

Notice of Annual General Meeting and Explanatory Statement

Date: Friday, 30 November 2018

Time: 11.00 am

Location: Hyatt Regency Hotel Perth
“Mosman Bay Room”
99 Adelaide Terrace
PERTH, WA 6000

**THIS IS AN IMPORTANT DOCUMENT WHICH REQUIRES YOUR ATTENTION.
IN IT YOU WILL FIND:**

1. Notice of Annual General Meeting;
2. An Explanatory Statement containing information about the resolutions to be considered at the Annual General Meeting; and
3. A Proxy Form (loose leaf). If you are unable to attend the Annual General Meeting, please consider completing the Proxy Form enclosed and returning it in accordance with the instructions set out on that form.

Notice of Annual General Meeting

Notice is given that the Annual General Meeting of the Company will be held at the Hyatt Regency Hotel Perth "Mosman Bay Room" 99 Adelaide Terrace, Perth, WA 6000 on Friday, 30 November 2018 at 11.00am.

Business of the Meeting

ORDINARY BUSINESS

ACCOUNTS AND REPORTS

To receive and consider the financial statements and the Directors' Report and the Auditor's Report for the year ended 30 June 2018.

RESOLUTION 1: ADOPTION OF REMUNERATION REPORT

To consider and, if thought fit, pass the following resolution as an **ordinary resolution**:

"That the Remuneration Report for the year ended 30 June 2018 as set out in the 2018 Annual Report be adopted."

Note: The vote on this resolution is advisory only and does not bind the Directors or the Company. The Chairman of the meeting intends to vote all available proxies in favour of this resolution.

Voting exclusion:

The Company will disregard any vote cast in favour of this resolution by, or on behalf of:

- (a) a member of the Key Management Personnel; and
- (b) a Closely Related Party of those persons.

However, a person (the voter) described above may cast a vote on this resolution as a proxy if the vote is not cast on behalf of a person described above and either:

- (a) the voter is appointed as a proxy by writing that specifies the way the proxy is to vote on this resolution; or
- (b) the voter is the person chairing the meeting and the appointment:
 - (i) does not specify the way the proxy is to vote on this resolution; and
 - (ii) expressly authorises the person chairing the meeting to exercise the proxy even if this resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel.

RESOLUTION 2: RE-ELECTION OF MR MALCOLM JAMES AS A DIRECTOR

To consider and, if thought fit, pass the following resolution as an **ordinary resolution**:

"That Mr Malcolm James, who retires as a Director in accordance with article 13.2 of the Constitution, and being eligible, offers himself for re-election, be and is hereby re-elected as a Director."

RESOLUTION 3: RE-ELECTION OF MR ANDREW HASLAM AS A DIRECTOR

To consider and, if thought fit, pass the following resolution as an **ordinary resolution**:

"That Mr Andrew Haslam, who retires as a Director in accordance with article 13.2 of the Constitution, and being eligible, offers himself for re-election, be and is hereby re-elected as a Director."

RESOLUTION 4: RE-ELECTION OF THE HON. CHERYL EDWARDES AM AS A DIRECTOR

To consider and, if thought fit, pass the following resolution as an **ordinary resolution**:

"That the Hon. Cheryl Edwardes AM, who retires as a Director in accordance with article 13.2 of the Constitution, and being eligible, offers herself for re-election, be and is hereby re-elected as a Director."

RESOLUTION 5: RATIFICATION OF SHARES ISSUED PURSUANT TO A PLACEMENT

To consider and, if thought fit, pass the following resolution as an **ordinary resolution**:

"That for the purposes of ASX Listing Rule 7.4 and for all other purposes, Shareholders ratify and approve the issue of 55,000,000 Shares at \$0.11 per Share on 8 May 2018 to new and existing institutional and sophisticated investors arranged by Morgans Corporate Limited and Amvest Capital Inc, as further detailed in the Explanatory Statement."

Voting exclusion:

The Company will disregard any vote cast in favour of this resolution by any person who participated in the issue and any associates of those persons unless it is cast by:

- (a) a person as proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form; or
- (b) the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

RESOLUTION 6: ISSUE OF SHARES TO MR JULIAN TAPP OR HIS NOMINEE
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To consider and, if thought fit, pass the following resolutions as an **ordinary resolution**:

"That for the purposes of Chapter 2E of the Corporations Act, ASX Listing Rule 10.14 and for all other purposes, Shareholders approve the Company issuing 900,000 Shares, and granting a non-recourse loan, to Mr Julian Tapp, a Director of the Company, or his nominee, under the 2016 Vimy Employee Share Plan as further detailed in the Explanatory Statement."

Voting exclusion:

The Company will disregard any vote cast in favour of Resolution 6 by Mr Tapp and any of his associates, and all other Directors, unless it is cast by:

- (a) a person as a proxy for a person entitled to vote, in accordance with the directions on the Proxy Form; or
- (b) the person chairing the Meeting as a proxy for a person entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

In addition, a person appointed as a proxy must not vote, on the basis of that appointment, on Resolution 6 if:

- (a) the proxy is either:
 - (i) a member of the Key Management Personnel; or
 - (ii) a Closely Related Party of those persons; and
- (b) the appointment does not specify the way the proxy is to vote on this Resolution.

However, the above prohibition does not apply if:

- (a) the proxy is the Chair of the Meeting; and
- (b) the appointment expressly authorises the Chair to exercise the proxy even if the Resolution is connected directly or indirectly with remuneration of a member of the Key Management Personnel.

RESOLUTION 7: ISSUE OF SHARES TO MR MICHAEL YOUNG OR HIS NOMINEE IN LIEU OF CASH BONUS ENTITLEMENT
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To consider and, if thought fit, pass the following resolutions as an **ordinary resolution**:

"That for the purposes of Chapter 2E of the Corporations Act, Listing Rule 10.11 and for all other purposes, Shareholders approve the Company issuing Shares to Mr Michael Young, a Director of the Company, or his nominee, in lieu of his cash bonus entitlement as further detailed in the Explanatory Statement."

Voting exclusion:

The Company will disregard any vote cast in favour of Resolution 7 by Mr Young and any of his associates, and all other Directors, unless it is cast by:

- (a) a person as a proxy for a person entitled to vote, in accordance with the directions on the Proxy Form; or

- (b) the person chairing the Meeting as a proxy for a person entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

In addition, a person appointed as a proxy must not vote, on the basis of that appointment, on Resolution 7 if:

- (a) the proxy is either:
- (i) a member of the Key Management Personnel; or
 - (ii) a Closely Related Party of those persons; and
- (b) the appointment does not specify the way the proxy is to vote on this Resolution.

However, the above prohibition does not apply if:

- (a) the proxy is the Chair of the Meeting; and
- (b) the appointment expressly authorises the Chair to exercise the proxy even if the Resolution is connected directly or indirectly with remuneration of a member of the Key Management Personnel.

RESOLUTION 8:	ISSUE OF SHARES TO MR JULIAN TAPP OR HIS NOMINEE IN LIEU OF CASH BONUS ENTITLEMENT
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To consider and, if thought fit, pass the following resolutions as an **ordinary resolution**:

"That for the purposes of Chapter 2E of the Corporations Act, Listing Rule 10.11 and for all other purposes, Shareholders approve the Company issuing Shares to Mr Julian Tapp, a Director of the Company, or his nominee, in lieu of his cash bonus entitlement as further detailed in the Explanatory Statement."

Voting exclusion:

The Company will disregard any vote cast in favour of Resolution 8 by Mr Tapp and any of his associates, and all other Directors, unless it is cast by:

- (a) a person as a proxy for a person entitled to vote, in accordance with the directions on the Proxy Form; or
- (b) the person chairing the Meeting as a proxy for a person entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

In addition, a person appointed as a proxy must not vote, on the basis of that appointment, on Resolution 8 if:

- (a) the proxy is either:
- (i) a member of the Key Management Personnel; or
 - (ii) a Closely Related Party of those persons; and
- (b) the appointment does not specify the way the proxy is to vote on this Resolution.

However, the above prohibition does not apply if:

- (a) the proxy is the Chair of the Meeting; and
- (b) the appointment expressly authorises the Chair to exercise the proxy even if the Resolution is connected directly or indirectly with remuneration of a member of the Key Management Personnel.

SPECIAL BUSINESS

RESOLUTION 9: APPROVAL OF ADDITIONAL PLACEMENT CAPACITY

To consider and, if thought fit, to pass the following resolution as a **special resolution**:

"That for the purposes of ASX Listing Rule 7.1A and all other purposes, Shareholders approve the issue of Equity Securities up to 10% of the Company's issued capital (at the time of issue) calculated in accordance with the formula prescribed in Listing Rule 7.1A.2 and on the terms and conditions in the Explanatory Statement."

Voting exclusion:

The Company will disregard any votes cast in favour of this resolution by any person who may participate in the proposed issue and a person who might obtain a material benefit, except a benefit solely in their capacity as a security holder, and any associates of those persons, unless it is cast by:

- (a) a person as proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form; or
- (b) the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

BY ORDER OF THE BOARD



Ron Chamberlain
Company Secretary
19 October 2018

Important Notes for Shareholders

These notes and Explanatory Statement form part of the Notice.

Shareholders should read this Notice and the Explanatory Statement carefully before deciding how to vote on the resolutions set out in the Notice.

EXPLANATORY STATEMENT

The Explanatory Statement provides additional information on matters to be considered at the AGM and, together with the Proxy Form, forms part of the Notice and should be read in conjunction with it. Terms and abbreviations used in the Notice and the Explanatory Statement are defined in the Explanatory Statement.

REQUIRED MAJORITIES

Resolutions 1 to 8 are **ordinary resolutions** and will be passed only if supported by a majority of the votes cast by Shareholders entitled to vote on the Resolutions.

Resolution 9 is a **special resolution** and will be passed only if supported by at least 75% of the votes cast by Shareholders entitled to vote on the Resolution.

ENTITLEMENT TO VOTE

The Directors have determined a 'snapshot time' pursuant to regulation 7.11.37 of the *Corporations Regulations 2001* (Cth) that the persons eligible to vote at the AGM are those who are registered as Shareholders at **4pm (WST) on Wednesday, 28 November 2018**.

HOW TO VOTE

You may vote by attending the Meeting in person or by proxy, attorney or authorised representative.

VOTING IN PERSON

To vote in person, attend the Meeting on the date and at the place set out in the Notice.

APPOINTMENT OF PROXIES

A Shareholder who is entitled to attend and vote at the Meeting is entitled to appoint a proxy to attend and vote at the Meeting. A Shareholder entitled to cast two or more votes may appoint one or two proxies and may specify the proportion of votes each proxy is appointed to exercise. If the Shareholder appoints two proxies and the appointment does not specify this proportion, each proxy may exercise half of the votes. A proxy may be, but need not be, a Shareholder and can be an individual or a body corporate. **YOUR PROXY FORM IS ENCLOSED (AS A LOOSELEAF) WITH THIS NOTICE.**

VOTING BY PROXY

To vote by proxy, please complete and sign the Proxy Form enclosed with this Notice as soon as possible in accordance with the instructions provided prior to **11.00am (WST) on Wednesday, 28 November 2018**, being not less than 48 hours prior to the commencement of the Meeting. Proxy forms received later than this time will be invalid.

When the Proxy Form is executed under a power of attorney, the power of attorney must be lodged in the same way as the Proxy Form.

Lodgement of a Proxy Form will not preclude a Shareholder from attending and voting at the AGM in person.

BODIES CORPORATE

A body corporate may appoint an individual as its representative to exercise any of the powers the body corporate may exercise at meetings of the Shareholders. The appointment may be a standing one. Unless the appointment states otherwise, the representative may exercise all of the powers that the appointing body corporate could exercise at a meeting or in voting on a Resolution.

The representative should bring to the meeting evidence of his or her appointment, including any authority under which the appointment is signed, unless it has previously been given to the Company.

ENQUIRIES

*All enquiries in relation to the contents of the Notice should be directed
to Mr Ron Chamberlain on +61 (08) 9389 2700*

Explanatory Statement

This Explanatory Statement has been prepared for the information of Shareholders in connection with the business to be conducted at the AGM to be held at the Hyatt Regency Hotel Perth "Mosman Bay Room" 99 Adelaide Terrace, Perth, WA 6000 on Friday, 30 November 2018 at 11.00am.

You should read this Explanatory Statement in full before making any decision in relation to the Resolutions. If Shareholders are in doubt about what to do in relation to the Resolutions, they should consult a financial or other professional adviser.

There are nine Resolutions to be put at the AGM. Certain voting exclusions are imposed by the Listing Rules and the Corporations Act in relation to the Resolutions as detailed in the accompanying Notice.

The Chairman of the Meeting intends to vote all undirected proxies in favour of each Resolution.

1. ACCOUNTS AND REPORTS

The Corporations Act requires the Company to lay before the AGM the Financial Report, Directors' Report and the Auditor's Report for the financial year ended 30 June 2018.

No resolution is required for this item. This item of business is intended to provide an opportunity for Shareholders to raise questions on the Directors' Report and the Auditor's Report for the year ended 30 June 2018 and on the performance of the Company generally.

2. RESOLUTION 1: ADOPTION OF REMUNERATION REPORT

The Remuneration Report is set out in the Company's 2018 Annual Report. The Remuneration Report:

- (a) explains the Board's policies in relation to the nature and level of remuneration paid to Directors and specified executives of the Company;
- (b) deals with the link between the Board's policies and the Company's performance;
- (c) sets out remuneration details for each Director and specified executive of the Company; and
- (d) makes clear that the basis for remunerating non-executive Directors is distinct from the basis for remunerating executives.

A reasonable opportunity will be provided for discussion of the Remuneration Report at the AGM. Under section 250R(2) of the Corporations Act, a resolution that the Remuneration Report be adopted must be put to the vote. This item is included for advisory purposes only and any vote taken at the AGM does not bind the Directors or the Company.

If you choose to appoint a proxy, you are encouraged to direct your proxy how to vote on this Resolution by marking either "For", "Against" or "Abstain" on the Proxy Form.

The Board of Directors unanimously recommends that Shareholders vote in favour of this Resolution.

3. RESOLUTION 2: RE-ELECTION OF MR MALCOLM JAMES AS A DIRECTOR

Article 13.2 of the Constitution requires that one third of all the Directors shall retire from office at the annual general meeting each year, and that a Director retiring pursuant to this article is eligible for re-election. The Directors to retire are those that have been in office longest since their last election, in this case being Mr Malcolm James.

Mr James retires in accordance with article 13.2 of the Constitution, and being eligible, offers himself for re-election as a Director.

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

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

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

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

Mr James is a representative of Forrest Family Investments Pty Ltd (Peepingee Trust), which as at 4 October 2018 (being the last practicable date prior to the date of finalising this Explanatory Statement for submission to ASX and ASIC) holds 13.7% of the Company's shares.

Each of the other Directors intends to vote in favour of Mr James's re-election. If approved by Shareholders, the appointment will take effect from the end of the AGM.

The Board of Directors (other than Mr James) unanimously recommends that Shareholders vote in favour of this resolution.

4. RESOLUTION 3: RE-ELECTION OF MR ANDREW HASLAM AS A DIRECTOR

Article 13.2 of the Constitution requires that one third of all the Directors shall retire from office at the annual general meeting each year, and that a Director retiring pursuant to this article is eligible for re-election. The Directors to retire are those that have been in office longest since their last election, in this case being Mr Andrew Haslam.

Mr Haslam retires in accordance with article 13.2 of the Constitution, and being eligible, offers himself for re-election as a Director.

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

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

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

Each of the other Directors intends to vote in favour of Mr Haslam's re-election. If approved by Shareholders, the appointment will take effect from the end of the AGM.

The Board of Directors (other than Mr Haslam) unanimously recommends that Shareholders vote in favour of this resolution.

5. RESOLUTION 4: RE-ELECTION OF THE HON. CHERYL EDWARDES AM AS A DIRECTOR
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Article 13.2 of the Constitution requires that one third of all the Directors shall retire from office at the annual general meeting each year, and that a Director retiring pursuant to this article is eligible for re-election. The Directors to retire are those that have been in office longest since their last election, in this case being the Hon. Cheryl Edwardes AM.

The Hon. Cheryl Edwardes AM retires in accordance with Article 13.2 of the Constitution, and being eligible, offers herself for re-election as a Director.

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.

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 is currently a Non-Executive Director of Atlas Iron Limited, AusCann Group Holdings Limited and CropLogic Limited, a Commissioner on the WA Football Commission, and also chairs the Port Hedland International Airport, a joint venture company between AMP Capital and Infrastructure Capital Group.

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."

Each of the other Directors intends to vote in favour of the Hon. Cheryl Edwardes AM re-election. If approved by Shareholders, the appointment will take effect from the end of the AGM.

The Board of Directors (other than the Hon. Cheryl Edwardes AM) unanimously recommends that Shareholders vote in favour of this resolution.

6. RESOLUTION 5: RATIFICATION OF ISSUE OF SHARES PURSUANT TO A PLACEMENT

6.1 Background

On 8 May 2018, the Company issued 55,000,000 Shares to both existing and new institutional and sophisticated investors arranged by Morgans Corporate Limited and Amvest Capital Inc at \$0.11 per Share (**Placement Shares**), to raise \$6m before the expenses of the issue.

53,982,870 of the Placement Shares were issued under the Company's 15% placement capacity pursuant to Listing Rule 7.1. Listing Rule 7.1 provides that subject to certain exceptions, a listed company may not issue shares or options to subscribe for shares equal to more than 15% of that company's issued share capital in any 12 months without obtaining Shareholder approval. The remaining 1,017,130 Placement Shares were issued under the Company's 10% placement capacity pursuant to Listing Rule 7.1A, following Shareholder approval via special resolution at the 2017 annual general meeting.

6.2 Approval sought

Listing Rule 7.4 provides that where a company's shareholders ratify a previous issue of securities made without approval under Listing Rule 7.1 (and provided that the previous issue did not breach Listing Rule 7.1), those securities will be deemed to have been made with Shareholder approval for the purposes of Listing Rule 7.1. The Company now seeks Shareholder approval to ratify the issue of the Placement Shares. Approval of this Resolution will provide the Company with the flexibility to issue further securities in the future up to the Company's 15% placement capacity without the requirement to obtain Shareholder approval. In addition, approval of this Resolution will refresh the additional 10% placement capacity under Listing Rule 7.1A which was used in the placement.

6.3 Regulatory information - Requirement for Shareholder approval

The following information is required by Listing Rule 7.5 in relation to the issue of the Placement Shares:

- (a) The total number of the Placement Shares issued by the Company was 55,000,000 Shares.
- (b) The issue price for the Placement Shares was \$0.11.
- (c) The Placement Shares issued were all fully paid ordinary shares in the Company which rank equally in all respects with the Company's existing Shares.
- (d) The Placement Shares were issued and allotted to both existing and new institutional and sophisticated investors arranged by Morgans Corporate Limited and Amvest Capital Inc (acting through Mann Mann Jensen Partners Inc), none of whom were related parties of the Company.
- (e) The Company intends to use the proceeds of issue to accelerate an exploration program at the Alligator River Project, as well as to progress the battery minerals option at the Mulga Rocks

Project. Some of the funds raised by the issue of the Placement Shares have been used at the date of this Notice as the Company announced commencement of drilling at the Alligator River Project on 13 August 2018.

Recommendation

The Directors recommend that Shareholders vote in favour of this Resolution.

7. RESOLUTION 6: ISSUE OF SHARES TO MR JULIAN TAPP OR HIS NOMINEE
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7.1 Background

Mr Julian Tapp has been a Director of the Company since 18 March 2013.

Resolution 6 seeks the approval of Shareholders for the issue of 900,000 Shares (**Executive Director Shares**) to Mr Julian Tapp or his nominee(s) under the 2016 Vimy Employee Share Plan (**Plan**). The Company will grant a non-recourse loan to Mr Tapp for the subscription of the Executive Director Shares (**Executive Director Limited Recourse Loan**). The Company will take security over the Executive Shares issued to Mr Tapp until the Executive Director Limited Recourse Loan provided for the subscription price for those Executive Director Shares is repaid in full.

Mr Tapp and his nominee (if any) will enter into a voluntary escrow agreement under which the Executive Director Shares will be escrowed for up to 5 years from the date of issue. The number of Executive Director Shares issued is allocated into three equal tranches, with vesting conditions specified with the following time periods:

- (a) First tranche vests at 6 months after the issue date;
- (b) Second tranche vests at 2 years after the issue date; and
- (c) Third tranche vests at 3 years after the issue date.

The use of the Executive Director Shares as an employment incentive is important for the Company given the size of the Company, where the preservation of the Company's cash resources is paramount and the ability to recruit and retain high quality and well-credential executives is important to the ongoing development of the Company and the Company's Mulga Rock and Alligator River Projects.

The Board (excluding Mr Tapp) is of the view that the remuneration for Mr Tapp, including the proposed issue of the Executive Director Shares and the grant of the Executive Director Limited Recourse Loan, the subject of Resolution 6, is reasonable, having regard to the position of the Company and his duties and responsibilities as a Director of the Company. These Executive Director Shares are intended to provide a long-term incentive and align Mr Tapp's interests with those of Shareholders in seeking to maximise the value of the Company.

7.2 Regulatory information - Requirement for Shareholder approval

(i) Listing Rule 10.14

Listing Rule 10.14 requires the Company to seek Shareholder approval before issuing Shares to Directors under the 2016 Vimy Employee Share Plan.

Once Shareholder approval is obtained under Listing Rule 10.14 for the Executive Director Shares, the Company is entitled to rely on Listing Rule 10.12 Exception 4 as an exception to any requirement that may otherwise apply requiring Shareholder approval under Listing Rule 10.11. Similarly, Shareholder approval is not required under Listing Rule 7.1 for the Executive Director Shares.

(ii) Chapter 2E of the Corporations Act

Chapter 2E of the Corporations Act prohibits the Company from giving a financial benefit to related parties (which includes Directors) without Shareholder approval. The Executive Director Shares to be issued to Mr Tapp (or his nominee) and the grant of the Executive Director Limited Recourse Loan will constitute financial benefits for the purposes of Chapter 2E of the Corporations Act. Whilst the Board considers that the issue of the Executive Director Shares and the grant of the Executive Director Limited Recourse Loan constitutes reasonable remuneration (and therefore may fall within an exemption under section 210 of the Corporations Act), in accordance with ASIC guidance and good corporate governance, it is opting to seek approval from Shareholders pursuant to Resolution 6. Accordingly, Resolution 6 seeks Shareholder approval for the issue of the Executive Director Shares and the grant of the Executive Director Limited Recourse Loan to Mr Tapp or his nominee under Chapter 2E of the Corporations Act.

7.3 Terms of issue of Executive Director Shares and grant of Executive Director Limited Recourse Loan

The Company provides the following information under Listing Rule 10.15:

Eligible Recipient for whom approval under LR 10.14 is being sought	Mr Julian Tapp or his nominee
Names of all persons referred to in LR 10.14 entitled to participate in the 2016 Vimy Employee Share Plan	All Directors of the Company and all directors of each related body corporate of the Company, or their nominees.
Number of Executive Director Shares to be issued	900,000
Key terms of the Executive Director Limited Recourse Loan	<p>The Company will be making a limited non-recourse loan under the Plan to Mr Tapp or his nominee in the amount required to acquire the Executive Director Shares under the terms set out in the 2016 Vimy Employee Share Plan.</p> <p>The key terms of the limited non-recourse loan include:</p> <ul style="list-style-type: none"> the limited recourse loan may only be applied towards the subscription price for Shares issued under the 2016 Vimy Employee Share Plan (Plan Shares); 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);

	<ul style="list-style-type: none"> by signing and returning an application for a limited recourse loan, the participants of the Plan (each a Participant): <ul style="list-style-type: none"> 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 a buy-back of the Plan Shares or selling the Plan Shares; the limited recourse loan becomes repayable on the earliest of: <ul style="list-style-type: none"> the date which is 5 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; notwithstanding the above, the Participant may repay all or part of the loan at any time before the Repayment Date; and 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: <ul style="list-style-type: none"> 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.
Price for each Executive Director Share	The subscription price for each Executive Director Share will be 99.9% of the closing share price of a Share on the issue date of the Executive Director Shares.
Timing of issue of Executive Director Shares and granting of Executive Director Limited Recourse Loan	The issue of the Executive Director Shares and the grant of the Executive Director Limited Recourse Loan to Mr Tapp are contingent upon this approval. The issue and grant will be made as soon as possible following Shareholder approval but in any event no later than 12 months after the date of the Meeting.
Vesting Conditions	<ul style="list-style-type: none"> Tranche 1 comprising one-third of the Executive Director Shares will vest at 6 months after the issue date Tranche 2 comprising one-third of the Executive Director Shares will vest at 2 years after the issue date

	<ul style="list-style-type: none"> Tranche 3 comprising one-third of the Executive Director Shares will vest at 3 years after the issue date
Rights attaching to Executive Director Shares	<p>The Executive Director Shares will be issued with the same rights as all other shares issued under the Plan. The Executive Director Shares will rank equally with all other Shares on issue in the capital of the Company. Holders of Executive Director 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 Executive Director Shares issued under the Plan will be entitled to participate in dividends declared and paid by the Company in accordance with the Constitution</p>
Other information required under the Listing Rule	<p>The following grants have been made under the Plan to persons referred to in Listing Rule 10.14.1 since it was approved by Shareholders at the Company's 2016 annual general meeting: Mr Michael Young was granted 1,666,667 Shares and a non-recourse loan following specific approval of the Shareholders at the Company's 2016 annual general meeting. The subscription price for these shares was A\$0.2447 per Share.</p> <p>Mr Tapp is a person to whom Listing Rule 10.14.1 applies.</p>

7.4 Chapter 2E of the Corporations Act

In accordance with the requirements of Chapter 2E of the Corporations Act, and in particular, section 219 of the Corporations Act, the following information is provided to Shareholders to enable them to assess the proposed issue of Executive Director Shares and the grant of the Executive Director Limited Recourse Loan to Mr Tapp or his nominee:

- (i) Mr Tapp is a related party of the Company to whom approval of proposed Resolution 6 would permit financial benefits to be given to Mr Tapp.
- (ii) The nature of the financial benefit to be given to Mr Tapp (or his nominee) is:
 - (A) the issue of a maximum number of 900,000 Shares; and
 - (B) the grant of the Executive Director Limited Recourse Loan on the terms set out in this Explanatory Statement; and
- (iii) In respect of the proposed issue price of the Executive Director Shares, the last price which Shares in the Company traded on ASX on 4 October 2018 was \$0.092 (being the last practicable date prior to the date of finalising this Explanatory Statement for submission to ASX and ASIC).
- (iv) As at 4 October 2018 (being the last practicable date prior to the date of finalising this Explanatory Statement for submission to ASX and ASIC), Mr Tapp or his nominee is holding 2,142,856 Shares and 714,285 Options with an exercise price of \$0.80 and expiring on 16 December 2019. With the acquisition of all the Executive Director Shares, he would hold approximately 0.73% of the Shares in the Company (assuming that Mr Tapp does not exercise any of his Options) and the shareholding of Shareholders would be diluted by 0.22% (based on the number of Shares currently on issue).

- (v) Mr Tapp's current full-time remuneration package, before taking into account the proposed issue of the Executive Director Shares is \$350,000 including statutory superannuation. As noted in the Company's announcement on 29 June 2018 modifications were recently made to Mr Tapp's employment contract with effect from 1 July 2018. Mr Tapp currently works three days per week at the Company and this has the effect of reducing his ongoing executive remuneration on a pro-rata basis.
- (vi) The primary purpose of the issue of the Executive Director Shares to Mr Tapp is not to raise capital but to form part of his remuneration package. As the Company will be granting the Executive Director Limited Recourse Loan for the subscription of the Executive Director Shares, no funds will be raised from the issue of the Executive Director Shares. The Company will receive funds with the repayment of the Executive Director Limited Recourse Loan unless the Executive Director Limited Recourse Loan is satisfied by the Company buying back the Executive Director Shares in accordance with the terms of the Executive Director Limited Recourse Loan. Any funds received will be made available for general working capital purposes.
- (vii) The vesting conditions applicable to the Executive Director Shares are that vesting has been separated into three equal tranches, at 6 months after the issue date, 2 years after the issue date and 3 years after the issue date.
- (viii) There are no significant opportunity costs to the Company or benefits foregone by the Company in issuing the Executive Director Shares upon the proposed terms. As the Executive Director Limited Recourse Loan will be used to fund the subscription of the Executive Director Shares, there will be no reduction in the cash reserves of the Company.

7.5 Fair value of the Executive Director Shares

Under the Corporations Act, the Company is required to give a value to the Executive Director Shares for the purposes of obtaining Shareholder approval.

The indicative fair value of the Executive Director Shares is as follows:

Number of Executive Director Shares	Indicative Fair Value of Executive Director Shares
900,000	\$64,216

The indicative fair value of \$0.0714 per Executive Director Share was calculated in a manner consistent with the principles described by AASB 2 (Share-based Payments). The valuation date was 4 October 2018 (being the last practicable date prior to the date of finalising this Explanatory Statement for submission to ASX and ASIC). The last price which Shares in the Company traded on ASX on 4 October 2018 was \$0.092 per share. The share price fluctuated between a high of \$0.19 and a low of \$0.09 in the 12 months preceding the valuation date. It should be noted that the actual valuation can only be finalised once the Executive Director Shares have been issued.

Recommendation

The Board of Directors (other than Mr Tapp who has a material personal interest in this resolution) unanimously recommends that Shareholders vote in favour of this resolution.

8. RESOLUTION 7: ISSUE OF SHARES TO MR MICHAEL YOUNG OR HIS NOMINEE IN LIEU OF CASH BONUS ENTITLEMENT

8.1 Background

As noted in the Company's Remuneration Report, Mr Young's employment contract includes a short term incentive entitlement. In relation to that short term incentive entitlement for the year ended 30 June 2018, the Remuneration Committee has determined that Mr Young is entitled to a cash bonus entitlement of \$51,000 (**Cash Bonus Entitlement**). The Company and Mr Young have agreed that, subject to Shareholder approval, the Company will issue Shares in lieu of Mr Young's entitlement to the cash bonus. By issuing Shares in lieu of paying cash, the Company is able to preserve its cash reserves.

Resolution 7 seeks the approval of Shareholders for the issue of Shares to Mr Young, a Director of the Company, or his nominee, in lieu of his Cash Bonus Entitlement.

The Board (excluding Mr Young) is of the view that the issue of Shares to Mr Young, or his nominee, in lieu of paying his Cash Bonus Entitlement in cash is reasonable and in the best interests of the Company. By issuing Shares in lieu of paying cash, the Company is able to preserve its cash reserves.

8.2 Regulatory information - Requirement for Shareholder approval

(i) Listing Rule 10.11

Listing Rule 10.11 requires Shareholder approval to be obtained where an entity issues, or agrees to issue, securities to a related party, or a person whose relationship with the entity or a related party is, in the opinion of ASX, such that approval should be obtained unless an exception in Listing Rule 10.12 applies.

As a Director of the Company, Mr Young is a related party of the Company.

Approval pursuant to Listing Rule 7.1 is not required in order to issue the Shares to Mr Young or his nominee as approval is being sought under Listing Rule 10.11. Accordingly, the issue of the Shares to Mr Young or his nominee will not be included in the 15% calculation of the Company's annual placement capacity pursuant to Listing Rule 7.1.

(ii) Chapter 2E

Chapter 2E of the Corporations Act prohibits the Company from giving a financial benefit to related parties (which includes Directors) without Shareholder approval. The Shares to be issued to Mr Young (or his nominee) will constitute financial benefits for the purposes of Chapter 2E of the Corporations Act. Whilst the Board considers that the issue of the Shares constitutes reasonable remuneration (and therefore may fall within an exemption under section 210 of the Corporations Act), in accordance with ASIC guidance and good corporate governance, it is opting to seek approval from Shareholders pursuant to Resolution 7. Accordingly, Resolution 7 seeks Shareholder approval for the issue of the Shares to Mr Young or his nominee under Chapter 2E of the Corporations Act.

8.3 Listing Rule 10.11

Listing Rule 10.11 provides that for Shareholders to approve an issue to a related party, the notice of meeting must include particular information set out in Listing Rule 10.13. This information is as follows:

- (i) The Shares are to be issued are proposed to be issued to Mr Young or its nominee.
- (ii) The maximum number of securities to be issued can be calculated by dividing \$51,000 by the volume weighted average price of Shares on the ASX over the twenty days on which the Shares traded prior to the issue date.
- (iii) The Company proposes to issue the Shares to Mr Young or his nominee no later than 1 month after the date of the Meeting.
- (iv) The Shares are to be issued at the volume weighted average price of Shares on the ASX over the twenty days on which the Shares traded prior to the issue date.
- (v) The Shares are fully paid ordinary shares in the Company and rank equally with the Company's current issued Shares.
- (vi) No funds will be raised the issue of these Shares as they are being issued in consideration for the cash bonus entitlement owing by the Company to Mr Young.

8.4 ASX waiver

ASX has granted the Company a waiver from ASX Listing Rule 10.13.5, subject to the following conditions:

- (i) This Notice states that the number of Shares to be issued will be calculated based on volume weighted average price of Shares on the ASX over the twenty days on which the Shares traded prior to the issue date.
- (ii) This Notice includes a worked example of the dilution that will occur to existing shareholders of the Company as a result of the issue of the Shares to Mr Young and Mr Tapp (or their nominees) at three different prices.
- (iii) The Company's annual report for any period during which the Shares are issued to Mr Young, discloses details of the number of Shares that were issued to him, including the percentage of the Company's issued capital represented by those shares.
- (iv) This Notice sets out that the Shares to be issued to Mr Young (or his nominee) will be fully paid ordinary shares in the capital of the Company ranking equally in all respects with the Company's current issued Shares.
- (v) The terms of the waiver are stated in this Notice.

8.5 Dilution - worked example

The table below provides a worked example, for illustrative purposes only, of the dilution that may occur to shareholders as a result of the issue of Shares to Mr Young and Mr Tapp as contemplated by Resolutions 7 and 8.

	Maximum number of Shares to be issued to Mr Young under Resolution 7	Maximum number of Shares to be issued to Mr Tapp under Resolution 8	Dilution to Shareholders*
Based on highest closing price of \$0.19 over the last 12 months ending 4 October 2018, being the last practicable date prior to the date of finalising this Explanatory Statement for submission to ASX and ASIC	268,421	136,842	0.10%
Based on lowest closing price of \$0.09 over the last 12 months ending 4 October 2018, being the last practicable date prior to the date of finalising this Explanatory Statement for submission to ASX and ASIC	566,667	288,889	0.21%
Based on closing price of \$0.092 on 4 October 2018, being the last practicable date prior to the date of finalising this Explanatory Statement for submission to ASX and ASIC	554,348	282,609	0.20%

*Dilution to Shareholders is based on the Company's issued share capital as at 4 October 2018 (being the last practicable date prior to the date of finalising this Explanatory Statement for submission to ASX and ASIC)

8.6 Chapter 2E of the Corporations Act

In accordance with the requirements of Chapter 2E of the Corporations Act, and in particular, section 219 of the Corporations Act, the following information is provided to Shareholders to enable them to assess the proposed issue of Shares to Mr Young or his nominee:

- (i) Mr Young is a related party of the Company to whom approval of proposed Resolution 7 would permit financial benefits to be given to Mr Young.

- (ii) The nature of the financial benefit to be given to Mr Young (or his nominee) is the issue of \$51,000 worth of Shares.
- (iii) The issue price of the Shares will be the volume weighted average price of Shares on the ASX over the twenty days on which the Shares traded prior to the issue date.
- (iv) As at 4 October 2018 (being the last practicable date prior to the date of finalising this Explanatory Statement for submission to ASX and ASIC), Mr Young is holding 4,109,523 Shares and 714,285 Options with an exercise price of \$0.80 and expiring on 16 December 2019. Assuming an issue price of \$0.092 (being the closing price on the last practicable date prior to date of finalising this Explanatory Statement for submission to ASX and ASIC) Mr Young will be issued 554,348 Shares in lieu of his Cash Bonus Entitlement, as a result he would hold approximately 1.12% of the Shares in the Company (assuming that Mr Young does not exercise any of his Options) and the shareholding of Shareholders would be diluted by 0.13% (based on the number of Shares currently on issue).
- (v) Mr Young's current full-time remuneration package, before taking into account the proposed issue of the Executive Director Shares is \$450,000 including statutory superannuation. As noted in the Company's announcement on 29 June 2018 modifications were recently made to Mr Young's employment contract with effect from 1 July 2018. Mr Young currently works four days per week at the Company and this has the effect of reducing his ongoing executive remuneration on a pro-rata basis.
- (vi) There are no significant opportunity costs to the Company or benefits foregone by the Company in issuing the Shares upon the proposed terms. As the Cash Bonus Entitlement will be used to fund the subscription of the Shares, there will be no reduction in the cash reserves of the Company.

8.7 Fair value of the Shares

Under the Corporations Act, the Company is required to give a value to the Shares for the purposes of obtaining Shareholder approval.

The indicative number of Shares is as follows:

Indicative Number of Shares	Value of Managing Director Shares
536,842	\$51,000

The last price which Shares in the Company traded on ASX on 4 October 2018 was \$0.092 per share (being the last practicable date prior to the date of finalising this Explanatory Statement for submission to ASX and ASIC). The share price fluctuated between a high of \$0.19 and a low of \$0.09 in the 12 months preceding 4 October 2018. It should be noted that the actual number of shares can only be finalised once the Shares have been issued.

Recommendation

The Board of Directors (other than Mr Young who has a material personal interest in this resolution) unanimously recommends that Shareholders vote in favour of this resolution.

9. RESOLUTION 8: ISSUE OF SHARES TO MR JULIAN TAPP OR HIS NOMINEE IN LIEU OF CASH BONUS ENTITLEMENT

9.1 Background

As noted in the Company's Remuneration Report, Mr Tapp's employment contract includes a short term incentive entitlement. In relation to that short term incentive entitlement for the year ended 30 June 2018, the Remuneration Committee has determined that Mr Tapp is entitled to a cash bonus entitlement of \$26,000 (**Cash Bonus Entitlement**). The Company and Mr Tapp have agreed that, subject to Shareholder approval, the Company will issue Shares in lieu of Mr Tapp's entitlement to the cash bonus. By issuing Shares in lieu of paying cash, the Company is able to preserve its cash reserves.

Resolution 8 seeks the approval of Shareholders for the issue of Shares to Mr Tapp, a Director of the Company, or his nominee, in lieu of his Cash Bonus Entitlement.

The Board (excluding Mr Tapp) is of the view that the issue of Shares to Mr Tapp, or his nominee, in lieu of paying his Cash Bonus Entitlement in cash is reasonable and in the best interests of the Company. By issuing Shares in lieu of paying cash, the Company is able to preserve its cash reserves.

9.2 Regulatory information - Requirement for Shareholder approval

(i) Listing Rule 10.11

Listing Rule 10.11 requires Shareholder approval to be obtained where an entity issues, or agrees to issue, securities to a related party, or a person whose relationship with the entity or a related party is, in the opinion of ASX, such that approval should be obtained unless an exception in Listing Rule 10.12 applies.

As a Director of the Company, Mr Tapp is a related party of the Company.

Approval pursuant to Listing Rule 7.1 is not required in order to issue the Shares to Mr Tapp or his nominee as approval is being sought under Listing Rule 10.11. Accordingly, the issue of the Shares to Mr Tapp or his nominee will not be included in the 15% calculation of the Company's annual placement capacity pursuant to Listing Rule 7.1.

(ii) Chapter 2E

Chapter 2E of the Corporations Act prohibits the Company from giving a financial benefit to related parties (which includes Directors) without Shareholder approval. The Shares to be issued to Mr Tapp (or his nominee) will constitute financial benefits for the purposes of Chapter 2E of the Corporations Act. Whilst the Board considers that the issue of the Shares constitutes reasonable remuneration (and therefore may fall within an exemption under section 210 of the Corporations Act), in accordance with ASIC guidance and good corporate governance, it is opting to seek approval from Shareholders pursuant to Resolution 7. Accordingly, Resolution 7 seeks Shareholder approval for the issue of the Shares to Mr Tapp or his nominee under Chapter 2E of the Corporations Act.

9.3 Listing Rule 10.11

Listing Rule 10.11 provides that for Shareholders to approve an issue to a related party, the notice of meeting must include particular information set out in Listing Rule 10.13. This information is as follows:

- (i) The Shares are to be issued are proposed to be issued to Mr Tapp or its nominee.
- (ii) The maximum number of securities to be issued can be calculated by dividing \$26,000 by the volume weighted average price of Shares on the ASX over the twenty days on which the Shares traded prior to the issue date.
- (iii) The Company proposes to issue the Shares to Mr Tapp or his nominee no later than 1 month after the date of the Meeting.
- (iv) The Shares are to be issued at the volume weighted average price of Shares on the ASX over the twenty days on which the Shares traded prior to the issue date.
- (v) The Shares are fully paid ordinary shares in the Company and rank equally with the Company's current issued Shares.
- (vi) No funds will be raised the issue of these Shares as they are being issued in consideration for the cash bonus entitlement owing by the Company to Mr Tapp.

9.4 ASX waiver

ASX has granted the Company a waiver from ASX Listing Rule 10.13.5, subject to the following conditions:

- (i) This Notice states that the number of Shares to be issued will be calculated based on volume weighted average price of Shares on the ASX over the twenty days on which the Shares traded prior to the issue date.
- (ii) This Notice includes a worked example of the dilution that will occur to existing shareholders of the Company as a result of the issue of the Shares to Mr Tapp and Mr Young (or their nominees) at three different prices.
- (iii) The Company's annual report for any period during which the Shares are issued to Mr Tapp, discloses details of the number of Shares that were issued to him, including the percentage of the Company's issued capital represented by those shares.
- (iv) This Notice sets out that the Shares to be issued to Mr Tapp (or his nominee) will be fully paid ordinary shares in the capital of the Company ranking equally in all respects with the Company's current issued Shares.
- (v) The terms of the waiver are stated in this Notice.

9.5 Dilution - worked example

The table below provides a worked example, for illustrative purposes only, of the dilution that may occur to shareholders as a result of the issue of Shares to Mr Young and Mr Tapp as contemplated by Resolutions 7 and 8.

	Maximum number of Shares to be issued to Mr Young under Resolution 7	Maximum number of Shares to be issued to Mr Tapp under Resolution 8	Dilution to Shareholders*
Based on highest closing price of \$0.19 over the last 12 months ending 4 October 2018, being the last practicable date prior to the date of finalising this Explanatory Statement for submission to ASX and ASIC	268,421	136,842	0.10%
Based on lowest closing price of \$0.09 over the last 12 months ending 4 October 2018, being the last practicable date prior to the date of finalising this Explanatory Statement for submission to ASX and ASIC	566,667	288,889	0.21%
Based on closing price of \$0.092 on 4 October 2018, being the last practicable date prior to the date of finalising this Explanatory Statement for submission to ASX and ASIC	554,348	282,609	0.20%

*Dilution to Shareholders is based on the Company's issued share capital as at 4 October 2018 (being the last practicable date prior to the date of finalising this Explanatory Statement for submission to ASX and ASIC)

9.6 Chapter 2E of the Corporations Act

In accordance with the requirements of Chapter 2E of the Corporations Act, and in particular, section 219 of the Corporations Act, the following information is provided to Shareholders to enable them to assess the proposed issue of Shares to Mr Tapp or his nominee:

- (i) Mr Tapp is a related party of the Company to whom approval of proposed Resolution 8 would permit financial benefits to be given to Mr Tapp.

- (ii) The nature of the financial benefit to be given to Mr Tapp (or his nominee) is the issue of a maximum number of \$26,000 worth of Shares.
- (iii) The issue price of the Share will be the volume weighted average price of Shares on the ASX over the twenty days on which the Shares traded prior to the issue date.
- (iv) As at 4 October 2018 (being the last practicable date prior to the date of finalising this Explanatory Statement for submission to ASX and ASIC), Mr Tapp is holding 2,142,856 Shares and 714,285 Options with an exercise price of \$0.80 and expiring on 16 December 2019. Assuming an issue price of \$0.092 (being the closing price on the last practicable date prior to date of finalising this Explanatory Statement for submission to ASX and ASIC) Mr Tapp will be issued 282,609 Shares in lieu of his Cash Bonus Entitlement. As a result Mr Tapp would hold approximately 0.58% of the Shares in the Company (assuming that Mr Tapp does not exercise any of his Options) and the shareholding of Shareholders would be diluted by 0.07% (based on the number of Shares currently on issue).
- (v) Mr Tapp's current full-time remuneration package, before taking into account the proposed issue of the Executive Director Shares is \$350,000 including statutory superannuation. As noted in the Company's announcement on 29 June 2018 modifications were recently made to Mr Tapp's employment contract with effect from 1 July 2018. Mr Tapp currently works three days per week at the Company and this has the effect of reducing his ongoing executive remuneration on a pro-rata basis.
- (vi) There are no significant opportunity costs to the Company or benefits foregone by the Company in issuing the Shares upon the proposed terms. As the Cash Bonus Entitlement will be used to fund the subscription of the Shares, there will be no reduction in the cash reserves of the Company.

9.7 Fair value of the Shares

Under the Corporations Act, the Company is required to give a value to the Shares for the purposes of obtaining Shareholder approval.

The indicative number of Shares is as follows:

Indicative Number of Executive Director Shares	Value of Executive Director Shares
273,684	\$26,000

The last price which Shares in the Company traded on ASX on 4 October 2018 was \$0.092 per share (being the last practicable date prior to the date of finalising this Explanatory Statement for submission to ASX and ASIC). The share price fluctuated between a high of \$0.19 and a low of \$0.09 in the 12 months preceding 4 October 2018. It should be noted that the actual number of shares can only be finalised once the Shares have been issued.

Recommendation

The Board of Directors (other than Mr Tapp who has a material personal interest in this resolution) unanimously recommends that Shareholders vote in favour of this resolution.

10. RESOLUTION 9: APPROVAL OF ADDITIONAL PLACEMENT CAPACITY
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10.1 Background

Listing Rule 7.1A allows eligible companies to seek Shareholder approval (by special resolution) to issue up to an additional 10% of the number of Equity Securities that it has on issue (at the time of its AGM) within 12 months from the date of the approval (**10% Placement Facility**). This 'standing approval' is in addition to the Company's existing 15% placement capacity under Listing Rule 7.1. The exact number of Equity Securities that may be issued under the 10% Placement Facility will be determined in accordance with the formula prescribed in Listing Rule 7.1A.2 (which is detailed below).

10.2 Approval sought

The Company is an eligible entity for the purposes of Listing Rule 7.1A as it currently has a market capitalisation of approximately \$38.3 million as at 4 October 2018 and is not included in the S&P/ASX 300 Index. Accordingly, the Company is seeking Shareholder approval, by way of a special resolution, under Listing Rule 7.1A to issue an additional number of Shares representing up to 10% of the Company's issued share capital without the need for further Shareholder approval. If approval is granted, this will provide the Company with additional fundraising flexibility to issue Equity Securities over the next 12-month period as required.

If the eligibility criteria are not met by the Company on the date of the Annual General Meeting, then this Resolution will be withdrawn.

Listing Rule 7.1A approval was granted by Shareholders at the Company's 2017 annual general meeting to allow the Company the flexibility to raise additional funds in the 12 months following that meeting. The Company issued 1,017,130 Shares under Listing Rule 7.1A, since the 2017 annual general meeting, along with a further 53,982,870 Shares under Listing Rule 7.1. The Company wishes to continue to maintain maximum flexibility around the management of its capital requirements for the next 12 months and accordingly is seeking Shareholder approval under Listing Rule 7.1A again this year.

10.3 Description of Listing Rule 7.1A

(i) Shareholder approval

The ability to issue Equity Securities under the 10% Placement Facility is subject to Shareholder approval by way of a special resolution at an annual general meeting.

(ii) Equity securities

Any Equity Securities under the 10% Placement Facility must be in the same class as an existing quoted class of Equity Securities of the Company.

The Company, as at the date of this Notice, has on issue one class of quoted Equity Securities, being Shares.

(iii) Formula for calculating 10% Placement Facility

Listing Rule 7.1A.2 provides that eligible entities which have obtained Shareholder approval at an annual general meeting may issue or agree to issue, during the 12 month period after the

date of the annual general meeting, a number of Equity Securities calculated in accordance with the following formula:

$$(A \times D) - E$$

Where:

- A** is the number of shares on issue 12 months before the date of issue or agreement:
- (i) plus the number of fully paid shares issued in the 12 months under an exception in Listing Rule 7.2;
 - (ii) plus the number of partly paid shares that became fully paid in the 12 months;
 - (iii) plus the number of fully paid shares issued in the 12 months with approval of holders of shares under Listing Rule 7.1 and 7.4. This does not include an issue of fully paid ordinary shares under the entity's 15% placement capacity without Shareholder approval; and
 - (iv) less the number of fully paid shares cancelled in the 12 months.

Note that A has the same meaning in Listing Rule 7.1 when calculating an entity's 15% placement capacity.

D is 10%.

E is the number of Equity Securities issued or agreed to be issued under Listing Rule 7.1A.2 in the 12 months before the date of the issue or agreement to issue that are not issued with the approval of shareholders under Listing Rule 7.1 or 7.4.

(iv) Listing Rule 7.1 and Listing Rule 7.1A

The ability of an entity to issue Equity Securities under Listing Rule 7.1A is in addition to the entity's 15% placement capacity under Listing Rule 7.1.

At the date of this Notice being submitted to ASX, the Company has on issue 415,907,230 Shares. Therefore, assuming Resolution 5 is approved by Shareholders, as well as this Resolution 9, the Company will have capacity to issue:

- (A) 62,386,084 Equity Securities under Listing Rule 7.1; and
- (B) 41,590,723 Equity Securities under Listing Rule 7.1A, subject to the Shareholder approval being granted under this Resolution,

in the 12-month period following the Meeting.

The actual number of Equity Securities that the Company will have capacity to issue under Listing Rule 7.1A will be calculated at the date of issue of the Equity Securities in accordance with the formula prescribed in Listing Rule 7.1A.2 (as described above).

(v) Minimum Issue Price

The issue price of Equity Securities issued under Listing Rule 7.1A will not be less than 75% of the volume weighted average price (**VWAP**) of Equity Securities in the same class calculated over the 15 Trading Days on which trades in that class were recorded immediately before:

- > the date on which the price at which the Equity Securities are to be issued is agreed; or
- > if the Equity Securities are not issued within 5 Trading Days of the date in the above paragraph, the date on which the Equity Securities are issued.

(vi) 10% Placement Period

If Shareholders approve this Resolution, the approval to issue Shares under the 10% Placement Facility under Listing Rule 7.1A is valid from the date of the Annual General Meeting, 30 November 2018, and expires on the earlier to occur of:

- > 30 November 2019, being the date that is 12 months after the date of the annual general meeting at which the approval is obtained; or
- > the date (if any) of the approval by shareholders of a transaction under Listing Rules 11.1.2 (a significant change to the nature or scale of activities) or 11.2 (disposal of main undertaking),

or such longer period if allowed by ASX (**10% Placement Period**).

(vii) Listing Rule 7.1A

The effect of this Resolution will be to allow the Directors to issue the Equity Securities under Listing Rule 7.1A during the 10% Placement Period without using the Company's 15% placement capacity under Listing Rule 7.1.

This Resolution is a special resolution and therefore requires approval of 75% of the votes cast by Shareholders present and eligible to vote (in person, by proxy, by attorney or, in the case of a corporate Shareholder, by a corporate representative).

10.4 Regulatory information

Listing Rule 7.3A requires the following information to be provided in relation to the approval for the issue of the Equity Securities.

- (i) The issue price of each Equity Security will be a price not less than 75% of the VWAP of the Shares calculated over the 15 Trading Days on which trades in that class were recorded immediately before:
 - (A) the date on which the price of each Equity Security is agreed; or
 - (B) if the Equity Securities are not issued within 5 Trading Days of the date in paragraph (A) above, the date on which the Equity Securities are issued.
- (ii) If this Resolution is approved by Shareholders and the Company issues the Equity Securities under the 10% Placement Facility, there is a risk that existing Shareholders' interests in the Company will be diluted (both from a voting and an economic perspective) by the issue of the Equity Securities as not all Shareholders may be able to subscribe for Equity Securities. There is also a risk that:
 - (A) the market price for the Equity Securities may be significantly lower on the date they are issued than on the date of the approval of this Resolution at the Meeting; and

- (B) the Equity Securities may be issued at a price that is at a discount (of up to a maximum of 25%) to the market price of the Shares on the date that they are issued.

The table below sets out, for illustrative purposes only, the dilutionary effect that the issue of the Equity Securities would have on the Company's existing share capital structure under three different scenarios as required by ASX Listing Rule 7.3A.2.

The table also shows:

- two examples where the issued share capital of the Company has increased, by 50% and 100%. The number of Shares on issue may increase as a result of issues of Shares that do not require Shareholder approval (for example, a pro rata entitlements issue or scrip issued under a takeover offer) or future specific placements under Listing Rule 7.1 that are approved at a future Shareholders' meeting; and
- two examples of where the issue price of Shares has decreased by 50% and increased by 100% as against the current market price.

Issued Share Capital	50% decrease in market price \$0.046		Market price \$0.092		100% increase in market price \$0.18	
	10% Voting Dilution	Capital raised (at 75% of market price)	10% Voting Dilution	Capital raised (at 75% of market price)	10% Voting Dilution	Capital raised (at 75% of market price)
Present share capital 415,907,230 Shares	41,590,723	\$1,434,880	41,590,723	\$2,869,760	41,590,723	\$5,739,520
50% increase in share capital 623,860,845 Shares	62,386,084	\$2,152,320	62,386,084	\$4,304,640	62,386,084	\$8,609,280
100% increase in share capital 831,814,460 Shares	83,181,446	\$2,869,760	83,181,446	\$5,739,520	83,181,446	\$11,479,040

The table has been prepared on the following assumptions:

- (A) The Company issues the maximum number of Equity Securities available under the 10% Placement Facility.
- (B) The 10% voting dilution reflects the aggregate percentage dilution against the issued share capital at the time of issue. This is why the voting dilution is shown in each example as 10%.
- (C) The table does not show an example of dilution that may be caused to a particular Shareholder by reason of placements under the 10% Placement Facility, based on that Shareholder's holding at the date of the Meeting.
- (D) The table shows only the effect of issue of Equity Securities under Listing Rule 7.1A, not under the 15% placement capacity under Listing Rule 7.1.
- (E) The issue of Equity Securities under the 10% Placement Facility consists only of Shares. If the issue of Equity Securities includes options, it is assumed that those options are

exercised into Shares for the purpose of calculating the voting dilution effect on existing Shareholders.

- (F) The market price is \$0.092, being the closing price of the Shares on the ASX on 4 October 2018.

(iii) The Company will only issue the Equity Securities during the 10% Placement Period. Any approval obtained from Shareholders under this Resolution to issue the Equity Securities will cease to be valid in the event that Shareholders approve a transaction under Listing Rule 11.1.2 (being a significant change to the nature or scale of the Company's activities) or Listing Rule 11.2 (being the disposal of the Company's main undertaking).

(iv) The Company has not yet determined whether it will issue any Equity Securities. As mentioned above, the sole purpose in seeking Shareholder approval under this Resolution is to maintain maximum flexibility around the management of its capital requirements. Possible uses of funds could include for working capital purposes or to fund acquisitions either through:

- (A) cash consideration. In such circumstances, the Company intends to use the funds raised towards development of its existing projects and general working capital; or
- (B) non-cash consideration for the acquisition of new mineral exploration opportunities. In such circumstances, the Company will provide a valuation of the non-cash consideration as required by Listing Rule 7.1A.3.

The Company will comply with the disclosure obligations under Listing Rules 7.1A(4) and 3.10.5A upon issue of any Equity Securities.

(v) As stated above, as Company has not yet determined whether it will issue any Equity Securities. The Company's allocation policy is dependent on the prevailing market conditions at the time of any proposed issue pursuant to the 10% Placement Facility. The identity of the subscribers of the Equity Securities will be determined on a case-by-case basis having regard to the factors including but not limited to the following:

- (A) the methods of raising funds that are available to the Company, including but not limited to, rights issues or other issues in which existing Shareholders can participate;
- (B) the effect of the issue of the Equity Securities on the control of the Company;
- (C) the financial situation and solvency of the Company; and
- (D) advice from corporate, financial and broking advisors (if available).

The subscribers under the 10% Placement Facility have not been determined as at the date of this Notice but may include existing Shareholders and/or new Shareholders who are not related parties or associates of a related party of the Company.

Further, if the Company is successful in acquiring new resource assets or investments, it is possible that the subscribers under the 10% Placement Facility may include vendors of the new resource assets or investments.

(vi) The Company obtained approval for the additional placement capacity under Listing Rule 7.1A in its annual general meeting held on 30 November 2012, in its annual general meeting held

on 18 November 2016 and in its annual general meeting held on 17 November 2017. The Company did not obtain Shareholder approval under Listing Rule 7.1A in the annual general meeting held on 27 November 2013, nor the annual general meeting held on 28 November 2014, nor the annual general meeting held on 18 November 2015. The Company discloses the following information contemplated by Listing Rule 7.3A.6:

- a. A total number of 59,030,000 Shares were issued in the 12 months preceding the date of this Meeting representing 16.4% of the total number of shares on issue at the commencement of the 12-month period. No options were issued in the 12 months preceding the date of this Meeting and 2,857,142 options expired on 14 June 2018; and
- b. Details of each issue of shares during the 12 months preceding the date of this Meeting are as follows:

Date	Number	Class	Recipients (or basis on which they were determined)	Issue price and discount to market price (if any)	Form and value of consideration	Amount and use of cash consideration spent (if any)
08/05/18	55,000,000	Shares	New and existing institutional and sophisticated investors	\$0.11 per share	Gross cash proceeds of \$6,050,000	The funds will be used to accelerate an exploration program at the Alligator River Project, as well as to progress the battery minerals option at the Mulga Rock Project.
20/07/18	4,030,000	Shares	Employees	\$0.0994 per share	Nil funds raised as shares funded by a limited recourse loan provided by the Company in accordance with the 2016 Vimy Employee Share Plan	N/A

Note:

The intended use of all remaining cash consideration not spent is for general working capital purposes and for the Company's Mulga Rock and Alligator River Projects.

- (vii) A voting exclusion statement is included in the Notice. At the date of the Notice, the Company has not approached any particular existing Shareholder to participate in an issue of Equity Securities. No existing Shareholder's votes will therefore be excluded under the voting exclusion in this Notice.
- (viii) The Board of Directors unanimously recommends that Shareholders vote in favour of this Resolution.

DEFINITIONS

In this Explanatory Statement and Notice:

'10% Placement Facility' has the meaning provided in section 10.1.

'10% Placement Period' has the meaning provided in section 10.3(vi).

'2018 Annual Report' means the annual report of the Company for the year ended 30 June 2018.

'AGM' or **'Annual General Meeting'** or **'Meeting'** mean the annual general meeting of the Shareholders of the Company convened by the Notice.

'ASIC' means Australian Securities and Investments Commission.

'ASX' means ASX Limited ACN 008 624 691 and, where the context permits, the Australian Securities Exchange operated by ASX Limited.

'ASX Listing Rules' or **'Listing Rules'** means the Listing Rules of the ASX.

'Auditor's Report' means the auditor's report of KPMG dated 18 September 2018 included in the 2018 Annual Report.

'Board' means the board of Directors.

'Closely Related Party' of a member of Key Management Personnel means:

- (a) a spouse or child of the member;
- (b) a child of the member's spouse;
- (c) a dependent of the member or the member's spouse;
- (d) anyone else who is one of the member's family and may be expected to influence the member, or be influenced by the member, in the member's dealings with the Company;
- (e) an entity the member controls; or
- (f) a person prescribed by the *Corporations Regulations 2001* (Cth).

'Company' means Vimy Resources Limited ACN 120 178 949.

'Constitution' means the Constitution of the Company in effect immediately prior to and during the AGM.

'Corporations Act' means the *Corporations Act 2001* (Cth).

'Director' means a director of the Company.

'Directors' Report' means the report of the Directors as set out in the 2018 Annual Report.

'Equity Securities' has the same meaning as in the Listing Rules.

'Explanatory Statement' means the explanatory statement accompanying the Notice.

'Key Management Personnel' means the key personnel as disclosed in the Remuneration Report.

'Notice' means this notice of AGM.

'Placement Shares' has the meaning provided in section 6.

'Proxy Form' means the proxy form attached to the Notice.

'Remuneration Report' means the remuneration report of the Company for the year ended 30 June 2018 as set out in the 2018 Annual Report.

'Resolution' means a resolution to be considered at the Meeting as contained in the Notice.

'Section' means a section of this Explanatory Statement.

'Share' means a fully paid ordinary share in the capital of the Company.

'Shareholder' means a holder of Shares.

'Trading Day' means a day determined by ASX to be a trading day in accordance with the Listing Rules.

'VWAP' has the meaning provided in section 10.3(v).



ABN 56 120 178 949

VMY

MR SAM SAMPLE
FLAT 123
123 SAMPLE STREET
THE SAMPLE HILL
SAMPLE ESTATE
SAMPLEVILLE VIC 3030

Lodge your vote:



Online:

www.investorvote.com.au



By Mail:

Computershare Investor Services Pty Limited
GPO Box 242 Melbourne
Victoria 3001 Australia

Alternatively you can fax your form to
(within Australia) 1800 783 447
(outside Australia) +61 3 9473 2555

For Intermediary Online subscribers only
(custodians) www.intermediaryonline.com

For all enquiries call:

(within Australia) 1300 850 505
(outside Australia) +61 3 9415 4000

Proxy Form

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Vote and view the annual report online

- Go to www.investorvote.com.au or scan the QR Code with your mobile device.
- Follow the instructions on the secure website to vote.

Your access information that you will need to vote:

Control Number: 999999

SRN/HIN: I999999999

PIN: 99999

PLEASE NOTE: For security reasons it is important that you keep your SRN/HIN confidential.



For your vote to be effective it must be received by 11:00am (WST) Wednesday, 28 November 2018

How to Vote on Items of Business

All your securities will be voted in accordance with your directions.

Appointment of Proxy

Voting 100% of your holding: Direct your proxy how to vote by marking one of the boxes opposite each item of business. If you do not mark a box your proxy may vote or abstain as they choose (to the extent permitted by law). If you mark more than one box on an item your vote will be invalid on that item.

Voting a portion of your holding: Indicate a portion of your voting rights by inserting the percentage or number of securities you wish to vote in the For, Against or Abstain box or boxes. The sum of the votes cast must not exceed your voting entitlement or 100%.

Appointing a second proxy: You are entitled to appoint up to two proxies to attend the meeting and vote on a poll. If you appoint two proxies you must specify the percentage of votes or number of securities for each proxy, otherwise each proxy may exercise half of the votes. When appointing a second proxy write both names and the percentage of votes or number of securities for each in Step 1 overleaf.

A proxy need not be a securityholder of the Company.

Signing Instructions for Postal Forms

Individual: Where the holding is in one name, the securityholder must sign.

Joint Holding: Where the holding is in more than one name, all of the securityholders should sign.

Power of Attorney: If you have not already lodged the Power of Attorney with the registry, please attach a certified photocopy of the Power of Attorney to this form when you return it.

Companies: Where the company has a Sole Director who is also the Sole Company Secretary, this form must be signed by that person. If the company (pursuant to section 204A of the Corporations Act 2001) does not have a Company Secretary, a Sole Director can also sign alone. Otherwise this form must be signed by a Director jointly with either another Director or a Company Secretary. Please sign in the appropriate place to indicate the office held. Delete titles as applicable.

Attending the Meeting

Bring this form to assist registration. If a representative of a corporate securityholder or proxy is to attend the meeting you will need to provide the appropriate "Certificate of Appointment of Corporate Representative" prior to admission. A form of the certificate may be obtained from Computershare or online at www.investorcentre.com under the help tab, "Printable Forms".

Comments & Questions: If you have any comments or questions for the company, please write them on a separate sheet of paper and return with this form.

**GO ONLINE TO VOTE,
or turn over to complete the form** ➔

MR SAM SAMPLE
FLAT 123
123 SAMPLE STREET
THE SAMPLE HILL
SAMPLE ESTATE
SAMPLEVILLE VIC 3030

☐

Change of address. If incorrect, mark this box and make the correction in the space to the left. Securityholders sponsored by a broker (reference number commences with 'X') should advise your broker of any changes.



I 9999999999

I ND

Proxy Form

Please mark ☒ to indicate your directions

STEP 1

Appoint a Proxy to Vote on Your Behalf

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I/We being a member/s of Vimy Resources Limited hereby appoint

☐

the Chairman
of the Meeting **OR**



PLEASE NOTE: Leave this box blank if you have selected the Chairman of the Meeting. Do not insert your own name(s).

or failing the individual or body corporate named, or if no individual or body corporate is named, the Chairman of the Meeting, as my/our proxy to act generally at the Meeting on my/our behalf and to vote in accordance with the following directions (or if no directions have been given, and to the extent permitted by law, as the proxy sees fit) at the Annual General Meeting of Vimy Resources Limited to be held at the Hyatt Regency Hotel Perth, "Mosman Bay Room", 99 Adelaide Terrace, Perth, Western Australia on Friday, 30 November 2018 at 11:00am (WST) and at any adjournment or postponement of that Meeting.

Chairman authorised to exercise undirected proxies on remuneration related resolutions: Where I/we have appointed the Chairman of the Meeting as my/our proxy (or the Chairman becomes my/our proxy by default), I/we expressly authorise the Chairman to exercise my/our proxy on Resolutions 1 and 6 - 8 (except where I/we have indicated a different voting intention below) even though Resolutions 1 and 6 - 8 are connected directly or indirectly with the remuneration of a member of key management personnel, which includes the Chairman.

Important Note: If the Chairman of the Meeting is (or becomes) your proxy you can direct the Chairman to vote for or against or abstain from voting on Resolutions 1 and 6 - 8 by marking the appropriate box in step 2 below.

STEP 2

Items of Business



PLEASE NOTE: If you mark the **Abstain** box for an item, you are directing your proxy not to vote on your behalf on a show of hands or a poll and your votes will not be counted in computing the required majority.

		For	Against	Abstain
Resolution 1	Adoption of Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 2	Re-election of Mr Malcolm James as a Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 3	Re-election of Mr Andrew Haslam as a Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 4	Re-election of the Hon. Cheryl Edwardes AM as a Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 5	Ratification of Shares issued pursuant to a Placement	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 6	Issue of Shares to Mr Julian Tapp or his nominee	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

		For	Against	Abstain
Resolution 7	Issue of Shares to Mr Michael Young or his nominee in lieu of Cash Bonus Entitlement	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 8	Issue of Shares to Mr Julian Tapp or his nominee in lieu of Cash Bonus Entitlement	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 9	Approval of additional Placement Capacity	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

The Chairman of the Meeting intends to vote undirected proxies in favour of each item of business. In exceptional circumstances, the Chairman of the Meeting may change his/her voting intention on any resolution, in which case an ASX announcement will be made.

SIGN

Signature of Securityholder(s) *This section must be completed.*

Individual or Securityholder 1

Sole Director and Sole Company Secretary

Securityholder 2

Director

Securityholder 3

Director/Company Secretary

Contact
Name

Contact
Daytime
Telephone

_____ / _____ / _____

Date

VMY

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Computershare +