the questions to the Company at least five business days before the day of the meeting. Shareholders are also given a reasonable opportunity at the meeting to ask the auditor questions relevant to the conduct of the audit, the Independent Audit Report, the accounting policies adopted by the Company and the independence of the auditor.

Principle 5 – Make timely and balanced disclosure

A listed entity should make timely and balanced disclosure of all matters concerning it that a reasonable person would expect to have a material effect on the price or value of its securities.

Recommendation 5.1:

Companies should establish written policies designed to ensure compliance with ASX Listing Rule disclosure requirements and to ensure accountability at a senior executive level for that compliance and disclose those policies or a summary of those policies.

Disclosure:

The Company has formalised policies relating to ASX Listing Rule Compliance and Compliance Procedures, and a summary of both policies is made available on the Company's website.

The written policies are designed to ensure compliance with ASX Listing Rule disclosure and accountability at a senior executive level for that compliance.

CORPORATE GOVERNANCE STATEMENT

Principle 6 – Respect the rights of security holders

A listed entity should respect the rights of its security holders by providing them with appropriate information and facilities to allow them to exercise those rights effectively.

Recommendation 6.1:

A listed entity should provide information about itself and its governance to investors via its website.

Disclosure:

The Company has formalised a policy relating to Shareholder Communication, and a copy is made available on the Company's website.

The Company has a website "vimyresources.com.au" providing information about itself and its governance to investors.

Recommendation 6.2:

A listed entity should design and implement an investor relations program to facilitate effective two way communication with investors.

Disclosure:

The Shareholder Communication policy includes promotion of effective communication with investors and encourages shareholder participation at general meetings.

Recommendation 6.3:

A listed entity should disclose the policies and processes it has in place to facilitate and encourage participation at meetings of security holders.

Disclosure:

Notices of meeting sent to the Company's shareholders comply with the ASX Listing Rules. In relation to AGMs, shareholders are invited to submit questions before the meeting.

The Chairman also encourages shareholders at the AGM to ask questions and make comments about the Company's operations and the performance of the Board and senior executives.

New Directors or Directors seeking re-election are given the opportunity to address the AGM and to answer questions from shareholders.

Recommendation 6.4:

A listed entity should give security holders the option to receive communications from, and send communications to, the entity and its security registry electronically.

Disclosure:

Shareholders have the option of electing to receive all shareholder communications by email. The Company provides a printed copy of the annual report only to those shareholders who have specifically elected to receive a printed copy. The annual report is available on the Company website.

All announcements made to the ASX are available to shareholders by email notification when a shareholder provides the Company with an email address and elects to be notified of all the Company's ASX announcements. In addition to this, the ASX announcements are made available on the Company's website.

The Company share register is managed and maintained by Computershare Investor Services Pty Limited. Shareholders can access their shareholding details or make enquiries about their current shareholding electronically by quoting their Shareholder Reference Number (SRN) or Holder Identification Number (HIN), via the Computershare Investor Services investor centre www.computershare.com or by emailing www.investorcentre.com/contact.

CORPORATE GOVERNANCE STATEMENT

Principle 7 – Recognise and manage risk

A listed entity should establish a sound risk management framework and periodically review the effectiveness of that framework.

Recommendation 7.1:

The Board of a listed entity should:

(a) have a committee or committees to oversee risk, each of which:

- has at least three members, a majority of whom are independent Directors; and
- is chaired by an independent Director,

and disclose:

- the charter of the committee;
- the members of the committee; and
- as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or

(b) if it does not have a risk committee or committees that satisfy (a) above, disclose that fact and the processes it employs for overseeing the entity's risk management framework.

Disclosure:

The Board established an Audit and Risk Committee on 6 October 2017, with Mr David Cornell as the independent Committee Chairman.

Since 6 October 2017 the Audit and Risk Committee has had five members – Mr David Cornell, The Hon. Cheryl Edwardes AM, Mr Malcolm James, Mr Andrew Haslam and Dr Vanessa Guthrie. Of these members three are considered to be independent – Mr David Cornell, The Hon. Cheryl Edwardes AM and Mr Andrew Haslam, which represents a majority of the committee.

The Audit and Risk Committee Charter is made available on the Company's website.

The number of Audit and Risk Committee meetings held during the 2018 financial year and the qualifications of the Directors are disclosed in the Directors' Report.

Recommendation 7.2:

The Board or a committee of the Board should:

- review the entity's risk management framework at least annually to satisfy itself that it continues to be sound; and
- disclose, in relation to each reporting period, whether such a review has taken place.

Disclosure:

The Board has adopted a Risk Management Policy, which sets out the Company's risk profile. Under the policy, the Board is responsible for approving the Company's policies on risk oversight and management and satisfying itself that management has developed and implemented a sound system of risk management and internal control.

Under the policy, the Board has delegated day-to-day management of risk to the Managing Director and Chief Executive Officer, who is responsible for identifying, assessing, monitoring and managing risks. The Managing Director and Chief Executive Officer is also responsible for updating the Company's material business risks to reflect any material changes, with the approval of the Board.

In fulfilling the duties of risk management, the Managing Director and Chief Executive Officer has unrestricted access to Company employees, contractors and records. The Managing Director and Chief Executive Officer may obtain independent expert advice on any matter believed appropriate within established authority limits, or with the prior approval of the Board.

In addition, the following risk management measures have been adopted by the Board to manage the Company's material business risks:

- the Board has established authority limits for management which, if exceeded, will require prior Board approval;
- the Board has adopted a compliance procedure for the purpose of ensuring compliance with the Company's continuous disclosure obligations; and
- the Board has adopted a corporate governance manual which contains other policies to assist the Company to establish and maintain its governance practices.

A summary of the Risk Management Policy is made available on the Company's website.

CORPORATE GOVERNANCE STATEMENT

Management have the responsibility to design, implement and maintain the risk management and internal control systems to manage the Company's business risks and provide regular reporting.

During the 2018 financial year the Audit and Risk Committee reviewed the adequacy of the Company's processes to identify, analyse, evaluate, treat, monitor and review risk. Management have developed a risk register which includes details of the risks identified, risk assessments and mitigation plans.

Recommendation 7.3:

A listed entity should disclose:

- if it has an internal audit function, how the function is structured and what role it performs; or
- if it does not have an internal audit function, that fact and the processes it employs for evaluating and continually improving the effectiveness of its risk management and internal control processes

Notification of departure:

The Company has not established an internal audit function.

Explanation for departure:

The Managing Director and Chief Executive Officer and Chief Financial Officer are responsible for evaluating and continually improving the effectiveness of its risk management and internal control processes.

An annual declaration is provided to the Board by the Managing Director and Chief Executive Officer and Chief Financial Officer in accordance with section 295A of the *Corporations Act 2001*.

This declaration is:

- founded on a sound system of risk management and internal control; and
- that the system is operating effectively in all material respects in relation to financial reporting risks.

In making the declaration the Managing Director and Chief Executive Officer and Chief Financial Officer consider the size of the Company, its complexity, number of personnel and its financial resources, to ensure the system of risk management and internal control is appropriate.

The Audit and Risk Committee monitors and reviews the integrity of financial reporting and the Company's internal financial control systems and risk management systems.

Recommendation 7.4:

A listed entity should disclose whether it has any material exposure to economic, environmental and social sustainability risks and, if it does, how it manages or intends to manage those risks.

Disclosure:

The Board monitors all material risks that the Company is exposed to and actively seeks to mitigate them, using resources reasonably available to control those risks.

The activities of the Company are focused on the Mulga Rock and Alligator River Projects. Uranium exploration, evaluation and project development has inherent risks which the Company, utilising its own professional employees and consultants and working in partnership with communities and authorities, actively seeks to mitigate against.

The material risks which the Company is exposed include, but are not limited to, the following:

- global uranium market, including commodity price and sales contracts
- the ability to raise additional funding, both equity and debt finance
- anti-nuclear energy industry activism
- world economy, along with foreign exchange and interest rate markets
- inherent risks associated with project construction, commissioning and ongoing production
- recruiting and retaining qualified personnel

The Board is responsible to oversee the risk management function and the Managing Director and Chief Executive Officer is in charge of implementing an appropriate level of control to mitigate these risks within the Company. The Board reviews all major strategies and decisions and takes appropriate actions on a continuous basis.

Principle 8 – Remunerate fairly and responsibly

A listed entity should pay Director remuneration sufficient to attract and retain high quality Directors and design its executive remuneration to attract, retain and motivate high quality senior executives and to align their interests with the creation of value for security holders.

Recommendation 8.1:

The Board of a listed entity should:

(a) have a remuneration committee which:

- has at least three members, a majority of whom are independent Directors; and
- is chaired by an independent Director,

and disclose:

- the charter of the committee;
- the members of the committee; and
- as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or

(b) if it does not have a remuneration committee, disclose that fact and the processes it employs for setting the level and composition of remuneration for Directors and senior executives and ensuring that such remuneration is appropriate and not excessive.

Disclosure:

The Company has a Remuneration Committee.

For the reporting period Mr Andrew Haslam was the independent Chairman of the Remuneration Committee.

During the reporting period the Remuneration Committee had five members – Mr Andrew Haslam, The Hon. Cheryl Edwardes AM, Mr David Cornell, Mr Malcolm James and Dr Vanessa Guthrie was appointed on 6 October 2017. Of these members three are considered to be independent – Mr David Cornell, The Hon. Cheryl Edwardes AM and Mr Andrew Haslam, which represents a majority of the committee.

The Remuneration Committee Charter is made available on the Company's website.

The number of Remuneration Committee meetings held during the 2018 financial year and the qualifications of the Directors are disclosed in the Directors' Report.

Recommendation 8.2:

A listed entity should separately disclose its policies and practices regarding the remuneration of non-executive Directors and the remuneration of executive Directors and other senior executives.

Disclosure:

Non-executive Directors are remunerated at a fixed fee for time, commitment and responsibilities. Remuneration for non-executive Directors is not linked to individual performance.

Pay and rewards for executive Directors and senior executives consists of a base salary and performance incentives. Short term performance incentives in the form on an annual bonus are dependent upon the Company's performance in safety, Company share price performance compared to a peer group, and specific individual And Group work program achievements. Long term performance incentives may include securities granted at the discretion of the Board and subject to specific time or Group work program achievements. Senior executives are offered a competitive level of base pay at market rates which are reviewed annually to ensure market competitiveness.

Details of remuneration, including the Company's policy on remuneration, are contained in the Remuneration Report which forms part of the Directors' Report.

CORPORATE GOVERNANCE STATEMENT

Recommendation 8.3:

A listed entity which has an equity-based remuneration scheme should:

- have a policy on whether participants are permitted to enter into transactions (whether through the use of derivatives or otherwise) which limit the economic risk of participating in the scheme; and
- disclose that policy or a summary of it.

Disclosure:

The Board has adopted a Policy for Trading in Company Securities. The Policy prohibits short term speculative trading of the Company's securities. Directors, officers and employees are required to first obtain clearance prior to undertaking any share trading.

A summary of the Company's Policy for Trading in Company Securities is made available on the Company's website.

Photos courtesy of:
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