VIMY
RESOURCES

ANNUAL REPORT 2019

CORPORATE DIRECTORY

BOARD OF DIRECTORS

The Hon. Cheryl Edwardes, AM
Non-Executive Chairman

Mike Young
Managing Director & CEO

David Cornell
Non-Executive Director

Tony Chamberlain
Non-Executive Director

Marcel Hilmer
Company Secretary

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AUSTRALIAN SECURITIES EXCHANGE

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

ASX code: **VMY**

Our Company vision **Mining a cleaner tomorrow,** which evolved during a team workshop in 2014, **becomes more relevant every day.**

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CHAIRMAN'S LETTER

This year has been an exciting one to be involved with the uranium market and nuclear industry. As discussion of climate change escalates rapidly, nuclear power is increasingly recognised as an important, reliable and emissions-free part of the global energy mix.

While Vimy looks to market its product in the USA, Europe and Asia, we are closely following the nuclear energy debate in Australia. Minds are beginning to change as politicians, unions and even super funds consider energy requirements with a renewed awareness of the benefits of nuclear power. Even in Australia, with abundant solar and wind power as alternative clean energy sources, the advantages of nuclear power are evident to those involved with the supply of power to industry and households.

Despite global growth in nuclear power, we are still asked if we should continue our current level of activities with the uranium price remaining so low.

The Vimy board fully supports our team's strategy of maintaining staffing and activity at current levels rather than reducing to the bare minimum. More than any other commodity, uranium mining requires a team with knowledge of the industry that doesn't just stop at the shipment of ore. People who work in the gold industry are not generally expected to know about the workings of the jewellery industry, gold's use in dentistry, medicine or the aerospace industries or indeed to be conversant with its investment value as a financial staple – keeping up with the gold price is usually enough. However, uranium miners need to have an intimate knowledge of the much more complex permitting required to build a uranium mine, the economic complexities of the uranium market, global energy supply and demand, the nuclear fuel cycle, and many other cradle-to-grave aspects of the nuclear industry.

It is vitally important for a mining developer to have a team that has built and operated mines. We are fortunate to have Mike Young as CEO. Mike has vast experience in the mining industry along with a broad network of contacts amongst other miners, explorers, commentators and government, both State and Federal. Since joining Vimy, he has built valuable relationships within the international global nuclear industry and increased awareness of Vimy's assets and activities.

Likewise, Julian Tapp has an encyclopaedic knowledge of the global supply and demand for uranium that has recently earned him a place as co-writer of the World Nuclear Association's biennial Nuclear Fuel Report 2019. He is an important contributor to their Supply and Demand working groups.

For similar reasons, we were delighted to welcome Tony Chamberlain to the Board this year. Tony was previously the Company's Chief Operating Officer and guided the Mulga Rock Project from scoping study to Definitive Feasibility Study. He was also instrumental in the acquisition of the Alligator River Project, and has an intimate knowledge of both the Company's projects. Our newest recruit, CFO Marcel Hilmer, has also been involved with the uranium industry for many years and his strategic thinking, knowledge of the industry and network of contacts have already proved invaluable.

When the uranium price begins its inevitable rebound, the expertise and connections of this team will allow us to move quickly to construction and then production – a point of difference that not all uranium juniors can claim.

Costs have been reduced during the year with fewer Board members, decreased working hours for some team members, a salary sacrifice scheme for Vimy shares, limited exploration and a smaller and significantly cheaper - but still remarkably bright and welcoming – new office.

I would like to thank the Vimy board members and the team – staff and consultants – for their tremendous efforts and support again this year.

The Hon. Cheryl Edwardes AM
Chairman

RC drilling at Angularli

CEO'S REVIEW OF ACTIVITIES

2019 has been an interesting year for uranium and the Vimy team has again worked hard to achieve its goals. Our work has been a bit more 'behind the scenes' this year, probably not warranting the spectacular photography of past years, but we have made a great deal of progress in many areas.

As Cheryl says in her letter, we are sometimes asked why we don't wait for the market to improve. I was recently asked, "Why don't you just put down your pencils and wait for the uranium price to recover?" I replied, "The trick is knowing how many pencils to put down."

Vimy has struck a good balance between proactively advancing our projects, including aggressive marketing in the USA, and maintaining a cap on expenditure. This market will rebound very quickly, and if we're not ready to ramp up with it, we will have done our shareholders a grave disservice.

We are employing our funds astutely to continue to explore the Alligator River Project. The purchase of the Project from Cameco Australia in 2018 was an exceptional deal and we were fortunate to retain their high-quality data and some of their excellent staff. It is such an exciting project, and as a geologist I am really enjoying working with the technical team to generate more targets. Of course, we would all love to get stuck into drilling more of these targets but continue to conserve cash for the time being. The Alligator River Project will provide the reliability of supply that the utilities are looking for, and a project pipeline for years to come.

Bringing the Mulga Rock Project into production remains our primary focus. Since project funding requires offtake contracts to underwrite debt, our activities have centred around long-term contract discussions in the major markets of the US, Europe and China.

Our man in the US, VP Sales and Marketing Scott Hyman, is an invaluable asset who has allowed us to stay very active in the US utility market, which accounts for 29% of global uranium requirements. His experience with Dominion Energy and Cameco Corporation has given him indispensable knowledge of both the buy and sell sides of the uranium market and his network of contacts is deep and supportive. He has allowed Vimy to stay 'in the faces' of many of the buyers in the industry to whom we would not otherwise have had access. The fact that we're talking about not only this contract cycle but the one after that is a testament to Scott's excellent work and the fact that Vimy has a multi-decade pipeline of projects and prospective mines at the Alligator River Project.

Our Chief Nuclear Officer, Julian Tapp, who has stepped down from his Board position since this time last year, continues to represent Vimy in the approvals process for Mulga Rock and has become increasingly involved with the global uranium market. His skills as an economist and knowledge of the uranium market are increasingly called upon by the World Nuclear Association, where he has become an essential part of the working groups.

I have deliberately kept my review brief this year as I believe that annual reports are not the eagerly anticipated documents they once were. We have so many excellent modern communication tools to keep shareholders up to date and our ASX announcements contain a high level of detail. Rather than summarise them here, I strongly advise shareholders to look at our website, where all of our announcements are available, and to sign up for our mailing list through our website or office, if you haven't already done so. Our regular mail-outs also include links to video interviews and media articles which give a less formal overview of our activities as well as more general industry overviews.

And being the modern man that I am, I've taken quite a liking to Twitter. In fact, we are part of a very passionate group, some of whom are incredibly knowledgeable about the uranium market and nuclear industry, both from a technical and investment point of view. The group includes quite a few industry insiders, executives of other uranium companies, shareholders, and many other interested parties, all with an informed view of the market - or at least an opinion!

I would like to thank all the members of the hard-working Vimy team, who have again shown their usual determination while still having fun. Particular mention goes to those working on-site at the Alligator River Project, who spend time away from their families to work in the unique conditions of Arnhem Land. Not everyone sees a crocodile on their way to work, and I admire their continued resourcefulness and good humour.

My brother drives a Tesla 3 and the emissions from his car are about 1/40th of the same size car using petrol. The reason for this is that he lives in Ontario, Canada, where electricity is generated by nuclear and hydro and is the cleanest power on earth. As I like to say, nuclear power really is a #nobrainer.

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ACHIEVEMENTS 2018/2019

Focused offtake contract negotiation with utilities in key markets

Continued uranium marketing activities

Successful drilling programs at Angularli and Such Wow

Exciting geochemistry results achieved using the Alligator River exploration toolkit

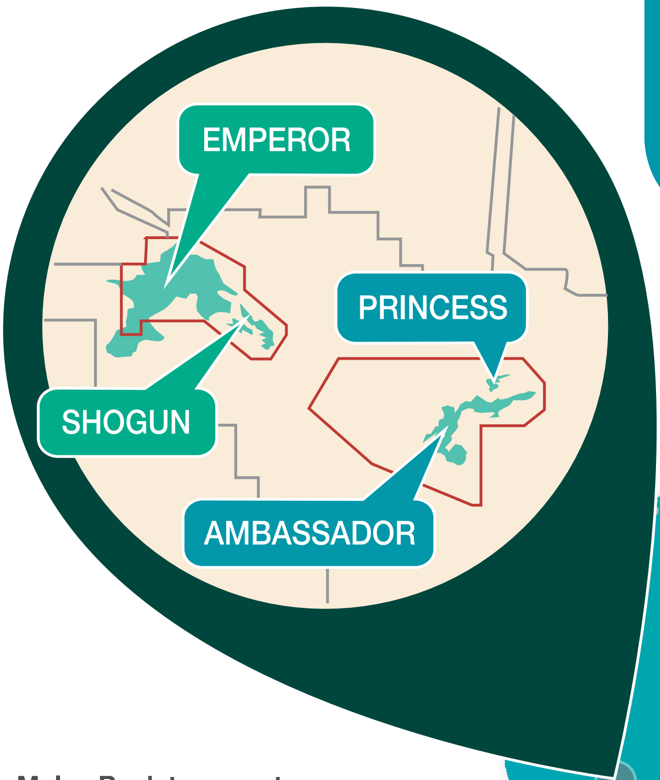
Angularli Scoping Study released September 2018

Secondary approvals and permitting process for Mulga Rock

Launch of Vélo Resources to explore for base metals in prospective ground close to Mulga Rock

Follow us on Twitter @Vimy_Resources

FOCUS ON THE **MULGA ROCK PROJECT**

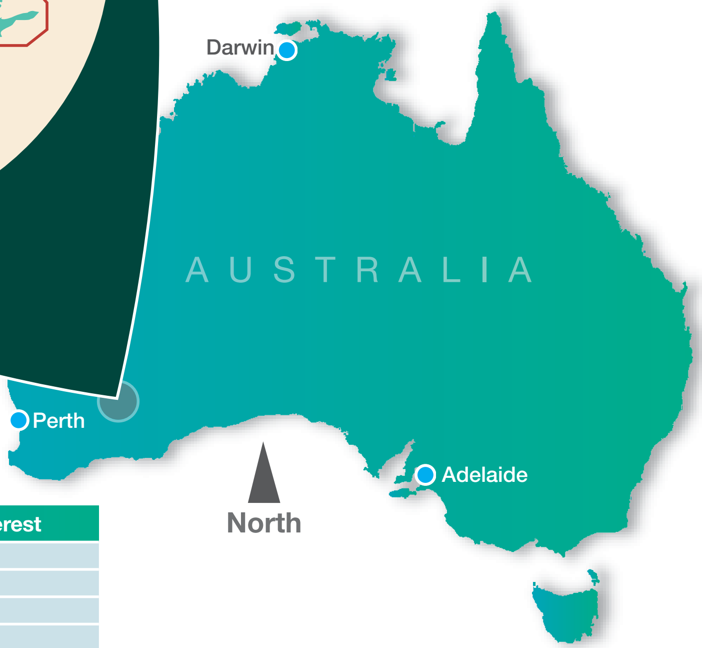


MULGA ROCK PROJECT

- 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 (M39/1104 and M39/1105).
- 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.



Mulga Rock tenements at 30 June 2019

Mt Margaret Field, Western Australia

Tenement	Nature of Interest
M39/1104	Granted
M39/1105	Granted
E39/876	Granted
E39/2049	Granted
L39/193	Granted
L39/219	Granted
L39/239	Granted
L39/240	Granted
L39/241	Granted
L39/242	Granted
L39/243	Granted
L39/251	Granted
L39/252	Granted
L39/253	Granted
L39/254	Granted
L39/279	Granted
L39/280	Granted
P39/5844	Granted
P39/5853	Granted

MULGA ROCK PROJECT

The Mulga Rock Project is Vimy's flagship project. It is Australia's largest advanced uranium project and will produce 3.5 million pounds of uranium annually.

Vimy released the Definitive Feasibility Study in January 2018 and it technically de-risked the Project and confirmed the Project's robust financials and simple, low-cost mining process. For the finer details of the DFS, you should check out the excellent DFS Executive Summary on our website. This is a thorough, high-quality document which we deliberately designed to be informative and easy to read. It contains maps, diagrams and tables which make the information easy to digest and we had a great response from industry commentators on its release.

The Mulga Rock Project will be a simple, third-quartile operation. The proposed mining process is simple as we will use a proven free-digging strip mining method which is used in other bulk mining operations such as sand mining. Waste will be used to back-fill most of the pit voids as we go, meaning that almost all the rehabilitation will be 'real-time'. Metallurgy will involve simple beneficiation and upgrade and simple acid leach technology, and in-pit tailings disposal.

The excavation of two geotechnical investigation trenches – or test pits – as part of the DFS was an activity of lasting value. They allowed us to assess the free-digging nature of the material and delivered bulk ore samples. It also provided the Vimy team and mining contractors valuable first-hand data in handling the overburden and ore zones and in other operational matters, such as dewatering and occupational and safety matters.

During 2019 the DFS was peer reviewed and the comments were dominantly very positive including the observation that it was the best DFS the peers had ever seen. Unsurprisingly, a few opportunities to optimise and update the study were identified including operating and construction contracting strategies, manning levels, and other input variables based on prevailing economics (i.e. base and other metals). These will be assessed over the coming year. Vimy is also re-assessing the rare earth metals in the deposit given their increasing geo-political importance to the USA.

The Mulga Rock Project received environmental approval from State and Federal governments in 2017. We are currently progressing the secondary approvals and permitting process for the project with Western Australian government agencies. It is expected that all secondary approvals and permits required to commence operations will have been completed by the time construction is anticipated to commence in late 2020 to early 2021.

The Mulga Rock Project is **Vimy's flagship project**. It is Australia's **largest advanced** uranium project and will produce **3.5 million pounds of uranium** annually.

THE LAUNCH OF Vélo RESOURCES

The launch of Vélo Resources represents **another exciting chapter** for the Company. We look forward to providing updates about the region's prospectivity for base metals.

On 15 November 2018, the Company announced the acquisition of a large landholding thought to be highly prospective for base metals through a separate, wholly-owned corporate entity, Vélo Resources Pty Ltd (Vélo).

The Great Victoria Desert Project is a target-rich base metals project located adjacent to the Mulga Rock Project. It presents a unique opportunity to apply modern exploration techniques across an entire geological province which until now, has not been recognised as prospective for sediment-hosted base metals. Vélo will target base metal (Zn-Pb-Cu +/- Ag,-Au) deposits under shallow cover and will leverage Vimy's knowledge of local and regional geology as well as modern exploration techniques.

The target deposit type is sedimentary-hosted base metal, which accounts for more than 50% of the world's zinc and lead reserves and more than 25% of global production. Those deposits are characterised by their large size, high grades and significant silver credits. Typical deposits globally include Red Dog (Alaska), Sullivan (British Columbia); and McArthur River, Mount Isa, and Broken Hill (Australia).

Velo Resources tenements at 30 June 2019

Mt Margaret Field, Western Australia

Tenement	Nature of Interest
E38/3203	Granted
E39/2012	Granted

Vélo has lodged applications over all of the prospective sedimentary sequence along a belt that extends for 130km, giving it a significant first-mover advantage.

Vimy is currently investigating partnership options including a farm-in, merger, or an initial public offering for the benefit of all Vimy shareholders.

The ownership structure of the base metals acquisition will allow Vimy to maintain its focus on uranium exploration and development at the Mulga Rock and Alligator River Projects.

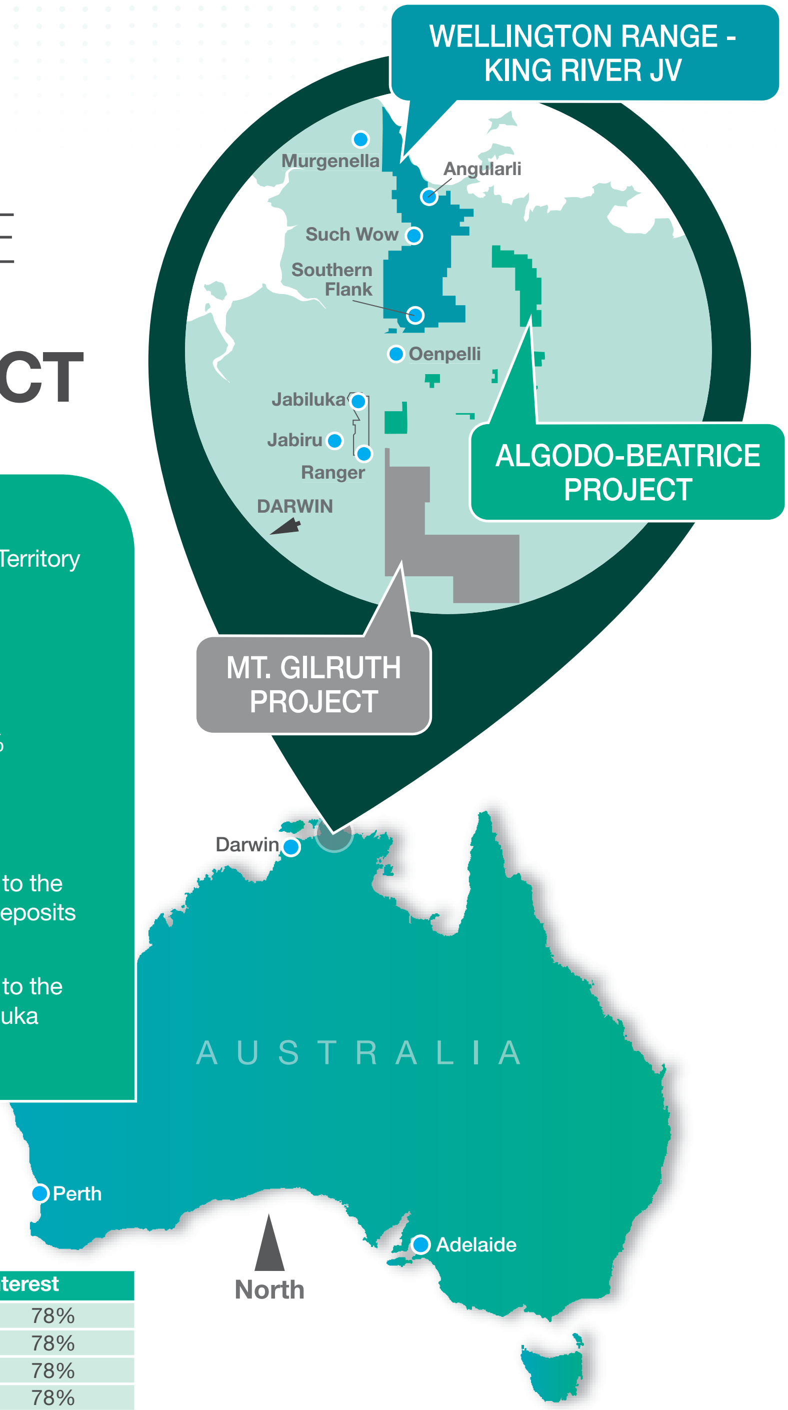
FOCUS ON THE **ALLIGATOR RIVER PROJECT**

ALLIGATOR RIVER PROJECT

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

Comprises three projects:

- **Wellington Range-King River**
  - 1,600km^2 of granted tenure
  - Vimy (JV manager) 78%: RTX 22%
  - 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



Alligator River Project tenements at 30 June 2019

Tenement	Nature of Interest	
EL24017	Granted	78%
EL25064	Granted	78%
EL25065	Granted	78%
EL27059	Granted	78%
EL5893	Granted	78%

Diamond core drilling at Such Wow

ALLIGATOR RIVER PROJECT

The Alligator River Project in Arnhem Land, Northern Territory was acquired from Cameco Australia in July 2018. Cameco invested nearly twenty years in the area and had compiled a world-class tenement package including deeds to allow mining and exploration with the Aboriginal people of Arnhem Land.

Cameco also began the process of developing an exploration model and Vimy was able to use this model to immediately build on previous exploration success. Notably, some members of Cameco's NT exploration team came across to Vimy after the acquisition.

Vimy announced a maiden mineral resource of approximately 26Mlbs U_3O_8 for 0.91Mt at 1.3% U_3O_8 for the Angularli deposit, the most advanced prospect in the Wellington Range-King River project, shortly after acquisition (see details on page 15).

To date, our exploration efforts have concentrated on the Wellington Range-King River project, the northernmost tenement package of the three packages Vimy owns in this area. The Wellington Range-King River project is the subject of a joint venture with Rio Tinto Exploration Pty Limited (Rio Tinto), a wholly-owned subsidiary of Rio Tinto Limited with interests at the end of the reporting period of Vimy 78%, Rio Tinto 22%.

We are searching for 'unconformity-style uranium' deposits, geologically similar to those found in the Athabasca Basin in Northern Saskatchewan, Canada and which globally comprise the richest uranium deposits on earth. Some of the deposits, such as Ranger and Jabiluka, are quite large, with lower grades, while others, such as Angularli and Nabarlek, are smaller but with significantly higher grades.

All the deposits have relatively small footprints but are hosted within significant structural corridors and surrounded by broad haloes of hydrothermal alteration. These alteration haloes comprise secondary minerals including clays, carbonates and phosphates which have a specific, and predictable, zonation where the alteration becomes more pronounced closer to uranium mineralisation.

These characteristics make them powerful indicators in the search for uranium mineralised zones. Importantly, the alteration haloes present a larger drill target than the smaller footprint of the uranium mineralised zones and are essential tools in locating mineralisation.

Alligator River Exploration Toolkit

In March 2019, we announced results from regional work programs carried out during the previous field season. The release introduced our 'Exploration Toolkit' which contains several techniques the Vimy team has refined to suit the environment and geology of Arnhem Land.

These include radon emanation, mobile metal ion geochemistry, passive seismic orientation surveys, aluminophosphate sulphates (known as APS) geochemistry, and groundwater geochemistry, as well as termitaria sampling. Most importantly, these relatively inexpensive methods are particularly well-suited to locating the alteration haloes that surround the mineralised zones in this area. Our geologists working on the Alligator River Project, some of whom are ex-Cameco, have extensive experience in the area and related unconformity uranium deposits in Saskatchewan's Athabasca Basin.

Recently (1 October 2019), we announced the results of a termitaria sampling program at

Southern Flank, an exciting new prospect in the Wellington Range-King River project. An extensive termitaria geochemical program – the sampling of termite mounds (see page 14) over an area of 12.5 square kilometres and involving over 900 termite mounds – returned excellent results, defining several coherent and distinct uranium anomalies in an area with a geological setting similar to the nearby world-class Jabiluka and Ranger deposits. Easy road and track access, and shallow cover will enable us to drill-test this for relatively low cost, in the 2020 field season.

2019 Diamond Core Drilling - Such Wow

Two diamond drill holes, for a total of 533 metres, were drilled at Such Wow and successfully confirmed that a large alteration system identified on surface extends to the unconformity and into the basement rock. The results indicate a very large, structurally complex system which has seen multiple phases of structural deformation and fluid flow.

While detectable uranium mineralisation was not intersected in the core holes, the results re-affirm Vimy's 'needle in the haystack' model whereby very tight zones of uranium mineralisation are surrounded by much larger, significant alteration and structural haloes. Uranium mineralisation diminishes very quickly away from mineralised zones; for example, a hole 75m away from the Angularli deposit, (26Mlbs U_3O_8), was effectively barren.

Alteration and uranium anomalism on surface, and the strong alteration and structural deformation in the sandstone and basements, show that the Such Wow structure has the 'right stuff' to host uranium mineralisation along the three fault corridors towards the north. With the prospective corridor now identified, Vimy's geologists plan to conduct focussed geochemical and radiometric surveys to better target future drilling along the structure.

With our focus on cash conservation in 2019, the holes were partly funded under the Northern Territory Government's Resourcing the Territory Initiative. Furthermore, Vimy was able to use its share capital as partial payment to the diamond drilling company.

August 2018 drilling

Vimy's first exploration season at Alligator River began in August 2018 with a wide-spaced drill program to extend areas of known mineralisation at Angularli, both along strike of, and parallel to, the existing resource. Drilling was also carried out at the previously undrilled Such Wow prospect, 5km south-south-west of Angularli.

High priority targets identified at Angularli

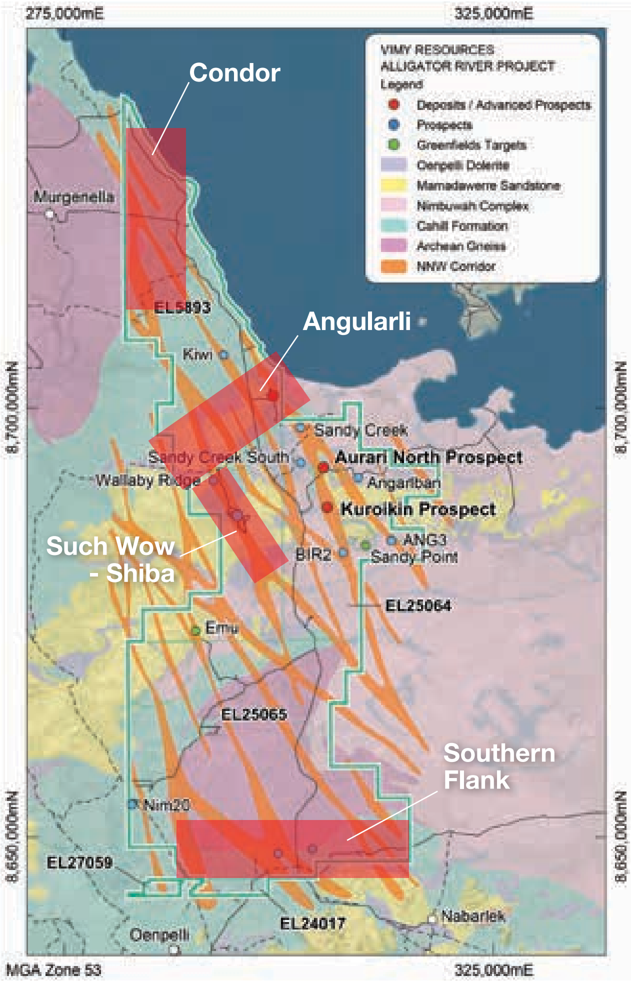
Ten reverse circulation holes were drilled at Angularli for a total of 2,868m with results reported on 26 November 2018. Drilling was very successful with a prospective fault zone identified a short distance from the existing Angularli orebody. All the key ingredients for uranium mineralisation appeared to be present, with strong hydrothermal alteration in the overlying sandstone cover and uranium anomalism at the unconformity. The program confirmed targeting prospective structures and alteration provides a way of zeroing in on high-grade uranium mineralisation. The demonstrated fertility of those structures justifies follow-up drilling.

Prospective Corridors identified at Such Wow

Results of the drilling program at Such Wow were announced on 4 December 2019 with the broad-spaced first pass drilling identifying an extensive hydrothermal system that comprises key indicators for unconformity-related uranium mineralisation. Six RC holes were drilled for a total of 1,416m and proved the Such Wow prospect to be an exceptional exploration target due to the overall size of the structural corridor (more than five times the size of the Angularli prospect) with thin sandstone cover, and surface expressions of hydrothermal alteration associated with uranium mineralisation.

All drill holes intersected metamorphic basement, with significant uranium anomalism present in the last hole drilled, ARRC016 (peak grade of 0.16% eU_3O_8 within a 30m wide uraniferous zone).

Importantly, the 2018 field program was the first opportunity to assess previously identified surface alteration features in the central section of the Such Wow fault corridor. Surface mapping confirmed the presence of a prominent ~500 x 200m north-trending ridge of sandstone located 120m to the east of the last two holes drilled and characterised by a strong structural and hydrothermal alteration overprint. The exploration team named this the 'Shiba Zone' and agreed that they had not seen such a clear-cut surface expression of potential uranium mineralisation. The size of the prospect and the combination of surface alteration (APS) and structural features, along with significant uranium anomalism in the nearby last drill hole, made this a prospect to follow up with additional drilling.



Angularli Scoping Study

Vimy announced the completion of the Scoping Study for the Angularli Uranium Deposit in December 2018. The Angularli Inferred Mineral Resource estimate of 0.91Mt @ 1.3% U_3O_8 for 25.9Mlbs was the foundation of the Scoping Study.

The Scoping Study draws on the approach to mining used at the Nabarlek uranium mine, located 65km south of Angularli, which operated successfully between 1980 and 1988 and produced 24Mlbs U_3O_8 from 550,000 tonnes of ore at an average grade of 1.84% U_3O_8

Owing to its very high grade, the Nabarlek orebody was completely mined out in one dry season using open-pit mining with the ore stockpiled on the surface and processed over eight years. At Angularli, it is proposed that underground mining will be undertaken over approximately 36 months after a pre-production mine development period of approximately twelve months. As they are mined out, the open stopes will then be used for tailings backfill. The surface stockpile of mined material would be processed over a period similar to Nabarlek.

The two metallurgical flowsheets that were evaluated as part of the Scoping Study were acid leach with solvent extraction and acid leach with direct precipitation. Both options have identical front ends consisting of crushing, milling, acid leach and counter-current decantation circuits. Likewise, the back end of the process plant comprising uranium drying and packaging plant, tailings paste plant and water treatment is also essentially the same, with the only difference between the two flowsheets being 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 ($UO_4.xH_2O$). The second flowsheet results in direct precipitation of uranium from the leach solution after iron and other minor impurities are removed. The direct precipitation flowsheet is expected to have a very low capital cost but is dependent on the tolerance by customers for the levels of impurities derived from the gangue (host) rock reporting to the concentrate.

The Scoping Study was completed to a very high standard, and the Vimy Board agreed that the results merit further work.

Competent Person Statement

The information in this report relating to the metallurgical testwork results for the Angularli Uranium Project is based on information compiled by Dr Anthony Chamberlain, who is a Member of the Australian Institute of Mining and Metallurgy. Dr Chamberlain was a full-time employee of Vimy Resources during the course of the testwork reported upon and on 3 September 2018 when scoping study results were released to the ASX and is now a non-executive director. The metallurgical results were derived from test work completed by ANSTO and ALS Metallurgy. Dr Chamberlain has sufficient experience, which is relevant to the style of mineralisation and type of deposit under consideration and to the activity, which he is undertaking to qualify as a Competent Person as defined in the JORC code. Dr Chamberlain consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

WHY WE LOVE **TERMITE MOUNDS**

The tropical conditions in the Northern Territory mean that some of the commonly used exploration techniques that work so well in other parts of Australia, such as soil sampling, are not as effective. In Arnhem Land, rainfall can be 1m to 1½m over the three months of the wet season. This rainfall accounts for lush vegetation growth that produces high amounts of humic acid in the soil. The combination of high rainfall and high humic acid results in leaching of metals from the soil near surface.

The CSIRO completed research into termitaria sampling within Vimy's project area and found two ways in which uranium is fixed into the termite mounds. The first is a physical process with grains of mineralised material ingested by termites at shallow depths and then used in mound construction. The second is a biochemical process where ore bodies weathering at depth release uranium into meteoric groundwater which ends up in the near-surface water table. Large trees draw the uranium up with the water, and it becomes fixed into the wood and leaves. The termites eat the vegetation, inadvertently ingesting the uranium, which is then secreted into the mound. The hard, waterproof outer layer of the termite mounds protects metals from the leaching caused by the heavy rain and humic acid, and the clay material within the mounds has proven to be a better sampling media than conventional soils.

This is a simple sampling technique, with the largest intact termite mound closest to a pre-determined sample location selected to avoid sample bias. Using a small tool, the outer waterproof hard clay layer is removed from the termite mound and the inner clay mound material is then collected and submitted for geochemical analysis.

The termitaria sampling at Southern Flank has **identified several very large anomalies** in a region we previously identified as prospective for Jabiluka-Ranger style targets.

MINERAL RESOURCES AND ORE RESERVE UPDATES

MULGA ROCK PROJECT

The Mineral Resources and Ore Reserves for the Mulga Rock Project have not changed from those quoted in the 2018 Annual Report.

MULGA ROCK PROJECT TOTAL MINERAL RESOURCE

Reported at a 150ppm cut-off grade

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

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

The information in 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

Reported at a 150ppm cut-off grade

Deposit / Resource	Classification	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
Princess	Probable	1.7	870	3.3
Sub-total		**21.1**	**850**	**39.6**
Mulga Rock West				
Shogun	Probable	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.

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

The maiden Inferred Mineral Resource for the Angularli Deposit was announced to the ASX on 20 March 2018. There has been no change to this Resource during the reporting period.

ALLIGATOR RIVER PROJECT MINERAL RESOURCE

Classification	Cut-off Grade (ppm U_3O_8)	Tonnes (Mt)[1]	U_3O_8 (ppm)[2]	U_3O_8 (Mlbs)[3]
Angularli Project				
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: 78% / Rio Tinto 22%

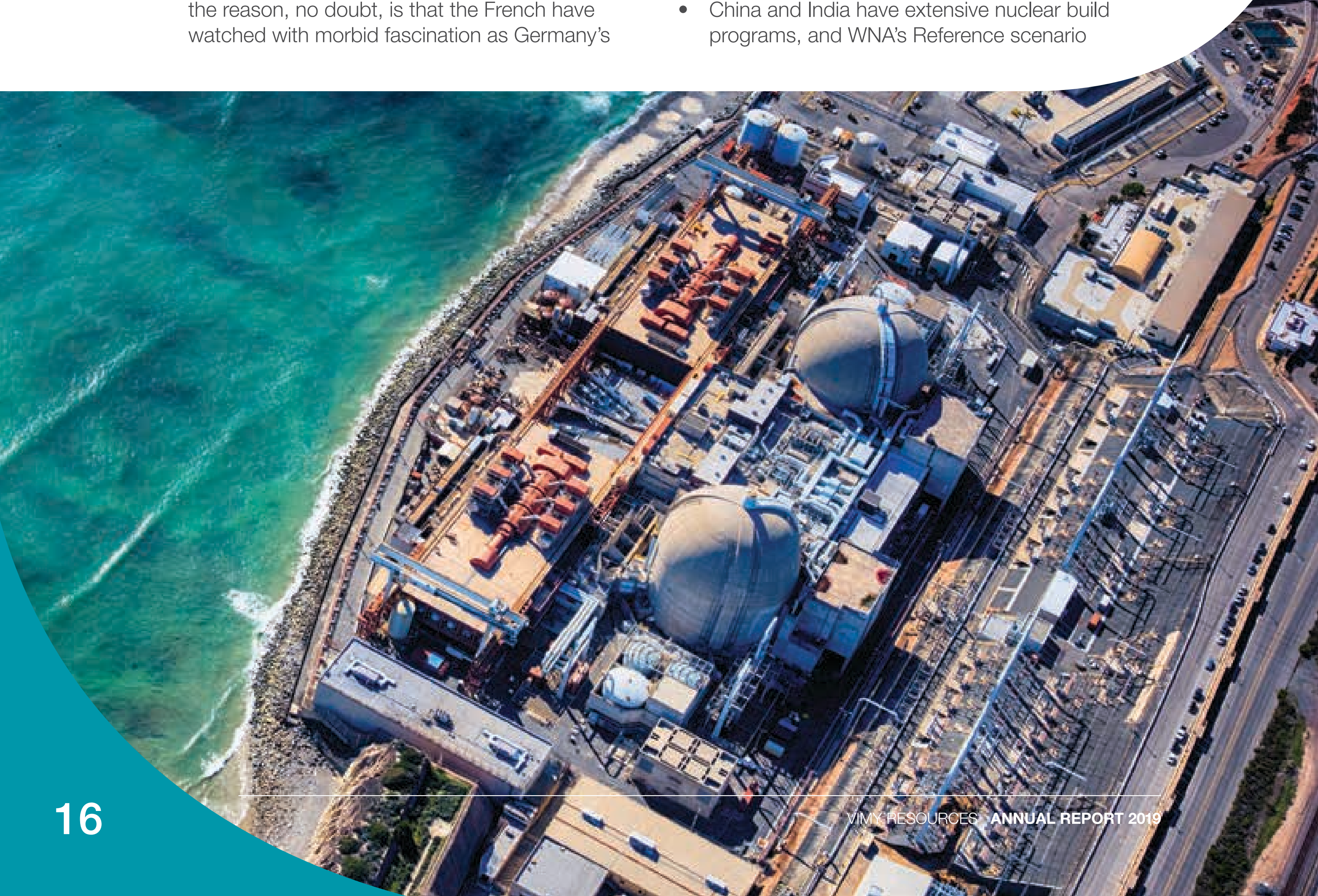
URANIUM **MARKET**

Nuclear power contributes over 10% of the world's electrical production and is expected to play a growing role in the future as the world seeks more low-emission, reliable energy supply. Nuclear produces the lowest carbon footprint of any energy source, and has almost zero emissions or particulate pollutants during its lifecycle, including mining and fuel fabrication. It is a reliable and secure energy source and it is absolutely cost competitive when assessed against other energy sources, particularly when considering intermittency, energy density, and back-up fossil fuel generation.

The World Nuclear Association recently published their biennial Nuclear Fuel Report - Global Scenarios for Demand and Supply Availability 2019-2040. Julian Tapp, Vimy's Chief Nuclear Officer, played an important role in collating data for and writing the Uranium Supply and Demand section of the report.

Growth forecasts are more bullish than they've been for almost a decade and can be attributed to four key reasons:

- France has modified its energy policy and has delayed the planned reduction of nuclear power in the share of its electricity mix to 50% from the previous target of 2025 to 2035. Part of the reason, no doubt, is that the French have watched with morbid fascination as Germany's renewable Energiewende experiment failed. The fact is, had Germany spent the US$580B they spent on renewables on nuclear instead, their entire power generation and transport system would be totally emissions free. Instead, they continue to destroy old growth forests and churches to build new coal mines.
- In the USA, state legislatures are passing measures to support the continued operation of reactors in areas of cheaper gas and subsidised renewables, and are extending reactor operating licences to allow some reactors to operate for eighty years.
- China and India have extensive nuclear build programs, and WNA's Reference scenario



predicts that nuclear global generating capacity will grow from 373GWe in 2019 to 462GWe in 2030, and 569GWe by 2040; a growth rate of 152%. The reactor requirements are therefore expected to be 220Mlbs U_3O_8 in 2030, and 260Mlbs U_3O_8 in 2040 up from 176Mlbs U_3O_8 today.

- Prospects have improved considerably for new reactors in many newcomer countries including construction starts in Turkey, UAE, Bangladesh and Egypt, with many more considering nuclear power (Poland, Saudi Arabia and Vietnam).

Despite the growth in reactors, oversupply during the earlier part of this decade led to depressed uranium market conditions that resulted in a considerable decrease in exploration and new mine development, as well as a curtailment of production at existing mines. In particular, the world's two biggest uranium producers, Kazatomprom and Cameco, are providing significant supply-side discipline and with other minor players, and as a consequence 49Mlbs of U_3O_8 production has been idled.

As a result of these measures, the uranium market is now undersupplied and the gap between identified supply sources and demand is growing. The gap can be filled by commercial inventories in the short term, which is not sustainable, and by unspecified supply (difficult to measure) in the longer term. However, as inventories continue to drop, the utilities, and in particular the US utilities, will enter the market to secure supply and price will be a secondary issue.

It is a big part of Vimy's strategy to be front and centre with the US utilities as we move into a contracting cycle. As contracting activity increases during the last half of 2019 and into 2020, expect to see a corresponding rise in the spot price and announcements of uranium offtake contracts.

Vimy's presentations contain more detailed information on market dynamics and the World Nuclear Association website has a wealth of information regarding the uranium industry and market.

CONFERENCES

Vimy is a member of three nuclear industry bodies – the London-based World Nuclear Association (WNA), and the US-based Nuclear Energy Institute (NEI) and World Nuclear Fuel Market (WNFM).

Vimy regularly attends four annual conferences – the World Nuclear Fuel Cycle (WNFC), organised jointly by the WNA and NEI, the World Nuclear Fuel Market annual meeting, the World Nuclear Association Symposium in London every September and the NEI Uranium Fuel Seminar in October. These are vital networking opportunities for the nuclear industry – it's where all the action happens for fuel suppliers, brokers, technical experts, management from other uranium companies and journalists who specialise in this market. So the conferences are a very efficient way to meet everyone we need on a regular basis.

As Cheryl said, in the uranium industry, it's vital to have a wide range of contacts and knowledge of the nuclear industry and attending these conferences has provided both for us.

NEI NUCLEAR ENERGY INSTITUTE

World Nuclear Fuel Market

Member of WORLD NUCLEAR ASSOCIATION

2019 FINANCIAL REPORT

Vimy Resources Limited - Consolidated Entity

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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 2019 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:

First Floor, 1209 Hay Street
West Perth, Western Australia, 6005

The financial report was authorised for issue by the Directors on 26 September 2019. 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 www.vimyresources.com.au.

DIRECTORS' REPORT

FOR THE YEAR ENDED 30 JUNE 2019

Your Directors present their report on Vimy Resources Limited consolidated entity ('Group') for the financial year ended 30 June 2019.

DIRECTORS

The names and details of Directors who held office during the year ended 30 June 2019 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, a Commissioner on the WA Football Commission and a non-executive director of Flinders Mines Limited.

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 October 2018, AusCann Group Holdings Limited May 2016 to present, CropLogic Limited March 2018 to February 2019 and Flinders Mines Limited June 2019 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: Cassini Resources Limited January 2012 to present, and Cycliq Group Limited February 2017 to January 2019.

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

DIRECTORS' REPORT

FOR THE YEAR ENDED 30 JUNE 2019

Dr Tony Chamberlain PhD (Metallurgy), Grad. Dip. Extractive Metallurgy (Mineral Science), B.Sc (App. Chem. Hons), AusIMM.
Non-executive Director

Appointed 1 February 2019

Dr Chamberlain was the Company's Chief Operating Officer from June 2014 to January 2018. During that time, he guided the Mulga Rock Project through the PFS, PER and DFS processes and was instrumental in the acquisition of the Alligator River Project in 2017.

During twenty years in the mining industry Dr Chamberlain has been involved in operating and project delivery, while also earning a PhD in Metallurgy from Curtin University. Dr Chamberlain has held a number of senior operational and management roles during twelve years with WMC Resources and later BHP Billiton, overseeing an expansion to the Kwinana Nickel refinery in 2001 and spending a significant amount of time in China as Development Manager for BHP Billiton Stainless Steel Material Group.

Working across Australia, Asia, Africa and Eurasia Dr Chamberlain has gained a solid technical experience in the management, development and delivery of projects, particularly uranium projects around the world. He has also held senior positions in junior resource companies, including Clean TeQ Holdings (ASX:CLQ), Stonehenge Minerals and Crossland Strategic Metals (ASX: CUX) before joining Vimy Resources in 2014.

Listed company directorships in the last three years: Nil

Julian Tapp BA, MSc
Executive Director

Appointed 18 March 2013, Resigned 30 November 2018

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

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

Appointed 1 April 2016, Resigned 30 November 2018

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 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, Resigned 7 May 2019

Mr James has over 30 years' experience in merchant banking, engineering, 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, Middle East, Africa, Asia, South America and 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 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 was 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 2019

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, Resigned 30 November 2018

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 was 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

Marcel Hilmer BCom, FCA
Chief Financial Officer and Company Secretary

Appointed 8 March 2019

Mr Hilmer has over thirty years' experience as a finance professional in the resources and manufacturing industries with significant involvement in funding, exploration, mergers and acquisitions. His most recent position was with uranium development company Forsys Metals Corporation (TSX:FSY) and Caravel Minerals Limited (ASX:CVV). Prior to these roles he was Executive Manager, Finance and Business Development at First Quantum Minerals Limited, which is listed on the Toronto Stock Exchange.

Mr Hilmer holds a Bachelor of Business, majoring in Accounting and Data Processing, from Southern Cross University and is a Fellow of the Chartered Accountants Australia and New Zealand (CA ANZ).

Listed company directorships in the last three years: Forsys Metals up to November 2018 and Caravel Minerals up to May 2018.

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

Appointed 5 February 2016, Resigned 15 March 2019

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

DIRECTORS' REPORT

FOR THE YEAR ENDED 30 JUNE 2019

PRINCIPAL ACTIVITIES

The principal activities of the Group during the year ended 30 June 2019 were exploration and evaluation on the Alligator River Project acquired from Cameco Australia on 17 July 2018.

SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

During the year the following significant events occurred:

- On 17 July 2018, the Company completed the acquisition of the Alligator River Project in Arnhem Land, Northern Territory making Vimy the legal majority holder of the largest granted exploration tenement package in a world-class uranium province.
- On 23 November 2018, the Company announced completion of a sell-down from its substantial shareholder Resource Capital Fund VI L.P. to a nil shareholding. The sell-down was managed by Euroz Limited with Paradice Investment Management Pty Ltd securing a 9.8% interest in the Company.
- On 30 November 2018, the Company announced changes to the Vimy Board with the resignations of Julian Tapp, Andrew Haslam and Dr Vanessa Guthrie. Julian Tapp remains with the Company in a part time role as Chief Nuclear Officer.
- On 13 December 2018, the Company announced successful completion of a $3.0 million (before costs) equity placement, with funds raised to pursue offtake contracts for the Mulga Rock Project and exploration work programs at the Alligator River Project.
- On 1 February 2019, Dr Tony Chamberlain joined the Board as a Non-Executive Director after guiding the Mulga Rock Project through the PFS, PER and DFS processes and being instrumental in the acquisition of the Alligator River Project.
- On 8 March 2019, the Company appointed Marcel Hilmer as Chief Financial Officer and Company Secretary. Mr Hilmer has over thirty years' experience as a finance professional in the resource and manufacturing industries with significant involvement in funding, exploration, merger and acquisitions.
- On 28 June 2019, the Company announced a $1.8 million equity placement to institutional and sophisticated investors. The Company has since issued approximately 36.7 million fully paid ordinary shares at an issue price of $0.05 per share.

OPERATING AND FINANCIAL REVIEW

OPERATING RESULT

The consolidated operating loss after tax for the year ended 30 June 2019 attributable to members of the Group was $6,864,312 (2018: operating loss after tax $9,545,741). The loss after tax is partly attributable to the accounting policy to expense all exploration and evaluation expenditure as incurred.

Key highlights for the year were as follows:

- Other income increased to $1,138,662 (2018: $707,819) as a consequence of higher research and development tax incentive grant income in 2019 relating to the nature of the exploration activities being carried out on the Alligator River Project during the year.
- Lower exploration and evaluation expenditure of $4,346,561 (2018: $5,951,592) was the result of the Mulga Rock Project Definitive Feasibility Study being completed during 2018 and exploration activities commencing on the Alligator River Project in 2019.

DIVIDENDS

No dividends were paid in the current year (2018: $nil).

REVIEW OF OPERATIONS

The Group's Mulga Rock Project, one of Australia's largest undeveloped uranium resources, is located 240 kilometres east-northeast of Kalgoorlie in the Great Victoria Desert of Western Australia.

On 17 July 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 exploration events occurred:

- On 13 August 2018, the Company announced commencement of an exploration drilling program at the Alligator River Project
- On 3 September 2018, the Company announced exceptional uranium leach extraction and low acid and oxidant consumption achieved as part of Angularli Deposit Scoping Study work programs
- On 15 November 2018, the Company announced the launch of Vélo Resources to explore an exciting new region with prospectivity for base metals to the northeast of the Mulga Rock Project
- On 26 November 2018, the Company announced high priority targets had been identified at the Angularli Deposit from the exploration drilling program completed at the Alligator River Project
- On 4 December 2018, the Company announced prospective corridors had been identified at the Such Wow Prospect from the exploration drilling program completed at the Alligator River Project
- On 10 December 2018, the Company announced positive results from the Angularli Deposit Scoping Study with the Board resolving to progress the deposit to the next phase
- On 16 September 2019, the Cameco agreement was renegotiated resulting in $1.0 million due January 2020, $1.5 million due January 2021 and $2.5 million due January 2022.

Financial Position

Net assets at 30 June 2019 were $2,559,840 (2018: $6,483,983) and are lower 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 2019 totalled $977,759 (2018: $6,734,623).

Going Concern

The Group incurred a net loss of $6,864,312 during the year ended 30 June 2019. The cash and cash equivalents held as at 30 June 2019 were $977,759. Current liabilities exceed current assets by $816,685 as at 30 June 2019. On 8 July 2019, the Company issued 36,673,302 shares to institutional and sophisticated investors at an issue price of $0.05 per share raising A$1.8million. The Group's net cash used in operating activities for the year ended 30 June 2019 was $7,060,122.

During the year the Group acquired the Alligator River Project from Cameco Australia Pty Ltd (Cameco). Deferred consideration payable to Cameco has been recognised in the Statement of Financial Position as at 30 June 2019, with two $2.5 million instalments due and payable in January 2020 and January 2021. Subsequent to year end the Cameco agreement has been renegotiated resulting in three instalments with $1.0 million due January 2020, $1.5 million due January 2021 and $2.5 million due January 2022.

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 fund raising activities during the period.

The Group's ability to continue as a going concern, including meeting current deferred consideration obligations and to advance its exploration and evaluation activities, depends on its ability to obtain additional funding through equity, debt or hybrid financing, joint ventures, production off-take arrangements, research and development claim 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, funding facilities, and to further undertake exploration and evaluation activities at the Alligator River Project.

DIRECTORS' REPORT

FOR THE YEAR ENDED 30 JUNE 2019

MATTERS SUBSEQUENT TO THE END OF THE YEAR

Since 30 June 2019 the following significant subsequent events have occurred:

- On 8 July 2019, the Company issued 36,673,302 shares to institutional and sophisticated investors at an issue price of $0.05 per share raising gross proceeds of A$1.8 million. The funds will be used for exploration work programs for the Alligator River Project and to refresh the Mulga Rock Project Definitive Feasibility Study.
- On 18 July 2019, the Company announced the Northern Territory Government will contribute 50% of the drilling costs under the Resourcing the Territory Initiative towards this season's exploration drilling program at the Alligator River Project.
- On 18 July 2019, the Company announced that the Australian Taxation Office have accepted its application to participate in the Junior Minerals Exploration Incentive (JMEI) scheme for the 2020 income year with a $715,000 exploration credit being allocated to the Company.
- On 13 August 2019, the Company held an Extraordinary General Meeting to adopt the Vimy Employee Option Plan and Salary Sacrifice Share Plan. The Extraordinary General Meeting also ratified the issue of shares issued pursuant to a placement.

MEETINGS OF DIRECTORS

The meetings of the Company's Board of Directors held during the year ended 30 June 2019, 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 2019	**A**	**B**	**A**	**B**	**A**	**B**
C. Edwardes	14	14	3	3	2	2
M. Young	14	14	1	1	1	1
D. Cornell	14	14	3	3	2	2
T. Chamberlain (appointed 1 February 2019)	5	5	1	1	1	1
J. Tapp (resigned 30 November 2018)	6	6	*	*	*	*
A. Haslam (resigned 30 November 2018)	6	6	2	2	1	1
V. Guthrie (resigned 30 November 2018)	6	6	2	2	1	1
M. James (resigned 7 May 2019)	7	12	1	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	4,902,680	714,285
D. Cornell	-	-
T Chamberlain (appointed 1 February 2019)	2,767,642	-
J. Tapp (resigned 30 November 2018)	2,142,856	714,285
A. Haslam (resigned 30 November 2018)	-	-
V. Guthrie (resigned 30 November 2018) (b)	-	-
M. James (resigned 7 May 2018) (a)	-	-

(a) Mr James was 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 was the nominated representative of Resource Capital Fund VI L.P. 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

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 2019.

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 2019 year the Company engaged no external consultants.

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 2018 the Company has modified Executive Team contracts to provide the Company with flexibility to respond to the current uranium market conditions. 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 Group work program achievements.

(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 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	2019	2018	2017	2016	2015
Loss per share (cents)	(1.52)	(2.62)	(4.11)	(5.24)	(5.26)
Dividend (cents per share)	-	-	-	-	-
Net loss	(6,864,312)	(9,545,741)	(11,500,157)	(11,957,825)	(10,725,302)
Share price ($)	0.05	0.10	0.18	0.34	0.26

DIRECTORS' REPORT
FOR THE YEAR ENDED 30 JUNE 2019

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 2019 and 2018 are set out in the following tables.

		Short-term benefits			***Post-employment benefits***	***Share-based payments***	
		Cash salary and fees	**Cash bonus**	**Share-based payments**	**Superannuation**	**Value of shares / options**	**Total**
Directors							
Non-executive							
C. Edwardes	2019	81,000	-	-	7,695	-	88,695
Chairman	2018	90,000	-	-	8,550	-	98,550
D. Cornell	2019	36,000	-	-	3,420	-	39,420
	2018	40,000	-	-	3,800	-	43,800
T. Chamberlain (appointed 1 February 2019)	2019	16,425	-	-	-	11,770	28,195
	2018	-	-	-	-	-	-
A. Haslam (resigned 30 November 2018)	2019	16,425	-	-	-	-	16,425
	2018	43,800	-	-	-	-	43,800
M. James (resigned 7 May 2019)	2019	33,592	-	-	-	-	33,592
	2018	43,800	-	-	-	-	43,800
V. Guthrie (resigned 30 November 2018)	2019	15,000	-	-	1,425	-	16,425
	2018	29,462	-	-	2,799	-	32,261
Executive							
M. Young	2019	346,464	25,500 (b)	25,500 (a)	25,000	24,497	446,961
CEO and MD	2018	425,000	-	25,500 (a)	25,000	100,294	575,794
J. Tapp (resigned 30 November 2018)	2019	84,204	-	13,000 (a)	10,417	-	107,621
	2018	325,000	-	13,000 (a)	25,000	-	363,000
Total Directors	2019	629,110	25,500	38,500	47,957	36,267	777,334
	2018	997,062	-	38,500	65,149	100,294	1,201,005

(a) The short-term benefit share-based payments relate to an award of a fixed value issue of shares to key management personnel based on their individual performance during the year. The share-based payments have been provisionally expensed in accordance with accounting standards. The Remuneration Committee and Board approved the award and future issue of shares on 31 August 2018. The shareholders approved the issue of these shares on 30 November 2018.

(b) Individual performance bonus relating to 2019 awarded to M. Young which was paid subsequent to 30 June 2019.

DIRECTORS' REPORT

FOR THE YEAR ENDED 30 JUNE 2019

		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 (resigned 31 January 2019)	2019	200,585	-	15,200 [(a)]	11,977	36,624	264,386
Chief Operating Officer	2018	380,000	-	15,200 [(a)]	20,049	-	415,249
R. Chamberlain (resigned 15 March 2019)	2019	214,545	-	12,000 [(a)]	17,291	-	243,836
CFO and Co. Secretary	2018	300,000	-	12,000 [(a)]	28,500	-	340,500
M. Hilmer (appointed 8 March 2019)	2019	75,484	-	-	7,171	-	82,655
CFO and Co. Secretary	2018	-	-	-	-	-	-
Total key management personnel	2019	490,614	-	27,200 [(a)]	36,439	36,624	590,877
	2018	680,000	-	27,200 [(a)]	48,549	-	755,749

(a) The short-term benefit share-based payments relate to an award of a fixed value issue of shares to key management personnel based on their individual performance during the 2018 financial year. The share-based payments have been provisionally expensed in accordance with accounting standards.

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 2019 year, cash bonus payments, M. Young received 20% of the maximum annual short-term incentive bonus (80% forfeited).

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 issued to key management personnel based on their individual performance during the year.

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*	
	2019	**2018**	**2019**	**2018**	**2019**	**2018**
Directors						
Non-executive						
C. Edwardes	100%	100%	-	-	-	-
D. Cornell	100%	100%	-	-	-	-
T. Chamberlain (appointed 1 February 2019)	58%	-	-	-	42%	-
A. Haslam (resigned 30 November 2018)	100%	100%	-	-	-	-
M. James (resigned 7 May 2019)	100%	100%	-	-	-	-
V. Guthrie (resigned 30 November 2018)	100%	100%	-	-	-	-
Executive						
M. Young	88%	78%	6%	5%	6%	17%
J. Tapp (resigned 30 November 2018)	100%	96%	-	4%	-	-
Key management personnel						
T. Chamberlain (resigned 31 January 2019)	80%	96%	5%	4%	15%	-
R. Chamberlain (resigned 15 March 2019)	95%	96%	5%	4%	-	-
M. Hilmer (appointed 8 March 2019)	100%	-	-	-	-	-

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 current uranium market conditions. These modifications relate to the key management personnel service agreements noted below and include:

- Allowing external consultancy work to be undertaken 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 2019 were:

Mr M. Young, Chief Executive Officer and Managing Director

- Base Remuneration - $450,000 inclusive of superannuation, prorated.
- 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 two months' written notice or the payment of two months' remuneration in lieu of notice. Mr Young must provide two 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.

DIRECTORS' REPORT

FOR THE YEAR ENDED 30 JUNE 2019

Mr J. Tapp, Executive Director – Resigned 30 November 2018

- Base Remuneration - $350,000 inclusive of superannuation, prorated.
- 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 two months' written notice or the payment of two months' remuneration in lieu of notice. Mr Tapp must provide two 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.
- Allowing external consultancy work to be undertaken 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%.

Mr T. Chamberlain, Chief Operating Officer - Resigned 31 January 2019

- Base Remuneration - $380,000 plus superannuation capped at the maximum super contribution base, prorated.
- 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 two months' written notice or the payment of two months' remuneration in lieu of notice. Mr T. Chamberlain must provide two 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.
- Allowing external consultancy work to be undertaken 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%.

Mr R. Chamberlain, Chief Financial Officer and Company Secretary – Resigned 15 March 2019

- Base Remuneration - $300,000 plus superannuation, prorated.
- 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 two months' written notice or the payment of two months' remuneration in lieu of notice. Mr R. Chamberlain must provide two 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.
- Allowing external consultancy work to be undertaken 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%.

DIRECTORS' REPORT

FOR THE YEAR ENDED 30 JUNE 2019

Mr M. Hilmer, Chief Financial Officer and Company Secretary – Appointed 8 March 2019

- Base Remuneration - $300,000 plus superannuation, prorated.
- 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 M. Hilmer's employment at any time with two months' written notice or the payment of two months' remuneration in lieu of notice. Mr M. Hilmer must provide two 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.

D. Share-based compensation

During the year the following shares were issued under the 2016 Vimy Employee Share Plan to executive and key management personnel.

On 6 December 2018, the Company issued 900,000 ordinary shares to Mr J. Tapp. These shares were funded by way of a limited recourse loan provided by the Company. These shares are subject to a three-year voluntary escrow period expiring on 6 December 2023.

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, is set out below.

	Balance at the start of the period	Re-classified	Granted as remuneration	Share buy back	Purchased on market	Other [c]	Balance at the end of the period
30 June 2019							
Directors							
C. Edwardes	857,142	-	-	-	-		857,142
M. Young	5,538,094	-	793,157	(1,428,571)	-		4,902,680
D. Cornell	-	-	-	-	-		-
J. Tapp (resigned 30 November 2018)	3,571,427	-	-	(1,428,571)	-	(2,142,856)	-
A. Haslam (resigned 30 November 2018)	-	-	-	-	-		-
M. James (resigned 7 May 2019) [a]	-	-	-	-	-		-
V. Guthrie [b] (resigned 30 November 2018)	-	-	-	-	-		-
T. Chamberlain (appointed 1 February 2019)	-	2,767,642	-	-	-		2,767,642
	9,966,663	2,767,642	793,157	(2,857,142)	-	(2,142,856)	8,527,464

DIRECTORS' REPORT
FOR THE YEAR ENDED 30 JUNE 2019

	Balance at the start of the period	Re-classified	Granted as remuneration	Share buy back	Purchased on market	Other (c)	Balance at the end of the period
Key management personnel							
T. Chamberlain (resigned 31 January 2019)	1,142,857	(2,767,642)	1,324,785		300,000		-
R. Chamberlain (resigned 15 March 2019)	500,000	-	256,410	(500,000)	-	(256,410)	-
M. Hilmer (appointed 8 March 2019)	-	-	-	-	-		-
	1,642,857	(2,767,642)	1,581,195	(500,000)	300,000	(256,410)	-

(a) Mr James was 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 2019. Mr James has no direct interest in the shareholding of Forrest Family Investments Pty Ltd.

(b) Dr Guthrie was the nominated representative of Resource Capital Fund VI L.P. Dr Guthrie has no direct interest in this shareholding of Resource Capital Fund VI L.P.

(c) The balance disclosed as "Other" represents his final interest of J. Tapp and R. Chamberlain in the Company on that date.

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 2019
Directors						
M. Young	714,285	-	-	-	714,285	714,285
J. Tapp (resigned 30 November 2018)	714,285	-	-	-	714,285	714,285
	1,428,570	-	-	-	1,428,570	1,428,570

No other Directors or Key Management Personnel hold options in the Company directly, indirectly or beneficially.

DIRECTORS' REPORT

FOR THE YEAR ENDED 30 JUNE 2019

Vesting Profiles

Details of the vesting profiles of employee share plans held at 30 June 2019 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	12	-	-	2017, 2018, 2019, 2020
M. Young	714,285	17 Dec 2014	-	-	-	2017
J. Tapp (resigned 30 November 2018)	714,285	17 Dec 2014	-	-	-	2017
T. Chamberlain (appointed as director on 1 February 2019)	142,857	5 Sep 2014	-	-	-	2016
T. Chamberlain (appointed as director on 1 February 2019)	1,000,000	20 Nov 2015	-	-	-	2018
T. Chamberlain (appointed as director on 1 February 2019)	1,000,000	20 Jul 2018	60	-	-	2019, 2020, 2021
	6,095,236					
Key Management Personnel						
R. Chamberlain (resigned 15 March 2019)	500,000	3 Jun 2016	-	100	-	2017
	500,000					

Details of the vesting profiles of employee share options held at 30 June 2019 by each key management personnel 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
J. Tapp (resigned 30 November 2018)	714,285	16 Dec 2014	-	-	-	2017
	1,428,570					

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
J. Tapp	17/12/2014	714,285	$298,000	up to 5 years
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
T. Chamberlain	20/7/18	1,000,000	$99,400	up to 5 years

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	
	2019 $	**2018 $**
Dr Vanessa Guthrie provided corporate consulting services to Vimy Resources Limited at commercial rates. The amount unpaid at 30 June 2019 was $nil (2018: $nil).		
Corporate Consulting Services	-	50,000

End of audited remuneration report.

DIRECTORS' REPORT

FOR THE YEAR ENDED 30 JUNE 2019

Auditor

KPMG was appointed as the Group's auditor on the 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 2019 $	**Year ended 30 June 2018 $**
1. Audit services		
Audit of financial reports and other audit work under the *Corporations Act 2001*		
KPMG	45,629	40,300
2. Non-audit services		
KPMG research and development tax incentive compliance and advisory	45,000	77,100
KPMG accounting advisory fees	10,763	14,350
KPMG taxation return preparation and advisory	17,831	17,850
KPMG general taxation advisory fees	-	21,781
Total auditor's remuneration	119,223	171,381

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 2019

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 26 September 2019

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 2019 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
26 September 2019

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 30 JUNE 2019

	Note	Consolidated 2019 $	Consolidated 2018 $
Other Income	6	1,138,662	707,819
Exploration and evaluation expenditure		(4,346,561)	(5,951,592)
Corporate and administration expense		(2,916,055)	(3,801,829)
Financing expense		(596,597)	(325,145)
Share based payments expense	7(b)	(143,761)	(174,994)
Loss before income tax		(6,864,312)	(9,545,741)
Income tax expense		-	-
Loss attributable to members of the Company		(6,864,312)	(9,545,741)
Other comprehensive income, net of tax		-	-
Total comprehensive loss attributable to members of the Company		(6,864,312)	(9,545,741)

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	(1.52)	(2.62)

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

FOR THE YEAR ENDED 30 JUNE 2019

	Note	Consolidated 2019 $	Consolidated 2018 $
CURRENT ASSETS			
Cash and cash equivalents	9	977,759	6,734,623
Trade and other receivables	10	1,155,542	811,820
Prepayments	11	210,276	98,274
Total Current Assets		2,343,577	7,644,717
NON-CURRENT ASSETS			
Trade and other receivables	10	356,258	229,015
Prepayments	11	-	466,540
Plant and equipment	12	195,986	211,119
Exploration and evaluation	13	5,768,237	-
Total Non-Current Assets		6,320,481	906,674
TOTAL ASSETS		**8,664,058**	**8,551,391**
CURRENT LIABILITIES			
Trade and other payables	14	2,900,780	889,289
Provisions	15	259,482	965,960
Total Current Liabilities		3,160,262	1,855,249
NON-CURRENT LIABILITIES			
Trade and other payables	14	2,038,523	-
Provisions	15	905,433	212,159
Total Non-Current Liabilities		2,943,956	212,159
TOTAL LIABILITIES		**6,104,218**	**2,067,408**
NET ASSETS		**2,559,840**	**6,483,983**
EQUITY			
Contributed equity	16	102,271,967	99,475,560
Reserves	17	4,466,871	4,323,109
Accumulated losses	19	(104,178,998)	(97,314,686)
TOTAL EQUITY		**2,559,840**	**6,483,983**

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 2019

	Contributed equity $	Accumulated losses $	Reserves $	Total $
CONSOLIDATED				
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**
Balance at 1 July 2018	99,475,560	(97,314,686)	4,323,109	6,483,983
Loss attributable to members of the Company	-	(6,864,312)	-	(6,864,312)
Total comprehensive loss attributable to members of the Company	**-**	**(6,684,312)**	**-**	**(6,684,312)**
Transactions with owners in their capacity as owners:				
Issue of ordinary shares net of issue costs	2,796,407	-	-	2,796,407
Share based payments expense	-	-	143,762	143,762
	2,796,407	-	143,762	2,940,169
Balance at 30 June 2019	102,271,967	**(104,178,998)**	**4,466,871**	**2,559,840**

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 2019

	Note	Consolidated 2019 $	Consolidated 2018 $
Cash Flows from Operating Activities			
Interest received		79,675	145,173
Payments to other suppliers and employees		(7,519,439)	(10,202,366)
Research and development tax incentive grant income		484,536	2,250,621
Interest paid		(104,894)	(947,319)
Net cash used in Operating Activities	23	(7,060,122)	(8,753,891)
Cash Flows from Investing Activities			
Purchase of plant and equipment		(170,371)	(124,785)
Proceeds from sale of assets		5,000	-
Security deposits		63,263	(229,015)
Tenement acquisition costs		(1,391,041)	(466,540)
Net cash used in Investing Activities		(1,493,149)	(820,340)
Cash Flows from Financing Activities			
Proceeds from issue of ordinary shares		3,000,000	12,070,000
Share issue costs		(203,593)	(843,118)
Net cash provided by Financing Activities		2,796,407	11,226,882
Net increase/(decrease) in cash and cash equivalents held		(5,756,864)	1,652,652
Cash and cash equivalents at the beginning of the financial year		6,734,623	5,081,972
Cash and cash equivalents at the end of the financial year	9	977,759	6,734,623

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

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30 JUNE 2019

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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 First Floor, 1209 Hay Street, West Perth, WA, 6005, Australia. The consolidated financial statements of the Company as at and for the year ended 30 June 2019 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 $6,864,312 during the year ended 30 June 2019. The cash and cash equivalents held as at 30 June 2019 was $977,759. Current liabilities exceed current assets by $816,685 as at 30 June 2019. On 8 July 2019, the Company issued 36,673,302 shares to institutional and sophisticated investors at an issue price of $0.05 per share raising A$1.8million. The Group's net cash used in operating activities for the year ended 30 June 2019 was $7,060,122.

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2019

During the year the Group acquired the Alligator River Project from Cameco Australia Pty Ltd (Cameco). Deferred consideration payable to Cameco has been recognised in the Statement of Financial Position as at 30 June 2019, with two $2.5 million instalments due and payable in January 2020 and January 2021. Subsequent to year end the Cameco agreement has been renegotiated resulting in three instalments with $1.0 million due January 2020, $1.5 million due January 2021 and $2.5 million due January 2022.

Accordingly, the Directors have reviewed a cash flow forecast for the next twelve 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 fund raising activities during the period.

The Group's ability to continue as a going concern, including meeting current deferred consideration obligations and to advance its exploration and evaluation activities, depends on its ability to obtain additional funding through equity, debt or hybrid financing, joint ventures, production off-take arrangements, research and development claim 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 and the Northern Territory. These activities do not generate any sales revenue.

	Exploration	
	2019 $	**2018 $**
Result		
Segment loss for the year	(4,346,560)	(5,951,592)
Reconciliation to Consolidated Loss		
Segment contribution	(4,346,560)	(5,951,592)
Corporate and administration expense	(2,916,056)	(3,801,829)
Finance expense	(596,597)	(325,145)
Share based payments expense	(143,761)	(174,994)
Research and development tax incentive grant income	1,009,414	558,132
Gain on share issue	-	-
Interest revenue and other income	129,248	149,687
Loss from continuing operations	(6,864,312)	(9,545,741)

	Exploration	
	2019 $	**2018 $**
Total assets		
Segment assets	6,539,019	1,082,464
Reconciliation to Consolidated Total Assets		
Segment assets	6,539,019	1,082,464
Corporate and administration assets	2,125,039	7,468,927
Total assets	8,664,058	8,551,391
Total liabilities		
Segment liabilities	(5,499,078)	1,168,733
Reconciliation to Consolidated Total Liabilities		
Segment liabilities	(5,499,078)	1,168,733
Corporate and administration liabilities	(605,140)	898,675
Total liabilities	(6,104,218)	2,067,408

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	
	2019 $	**2018 $**
Financial assets		
Cash and cash equivalents	977,759	6,734,623
Trade and other receivables – current	1,083,517	209,225
Trade and other receivables – non-current	356,258	229,015
	2,417,534	7,172,863
Financial liabilities		
Trade and other payables – current	532,276	841,510
Deferred Consideration – current	2,324,929	-
Deferred Consideration – non-current	2,038,523	-
	4,895,728	841,510

(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 2019 and 2018, 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:

	2019		2018	
	Weighted average interest rate	**Balance $**	**Weighted average interest rate**	**Balance $**
Short-term deposits		500,000		4,500,000
Cash at bank		477,759		2,234,623
Net exposure to cash flow interest rate risk	1.82%	977,759	2.02%	6,734,623

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 2019 and 2018 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 2019 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 2019, 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 2019				
Trade and other payables	532,276	-	-	-
Loans and borrowings	-	2,324,929	2,038,523	-
Total	532,276	2,324,929	2,038,523	-

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 2018				
Trade and other payables	841,510	-	-	-
Total	841,510	-	-	-

(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 2019 or 30 June 2018. There were no financial liabilities measured at fair value which required allocation into the Levels of fair value hierarchy at 30 June 2019 or 30 June 2018.

4. EARNINGS PER SHARE

	Consolidated	
	2019	**2018**
Basic and diluted loss per share (cents per share)	(1.52) cents	(2.62) cents
Loss after tax used in the calculation of basic and diluted EPS	$(6,864,312)	$(9,545,741)
Weighted average number of shares outstanding during the year used in calculations of loss per share	#452,551,562	#364,167,577

There are 1,428,572 (2018: 18,857,136) 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 (resigned 31 January 2019)	Chief Operating Officer	Vimy Resources Limited
R. Chamberlain (resigned 15 March 2019)	Chief Financial Officer and Company Secretary	Vimy Resources Limited
M. Hilmer (appointed 8 March 2019)	Chief Financial Officer and Company Secretary	Vimy Resources Limited

(b) Key management personnel compensation

	Consolidated 2019 $	Consolidated 2018 $
Short-term benefits – cash salary and fees	1,119,724	1,677,062
Short-term benefits – cash bonus	25,500	-
Short-term benefits – share-based payments	65,700	65,700
Post-employment benefits	84,396	113,698
Long-term incentives - share-based payments	72,891	100,294
	1,368,211	1,956,754

(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
J. Tapp	17/12/2014	714,285	$298,000	up to 5 years
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
T. Chamberlain	20/7/18	1,000,000	$99,400	up to 5 years

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	
	2019 $	**2018 $**
Dr Vanessa Guthrie provided corporate consulting services to Vimy Resources Limited at commercial rates. The amount unpaid at 30 June 2019 was $nil (2018: $nil).		
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
J. Tapp	714,285	16 Dec 2014	-	-	-	2017
	1,428,570					

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	12	-	-	2017, 2018, 2019, 2020
M. Young [(a)]	714,285	17 Dec 2014	-	-	-	2017
J. Tapp	714,285	17 Dec 2014	-	-	-	2017
T. Chamberlain	1,000,000	20 Nov 2015	-	-	-	2018
T. Chamberlain	142,857	5 Sep 2014	-	-	-	2016
T. Chamberlain	1,000,000	20 Jul 2018	60	-	-	2019, 2020, 2021
	6,095,236					
Key Management Personnel						
R. Chamberlain	500,000	3 Jun 2016	-	100	-	2017
	500,000					

6. OTHER INCOME

	Consolidated	
	2019 $	2018 $
Interest revenue	66,809	149,462
R&D tax incentive grant income	1,009,414	558,132
Other income	62,439	225
	1,138,662	707,819

NOTES TO THE FINANCIAL STATEMENTS

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7. LOSS FOR THE YEAR

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

	Consolidated 2019 $	Consolidated 2018 $
(a) Expenses		
Depreciation expense	180,505	214,335
Operating leases costs	210,003	337,958
Audit and review fees	45,629	40,300
	436,137	592,593
(b) Employee benefits expense		
Wages, salaries and Directors' fees	2,943,980	4,127,420
Defined contribution superannuation expense	235,388	279,941
Share based payments expense (refer Note 18(c))	143,761	174,994
Other employee benefits	28,190	33,423
	3,351,319	4,615,778

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 2019 $	Consolidated 2018 $
Loss after income tax	(6,864,312)	(9,545,741)
Income tax expense	-	-
Loss before income tax	(6,864,312)	(9,545,741)
Income tax using the Company's domestic tax rate of 30 percent (2018: 30 percent)	(2,059,294)	(2,863,722)
Non-deductible expenses and non-assessable income	181,740	4,713
Equity based remuneration	43,128	52,498
Research and development grant incentive income	(302,824)	(167,440)
Research and development expenditure	696,147	334,163
Movement in deferred tax assets not brought to account as future income tax benefits	1,441,103	2,639,788
	-	-

NOTES TO THE FINANCIAL STATEMENTS

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(c) Unrecognised deferred tax assets and liabilities

	Consolidated	
	2019 **$**	**2018** **$**
Deferred tax assets and liabilities are attributable to the following:		
Property, plant and equipment	73,369	57,539
Accrued income	(2,719)	(8,990)
Exploration tenements	1,829,179	1,739,650
Employee provisions	106,584	161,344
S40-880 costs	245,114	307,714
Other costs	12,935	90,787
Rehabilitation provision	205,590	199,975
Tax losses	23,738,487	21,938,811
Net tax assets	26,208,539	24,486,830
Unrecognised tax assets	(26,209,539)	(24,486,830)
	-	-

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	
	2019 **$**	**2018** **$**
Cash at bank and in hand	477,759	2,234,623
Short-term deposits	500,000	4,500,000
	977,759	6,734,623

(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 2019 was 1.82% (2018: 2.02%).

10. TRADE AND OTHER RECEIVABLES

	Consolidated	
	2019 **$**	**2018** **$**
Current		
Other receivables	83,169	26,186
R&D Tax Incentive Grant receivable	1,009,413	484,536
Security deposit	-	190,506
Goods and services tax receivable	62,960	110,592
	1,155,542	811,820
Non-Current		
Security deposit [(a)]	356,258	229,015

(a) The security deposit of $356,258 (2018: $229,015) is cash security for a bank guarantee relating to the Alligator River Project in the Northern Territory and the office lease at 1209 Hay Street, West Perth.

NOTES TO THE FINANCIAL STATEMENTS

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11. PREPAYMENT

	Consolidated 2019 $	Consolidated 2018 $
Current		
Deposits for tenement applications	69,712	92,797
Other prepayments	140,564	5,477
	210,276	98,274
Non-Current		
Tenement acquisition costs	-	466,540

12. PLANT AND EQUIPMENT

	Consolidated 2019 $	Consolidated 2018 $
Office equipment		
Cost	241,990	261,471
Accumulated depreciation	(202,449)	(238,975)
Total office equipment	39,541	22,496
Exploration equipment		
Cost	1,605,341	1,482,561
Accumulated depreciation	(1,448,896)	(1,293,938)
Total exploration equipment	156,445	188,623
Total office and exploration equipment	195,986	211,119

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:

	2019 $	2018 $
Office equipment		
Balance at the beginning of year	22,496	32,379
Asset additions	42,591	18,987
Depreciation expense	(25,546)	(28,870)
Carrying amount at the end of the year	39,541	22,496
Exploration equipment		
Balance at the beginning of year	188,623	266,886
Asset additions	127,781	107,202
Asset disposal	(5,000)	-
Depreciation expense	(154,959)	(185,465)
Carrying amount at the end of the year	156,445	188,623
Total carrying amount at the end of the year	195,986	211,119

NOTES TO THE FINANCIAL STATEMENTS

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13. EXPLORATION AND EVALUATION

	Consolidated 2019 $	2018 $
Exploration Tenements [(a)]	5,768,237	-
	5,768,237	-

(a) On 17 July 2018, the Group completed the transfer of tenements relating to the Alligator River project in Arnhem Land, Northern Territory. The Group has acquired the project for a cash consideration of $6.5 million staged over 30 months and granted Cameco Australia Pty Ltd (Cameco) a conditional buy-back option. Subsequent to year end the Cameco agreement has been renegotiated resulting in $1.0 million due January 2020, $1.5 million due January 2021 and $2.5 million due January 2022.

The Group has granted the buy-back option on any individual project within the tenement package where a uranium resource of not less than 100Mlbs U_3O_8 in JORC Code compliant measured and indicated resources (Buyback Project) is defined. The buyback option must be exercised by Cameco within four months of the Group releasing a Definitive Feasibility Study on a Buyback Project. The purchase price payable by Cameco for a Buyback Project upon exercising the buyback option is dependent on the size and classification of the mineral resource, determined by a reference price at the relevant time.

14. TRADE AND OTHER PAYABLES

	Consolidated 2019 $	2018 $
Current		
Trade payables and accruals	575,851	784,395
Interest payable	-	104,894
Deferred consideration [(a)]	2,324,929	-
	2,900,780	889,289
Non-Current		
Deferred consideration [(a)]	2,038,523	-
	2,038,523	-

(a) On 17 July 2018, the Group acquired the Alligator River Project from Cameco Australia Pty Ltd which has deferred consideration payments of $2.5 million due and payable in March 2020 and March 2021 totalling $5.0 million. These deferred payments have been discounted to present value at a rate of 15% to derive a liability at acquisition date. At 30 June 2019, the fair value of the liability is $4,363,452.
The difference between the instalment payments and the liability will be recognised as interest expense over the 30-month instalment period from the acquisition date of 17 July 2018. Subsequent to year end the Cameco agreement has been renegotiated resulting in $1.0 million due January 2020, $1.5 million due January 2021 and $2.5 million due January 2022. During the 2019 financial year $0.6 million has been recognised as an interest expense relating to the deferred consideration component of the Alligator River Project acquisition.

NOTES TO THE FINANCIAL STATEMENTS

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15. PROVISIONS

	Consolidated	
	2019 $	2018 $
CURRENT		
Employee entitlement: Annual Leave		
Opening balance	319,418	302,632
Employee entitlements provided for	94,748	187,980
Employee entitlements used	(228,535)	(171,194)
Closing balance	185,631	319,418
Employee entitlement: Long Service Leave		
Opening balance	110,873	74,758
Employee entitlements provided for	(46,995)	28,349
Reclassification from non-current	9,973	7,766
Closing balance	73,851	110,873
Rehabilitation		
Opening balance	535,669	-
Reclassification from/(to) non-current	(535,669)	535,669
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 2022 (2019: Non-Current; 2018: Current).		
Total current provision	259,482	965,960
NON-CURRENT		
Employee entitlement: Long Service Leave		
Opening balance	81,246	56,608
Employee entitlements provided for	5,058	32,404
Reclassification to current	(9,973)	(7,766)
Closing balance	76,331	81,246
Rehabilitation		
Opening balance	130,913	530,429
Reclassification from/(to) current	535,669	(535,669)
Rehabilitation provided for	162,520	136,153
Closing balance	829,102	130,913
The Group has a provision for rehabilitation relating to the Mulga Rock Project and the Alligator River Project		
Total non-current provision	905,433	212,159

16. CONTRIBUTED EQUITY

484,671,912 (2018: 414,734,372) fully paid ordinary shares

	Consolidated	
	Number	**$**
Ordinary shares		
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
At 1 July 2018		
20 July 2018 Share purchase plan @ 9.94 cents per share	4,030,000	-
27 July 2018 Share Buy Back	(2,857,142)	-
5 October 2018 Share purchase plan @ 9.36 cents per share	773,501	-
5 December 2018 Share purchase plan @ 6.34 cents per share	900,000	-
6 December 2018 Share purchase plan @ 6.43 cents per share	1,197,512	-
20 December 2018 Share placement @ 4.5 cents per share	66,666,668	3,000,000
5 February 2019 Share purchase plan @ 5.42 cents per share	155,571	-
15 January 2019 Share Buy Back	(928,570)	-
Share issue costs	-	(203,593)
Balance at 30 June 2019	484,671,912	102,271,967

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 2019 this amounted to 9,959,519 shares (2018: 10,515,231 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	
	2019 $	**2018 $**
Reserve comprises the following:		
Balance as at start of financial year	1,419,026	1,419,026
Movement in options	-	-
Balance as at end of the financial year	1,419,026	1,419,026

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Employee Share Plan Reserve

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

	Consolidated 2019 $	Consolidated 2018 $
Reserve comprises the following:		
Balance as at start of financial year	2,829,383	2,729,089
1,666,667 shares issues and vesting [(a)]	(91,330)	100,294
4,030,000 shares issued and vesting [(b)]	129,211	-
900,000 shares issued and vesting [(c)]	22,749	-
Transferred from Employee Short-term Incentive Reserve	157,832	-
Balance as at end of the financial year	3,047,845	2,829,383

(a) On 22 November 2016, 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. On the 11 January 2019, the vesting conditions were reviewed. The Black Scholes valuation expense will be proportionally allocated over the vesting period.

(b) On 20 July 2018, 4,030,000 shares were issued to employees have been funded by a non-interest bearing, limited recourse loan from the Company. The shares are subject to vesting conditions over a three-year period, and expire on 20 July 2023. The Black Scholes valuation expense will be proportionally allocated over the vesting period.

(c) On 6 December 2018, 900,000 shares were issued to Mr J. Tapp 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 6 December 2023. 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 2019 $	Consolidated 2018 $
Reserve comprises the following:		
Balance as at start of financial year	74,700	-
2018 short term incentives [(a)]	83,132	74,700
Transferred to Employee Share Plan Reserve	(157,832)	-
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. The future issue of a portion of the shares is to Directors and was approved by the shareholders on 30 November 2018. The Black Scholes valuation expenses was proportionally allocated over the vesting period.

	Consolidated 2019 $	Consolidated 2018 $
Total Reserves	4,466,871	4,323,109

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
17 December 2014	16 December 2019	1,428,570	-	-	-	1,428,570	1,428,570
		1,428,570	-	-	-	1,428,570	1,428,570
Weighted average exercise price						$0.80	$0.80
Weighted average remaining contractual life						0.46 years	0.46 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.

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	1,485,710	-	(328,570)	1,157,140
17 December 2014	2,285,712	-	-	2,285,712
20 November 2015	1,000,000	-	-	1,000,000
3 June 2016	1,220,000	-	(940,000)	280,000
22 November 2016	1,666,667	-	-	1,666,667
20 July 2018	-	4,030,000	(1,360,000)	2,670,000
6 December 2018	-	900,000	-	900,000
	10,515,231	4,930,000	(5,485,712)	9,959,519

(c) 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	
	2019 $	2018 $
Employee share plan shares granted in 2017	(91,330)	100,294
Employee short-term incentives for 2018	83,132	74,700
Employee share plan shares granted in 2019	151,959	-
	143,761	174,994

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19. ACCUMULATED LOSSES

	Consolidated 2019 $	2018 $
Accumulated losses at the beginning of the financial year	(97,314,686)	(87,768,945)
Net loss attributable to members of the Company	(6,864,312)	(9,545,741)
Accumulated losses at the end of the financial year	(104,178,998)	(97,314,686)

20. EXPENDITURE COMMITMENTS

	Consolidated 2019 $	2018 $
(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	119,667	83,732
- between 12 months and 5 years	191,018	-
	310,685	83,732

The Company leases the office located at First Floor, 1209 Hay St, West Perth, Western Australia. The lease term expires in November 2021. A cash backed guarantee bond has been established for $54,190 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:

	2019 $	2018 $
- not later than 12 months	530,321	2,227,300
- between 12 months and 5 years	1,614,383	7,065,200
	2,144,704	9,292,500

21. CONTROLLED ENTITIES

	Country of incorporation	Percentage owned 2019	2018
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%

NOTES TO THE FINANCIAL STATEMENTS

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22. REMUNERATION OF AUDITORS

	Consolidated 2019 $	Consolidated 2018 $
1. Audit services		
Audit of financial reports and other audit work under the *Corporations Act 2001*		
KPMG	45,629	40,300
2. Non-audit services		
KPMG research and development tax incentive compliance and advisory	45,000	77,100
KPMG accounting advisory fees	10,763	14,350
KPMG taxation return preparation and advisory	17,831	17,850
KPMG general taxation advisory fees	-	21,781
Total auditor's remuneration	119,223	171,381

23. CASH FLOW INFORMATION

	Consolidated 2019 $	Consolidated 2018 $
(a) Reconciliation of Loss after tax to net cash outflow from Operating Activities		
Loss after income tax	(6,864,312)	(9,545,741)
Adjustments for:		
Depreciation expense	180,505	214,335
Share based payments expense	143,761	174,994
Fair value adjustment to embedded derivative	-	(22,237)
Deferred consideration	596,598	-
	(5,943,448)	(9,178,649)
Changes in operating assets and liabilities:		
(Increase) / Decrease in trade and other receivables	(534,228)	1,742,351
(Increase) / Decrease in prepayments	(112,002)	(15,461)
Increase / (Decrease) in trade and other payables	(313,438)	(1,515,824)
Increase / (Decrease) in provisions	(157,006)	213,692
Net cash outflow from operating activities	(7,060,122)	(8,753,891)

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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	
	2019 $	2018 $
Information relating to Vimy Resources Limited:		
Current assets	2,016,494	7,446,431
Total assets	3,869,879	8,311,244
Current liabilities	513,998	817,429
Total liabilities	590,329	898,675
Total net assets	3,279,550	7,412,569
Contributed equity	102,271,967	99,475,560
Reserves	4,466,870	4,323,109
Accumulated losses	(103,459,287)	(96,386,100)
Total equity	3,279,550	7,412,569
Loss of the parent entity	(7,073,187)	(9,772,993)
Total comprehensive loss of the parent entity	(7,073,187)	(9,772,993)

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	
	2019 $	2018 $
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	119,667	83,732
- between 12 months and 5 years	191,018	-
	310,685	83,732

26. EVENTS OCCURRING AFTER REPORTING DATE

Since 30 June 2019 the following significant subsequent events have occurred:

- On 8 July 2019, the Company issued 36,673,302 shares to institutional and sophisticated investors at an issue price of $0.05 per share raising gross proceeds of A$1.8million. The funds will be used for exploration work programs for the Alligator River Project and to refresh the Mulga Rock Project Definitive Feasibility Study.
- On 18 July 2019, the Company announced the Northern Territory Government will contribute 50% of the drilling costs under the Resourcing the Territory Initiative towards this season's exploration drilling program at the Alligator River Project.
- On 18 July 2019, the Company announced that the Australian Taxation Office have accepted its application to participate in the Junior Minerals Exploration Incentive (JMEI) scheme for the 2020 income year with a $715,000 exploration credit being allocated to the Company.
- On 13 August 2019, the Company held an Extraordinary General Meeting to adopt the Vimy Employee Option Plan and Salary Sacrifice Share Plan. The Extraordinary General Meeting also ratified the issue of shares issued pursuant to a placement.
- On 16 September 2019, the Cameco agreement has been renegotiated resulting in $1.0 million due January 2020, $1.5 million due January 2021 and $2.5 million due January 2022.

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).

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

AASB 15 Revenue from Contracts with Customers

The Group adopted AASB 15 – Revenue from contracts with customers for the first time for the annual reporting period commencing 1 July 2018. Under AASB 15, revenue is recognised when control is transferred to the customer which replaced the notion of transfer risks and rewards in AASB 118 – Revenue (superseded on 1 July 2018). The adoption of AASB 15 has had no material impact of the Group's financial statements as the Group does not yet generate revenue from contracts with customers.

AASB 9 Financial Instruments

The Group adopted AASB 9 - Financial Instruments, which replaces the existing guidance in IAS 39 Financial Instruments: Recognition and Measurement. AASB 9 includes revised guidance on the classification and measurement of financial instruments, a new expected credit loss model for calculating impairment on financial assets, and new general hedge accounting requirements. It also carries forward the guidance on recognition and de-recognition of financial instruments from IAS 39. AASB 9 is effective for annual reporting periods beginning on or after 1 January 2018, with early adoption permitted. The implementation of this standard has not had a material impact on the financial statements.

New standards and interpretations not yet adopted

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 Group 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.

(b) Principles of consolidation

The Group financial statements consolidate those of the Parent Company and all of its subsidiaries as of 30 June 2019. 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.

(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.

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.

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.

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2019

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 2019 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 26 September 2019

KPMG

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 2019 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 2019
- 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.

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.

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

Refer to Note 13 to the Financial Report

The key audit matter	How the matter was addressed in our audit
The Group's acquisition of the Alligator River Uranium Project represents a significant transaction for the Group. This was a key audit matter due to the: • Size and nature of the acquisition having a pervasive impact on the Group's financial statements; and • The level of judgement used by the Group to determine the date of acquisition that was completed on 17 July 2018; and • The level of judgement required in determining the accounting approach as either a business (in accordance with IFRS 3 Business Combinations), or an asset acquisition. The difference in the accounting for the acquisition as a business or an asset is significant and could impact the recognition and measurement of amounts reported in the consolidated financial statements • The level of judgement applied by the Group to recognise and measure the fair value of deferred consideration. Consideration is payable by the Group upon reaching specific milestones as disclosed in Note 13 to the financial report. These conditions and associated complex acquisition accounting required significant audit effort and greater involvement of senior team members.	Our procedures included: • Reading the Sale and Purchase Agreement and associated agreements related to the acquisition to understand the structure, key terms, the nature of the transaction and consideration. Using this information, we evaluated the accounting treatment of the acquisition. • We involved senior audit team members to assess the accounting treatment for the transaction. We researched and analysed the conclusions reached by the Group and compared those conclusions to accounting interpretations, industry practice and accounting literature. • Assessing the Group's recognition and determination of fair value measurement of deferred consideration by checking the Group's calculation to the Share Sale Agreement. • We considered the adequacy of the Group's disclosures in respect of this acquisition against the criteria in the accounting standards.

KPMG

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 2020, 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.

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 and Company'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 and Company 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 2019, 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 25 to 35 of the Directors' report for the year ended 30 June 2019.

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
26 September 2019

ADDITIONAL INFORMATION

AS AT 10 OCTOBER 2019

Capital structure

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

Ordinary shares	Unlisted options
521,715,985	1,428,570

Distribution of listed ordinary fully paid shares

Size of holding	Number of shareholders	Number of ordinary shares
1 - 1,000	446	157,429
1,001 - 5,000	465	1,206,358
5,001 - 10,000	275	2,257,822
10,001 - 100,000	890	38,908,740
100,001 - and over	462	479,185,636
	2,538	**521,715,985**

The number of shareholders holding less than a marketable parcel of ordinary shares was 1,041.

Twenty largest shareholders of listed ordinary shares

	Name	Ordinary shares held	% of total
1	HSBC Custody Nominees (Australia) Limited	110,821,425	21.24
2	BNP Paribas Noms Pty Ltd	27,089,638	5.19
3	Sumico (WA) Pty Ltd	24,684,508	4.73
4	Mr Peter Sarantzouklis	20,444,445	3.92
5	Sachem Cove Special Opportunities Fund LP	19,150,000	3.67
6	BNP Paribas Nominees Pty Ltd	16,764,309	3.21
7	Lexband Pty Ltd	15,000,000	2.88
8	Olive Tree Group Pty Ltd	12,555,555	2.41
9	Forrest Family Investments Pty Ltd	9,096,758	1.74
10	Citicorp Nominees Pty Limited	8,664,565	1.66
11	FF Okram Pty Ltd	7,692,307	1.47
12	J P Morgan Nominees Australia Pty Limited	5,437,160	1.04
13	Mr Michael Edward Fewster + Mrs Suzanne Theresa Fewster	5,138,571	0.98
14	JH Nominees Australia Pty Ltd	4,900,000	0.94
15	Washington H Soul Pattinson & Co Ltd	4,900,000	0.94
16	Mr Jiahuang Zhang	4,300,000	0.82
17	Equity Trustees Limited	4,250,000	0.81
18	Rookharp Capital Pty Limited	3,550,000	0.68
19	Eaglefield Holdings Pty Ltd	3,545,714	0.68
20	J & G Jennings Super Fund Pty Ltd	3,200,000	0.61
		311,184,955	**59.65%**

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 10 OCTOBER 2019

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

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	Forrest Family Investments Pty Ltd	66,239,615	12.71%
2	Paradice Investment Management Pty Ltd	41,000,000	9.84%
3	Michael Edward Fewster	33,368,793	6.4%
4	Acorn Capital Limited	26,935,879	5.17%

On-market buy back

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

Investor Relations

Shareholders and investors seeking information on the Company should visit 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
First Floor, 1209 Hay 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

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 10 October 2019.

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 2019 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 him or her 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

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.

CORPORATE GOVERNANCE STATEMENT

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.

Notification of departure:

The Company does not have a diversity policy.

CORPORATE GOVERNANCE STATEMENT

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 2019, the Board comprised four members with one woman; being the Non-Executive Chairman The Hon. Cheryl Edwardes AM. The Company had sixteen employees at 30 June 2019, with seven women which represented 44% 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 Tony Chamberlain a Non-Executive Director on 1 February 2019.

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 2019 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 2019 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.

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.

CORPORATE GOVERNANCE STATEMENT

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.

At the beginning of the reporting period the Board comprised seven members – three of whom were independent, being The Hon Cheryl Edwardes AM, Mr David Cornell and Mr Andrew Haslam. On 30 November 2018 one independent director, Mr Andrew Haslam, resigned together with non-independent Directors Dr Vanessa Guthrie and Mr Julian Tapp, leaving the Board with two independent directors of four. Following the appointment of Dr Tony Chamberlain on 1 February 2019 and the resignation of Mr Malcolm James on 7 May 2019, both non-independent, the Board comprised four members at the end of the reporting period, with two independent, being The Hon. Cheryl Edwardes AM and Mr David Cornell.

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:

At the end of the reporting period, the Board comprised two independent Directors, being The Hon Cheryl Edwardes AM and Mr David Cornell and two non-independent Directors, being Mr Michael Young, the Managing Director and Chief Executive Officer, and Dr Tony Chamberlain, who was employed by the Company as Chief Operating Officer until 31 January 2019.

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.

CORPORATE GOVERNANCE STATEMENT

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.

At the beginning of the reporting period the Audit and Risk Committee comprised five members – three of whom were independent, being The Hon Cheryl Edwardes AM, Mr David Cornell and Mr Andrew Haslam. On 30 November 2018 one independent director, Mr Andrew Haslam, resigned together with non-independent Dr Vanessa Guthrie, leaving the Committee with two independent directors in the Committee of three. Following the appointment of Dr Tony Chamberlain on 1 February 2019 and the resignation of Mr Malcolm James on 7 May 2019, both non-independent, the Committee comprised three members at the end of the reporting period, with two independent, being The Hon. Cheryl Edwardes AM and Mr David Cornell.

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 2019 financial year and the qualifications of the Directors are disclosed in the Directors' Report.

CORPORATE GOVERNANCE STATEMENT

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 2019 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 2019 comply with the accounting standards; and
- the financial statements and notes for the financial year ended 30 June 2019 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 2019 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.

At the beginning of the reporting period the Audit and Risk Committee comprised five members – three of whom were independent, being The Hon Cheryl Edwardes AM, Mr David Cornell and Mr Andrew Haslam. On 30 November 2018 one independent director, Mr Andrew Haslam, resigned together with non-independent Dr Vanessa Guthrie, leaving the Committee with two independent directors in the Committee of three. Following the appointment of Dr Tony Chamberlain on 1 February 2019 and the resignation of Mr Malcolm James on 7 May 2019, both non-independent, the Committee comprised three members at the end of the reporting period, with two independent, being The Hon. Cheryl Edwardes AM and Mr David Cornell.

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 2019 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.

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 2019 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

These risks are disclosed on a regular basis on Company presentations which can be viewed on the ASX or Company website.

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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 until his resignation on 30 November 2018. After that date the Hon Cheryl Edwardes AM was the independent Chairman.

At the beginning of the reporting period the Remuneration Committee comprised five members – three of whom were independent, being The Hon Cheryl Edwardes AM, Mr David Cornell and Mr Andrew Haslam. On 30 November 2018 the independent Chairman, Mr Andrew Haslam, resigned together with non-independent Dr Vanessa Guthrie, leaving the Committee with two independent directors in the Committee of three. Following the appointment of Dr Tony Chamberlain on 1 February 2019 and the resignation of Mr Malcolm James on 7 May 2019, both non-independent, the Committee comprised three members at the end of the reporting period, with two independent, being The Hon. Cheryl Edwardes AM and Mr David Cornell.

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

The number of Remuneration Committee meetings held during the 2019 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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Morris Wu
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