



Half Year Financial Report

For the half year ended 31 December 2018

Vimy Resources Limited ACN 120 178 949

Vimy Resources Limited

ACN 120 178 949

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The interim financial report does not include all the notes of the type normally included in an annual financial report. Accordingly, this report is to be read in conjunction with the annual report for the year ended 30 June 2018 and any public announcements made by Vimy Resources Limited during the interim reporting period in accordance with the continuous disclosure requirements of the *Corporations Act 2001*.

The interim financial report has been prepared for the consolidated entity consisting of Vimy Resources Limited and its subsidiaries. The report covers the half year ended 31 December 2018 and is presented in Australian dollars.

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

Level 1, 1209 Hay Street
West Perth, Western Australia 6005

The interim financial report was authorised for issue by the directors on 14 March 2019.

Directors' Report

For the Half Year Ended 31 December 2018

Your directors present their report on the consolidated entity consisting of Vimy Resources Limited ('Vimy' or 'Company') and the entities it controlled at the end of, and during, the half year ended 31 December 2018.

DIRECTORS

The names and titles of directors who held office during the half year ended 31 December 2018 and up to the date of this report (unless otherwise stated), are:

The Hon. Cheryl Edwardes AM, Non-Executive Chairman

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

Julian Tapp, Executive Director (resigned 30 November 2018)

David Cornell, Non-Executive Director

Malcolm James, Non-Executive Director

Andrew Haslam, Non-Executive Director (resigned 30 November 2018)

Dr Vanessa Guthrie, Non-Executive Director (resigned 30 November 2018)

Dr Tony Chamberlain, Non-Executive Director (appointed 1 February 2019)

REVIEW OF OPERATIONS

Vimy is a resource development company, with its flagship asset being the Mulga Rock Project, Australia's largest and most advanced uranium project, located 240 kilometres north east of Kalgoorlie in Western Australia. Vimy also majority owns and operates the largest granted uranium exploration package in the world-class Alligator River uranium district, located in the Northern Territory.

During the six months to 31 December 2018, the Company achieved the following significant milestones:

- On 17 July, 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 13 August, the Company announced commencement of an exploration drilling program at the Alligator River Project
- On 3 September, 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, the Company announced the launch of Velo Resources to explore an exciting new region with prospectivity for base metals to the northeast of the Mulga Rock Project
- On 23 November, 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 Paradise Investment Management Pty Ltd securing a 9.8% interest in the Company
- On 26 November, 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 30 November, 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 4 December, 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, the Company announced positive results from the Angularli Deposit Scoping Study with the Board resolving to progress the deposit to the next phase

Directors' Report

For the Half Year Ended 31 December 2018

- On 13 December, 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

Financial

The operating loss for the period was \$4,782,251 (2017: \$4,758,117) and the net assets of the Consolidated Entity as at 31 December 2018 were \$4,605,900 (at 30 June 2018: \$6,483,983). The cash balance at 31 December 2018 was \$3,630,303.

DIVIDENDS

No dividends were recommended or paid during the six months to 31 December 2018 (\$ Nil: 31 December 2017).

MATTERS SUBSEQUENT TO THE END OF THE YEAR

Since 31 December 2018 the following significant subsequent event occurred:

- On 8 January 2019, the Company announced that Dr Tony Chamberlain had resigned as Vimy's Chief Operating Officer and will join the Board as a Non-Executive Director effective from 1 February 2019
- On 8 March 2019, the Company announced the appointment of Mr Marcel Hilmer as Chief Financial Officer and Company Secretary of the Vimy Group of companies as a consequence of the resignation of Mr Ron Chamberlain

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 Page 5.

ROUNDING OF AMOUNTS

The Company is of a kind referred to in ASIC Corporations Instrument 2016/191 and therefore the amounts contained in this report and in the interim financial statements have been rounded to the nearest dollar.

This report is made in accordance with a resolution of the directors.



Mike Young
Managing Director and Chief Executive Officer

Dated 14 March 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 review of Vimy Resources Limited for the half-year ended 31 December 2018 there have been:

- i. no contraventions of the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the review; and
- ii. no contraventions of any applicable code of professional conduct in relation to the review.

KPMG

Derek Meates
Partner
Perth
14 March 2019

Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the Half Year Ended 31 December 2018

	Notes	Consolidated	
		Half year ended 31 December 2018 \$	Half year ended 31 December 2017 \$
Other Income	3	37,385	161,749
Exploration and evaluation expenditure		(2,992,715)	(3,001,249)
Corporate and administration expense		(1,435,715)	(1,641,482)
Financing expense		(285,329)	(213,242)
Share based payment expense		(105,877)	(63,893)
Loss before income tax		(4,782,251)	(4,758,117)
Income tax expense		-	-
Loss attributable to members of the Company		(4,782,251)	(4,758,117)
Other comprehensive income, net of tax		-	-
Total comprehensive loss attributable to members of the Company		(4,782,251)	(4,758,117)
Loss per share from continuing operations attributable to the members of the Company:		Cents per share	Cents per share
Basic and diluted loss per share	4	(1.14)	(1.35)

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

Consolidated Statement of Financial Position

As at 31 December 2018

		Consolidated	
	Notes	As at 31 December 2018 \$	As at 30 June 2018 \$
CURRENT ASSETS			
Cash and cash equivalents	5	3,630,303	6,734,623
Trade and other receivables	6	202,538	811,820
Prepayments	7	149,386	98,274
Total Current Assets		3,982,227	7,644,717
NON-CURRENT ASSETS			
Trade and other receivables	6	355,583	229,015
Prepayments	7	-	466,540
Plant and equipment		252,766	211,119
Capitalised exploration and evaluation expenditure	8	5,768,237	-
Total Non-Current Assets		6,376,586	906,674
TOTAL ASSETS		10,358,813	8,551,391
CURRENT LIABILITIES			
Trade and other payables	9	455,325	889,289
Provisions	10	356,069	965,960
Total Current Liabilities		811,394	1,855,249
NON-CURRENT LIABILITIES			
Trade and other payables	9	4,052,184	-
Provisions	10	889,335	212,159
Total Non-Current Liabilities		4,941,519	212,159
TOTAL LIABILITIES		5,752,913	2,067,408
NET ASSETS		4,605,900	6,483,983
EQUITY			
Contributed equity	11	102,273,851	99,475,560
Other reserves		4,428,986	4,323,109
Accumulated losses		(102,096,937)	(97,314,686)
TOTAL EQUITY		4,605,900	6,483,983

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

Consolidated Statement of Changes in Equity

For the Half Year ended 31 December 2018

	Notes	Contributed equity \$	Accumulated losses \$	Other reserves \$	Total \$
CONSOLIDATED					
Balance at 1 July 2017		88,248,678	(87,768,945)	4,148,115	4,627,848
Issue of ordinary shares, net of issue costs		5,632,194	-	-	5,632,194
Share based payment expense		-	-	63,893	63,893
Loss attributable to members of the Company		-	(4,758,117)	-	(4,758,117)
Balance at 31 December 2017		93,880,872	(92,527,062)	4,212,008	5,565,818
Balance at 1 July 2018		99,475,560	(97,314,686)	4,323,109	6,483,983
Issue of ordinary shares, net of issue costs	11	2,798,291	-	-	2,798,291
Share based payment expense		-	-	105,877	105,877
Loss attributable to members of the Company		-	(4,782,251)	-	(4,782,251)
Balance at 31 December 2018		102,273,851	(102,096,937)	4,428,986	4,605,900

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

Consolidated Statement of Cash Flows

For the Half Year ended 31 December 2018

		Consolidated	
		Half year ended 31 December 2018 \$	Half year ended 31 December 2017 \$
	Note		
Cash Flows from Operating Activities			
Interest received		51,654	63,889
Payments to other suppliers and employees		(4,916,645)	(5,688,593)
Research and development tax incentive grant income		484,536	2,250,621
Interest paid		(104,894)	(2,860)
Net cash used in Operating Activities		(4,485,349)	(3,376,943)
Cash Flows from Investing Activities			
Purchase of plant and equipment		(120,561)	(56,646)
Proceeds from sale of plant and equipment		5,000	-
Tenement acquisition costs		(1,391,041)	-
Security deposit		63,938	-
Net cash used in Investing Activities		(1,442,664)	(56,646)
Cash Flows from Financing Activities			
Proceeds from issue of ordinary shares, net of issue costs		3,000,000	6,020,000
Share issue costs		(176,307)	(387,806)
Net cash from Financing Activities		2,823,693	5,632,194
Net increase/(decrease) in cash held		(3,104,320)	2,198,605
Cash at the beginning of the financial period		6,734,623	5,081,972
Cash at the end of the financial period	5	3,630,303	7,280,577

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

Notes to the Financial Statements

31 December 2018

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Notes to the Financial Statements

31 December 2018

1. Basis of preparation

This general purpose financial report for the interim half-year reporting period ended 31 December 2018 has been prepared in accordance with Australian Accounting Standard AASB 134 *Interim Financial Reporting and the Corporations Act 2001*.

This interim financial report does not include all the notes of the type normally included in an annual financial report. Accordingly, this report is to be read in conjunction with the annual report for the year ended 30 June 2018 and any public announcements made by Vimy Resources Limited during the interim reporting period in accordance with the continuous disclosure requirements of the *Corporations Act 2001*.

The accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period.

The Interim financial report has been approved and authorised for issue by the Board of Directors on 14 March 2019.

Going Concern

The Group incurred a net loss of \$4,782,251 during the half year ended 31 December 2018. The cash and cash equivalents held as at 31 December 2018 was \$3,630,303. Current assets exceed current liabilities by \$3,170,833 as at 31 December 2018. The Group's net cash used in operating activities for the half year ended 31 December 2018 was \$4,485,349.

During the half 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 31 December 2018, with \$2.5 million instalments still due and payable in both January 2020 and January 2021.

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 deferred consideration obligations and to advance the Mulga Rock and Alligator River projects, depends on its ability to obtain additional funding through equity, debt or hybrid financing, joint ventures, production off-take arrangements or other means. The Group will be required to raise additional funding within the next six months. This creates a material uncertainty as to the ability of the Company 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 to those stated in the financial report.

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.

Notes to the Financial Statements

31 December 2018

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.

2. Segment reporting

The Company operates one business segment: Exploration and Evaluation. The activities undertaken by the Exploration and Evaluation segment includes exploration on tenements in Western Australia and the Northern Territory and evaluation activities at the Mulga Rock and Alligator River Projects. This activity does not generate any sales revenue.

The Company 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.

	Half year ended 31 December 2018 \$	Half year ended 31 December 2017 \$
Segment Result		
Segment (contribution)	(2,992,715)	(3,001,249)
Reconciliation to Consolidated Loss		
Segment contribution	(2,992,715)	(3,001,249)
Corporate and administration expense	(1,435,715)	(1,641,482)
Share based payments expense	(105,877)	(63,893)
Financing expense	(285,329)	(213,242)
Research and development tax incentive grant income	-	73,596
Gain on share issue	-	-
Interest income	37,385	88,153
Loss from continuing operations	(4,782,251)	(4,758,117)

Notes to the Financial Statements

31 December 2018

2. Segment reporting continued

	31 December 2018 \$	30 June 2018 \$
Total assets		
Segment assets	6,525,991	1,082,464
Reconciliation to Consolidated Total Assets		
Segment assets	6,525,991	1,082,464
Corporate and administration assets	3,832,822	7,468,927
Total assets	10,358,813	8,551,391
Total liabilities		
Segment liabilities	5,137,036	1,168,733
Reconciliation to Consolidated Total Liabilities		
Segment liabilities	5,137,036	1,168,733
Corporate and administration liabilities	615,877	898,675
Total liabilities	5,752,913	2,067,408

3. Other Income

	Half year ended 31 December 2018 \$	Half year ended 31 December 2017 \$
Interest income	37,385	88,153
Research and development tax incentive grant income	-	73,596
	37,385	161,749

4. Loss per share

	Half year ended 31 December 2018 \$	Half year ended 31 December 2017 \$
Loss used in the calculation of basic EPS	(4,782,251)	(4,758,117)
Basic and diluted loss per share (cents per share)	(1.14)	(1.35)
Weighted average number of shares outstanding during the year used in calculations of basic loss per share	420,880,452	351,940,148

Notes to the Financial Statements

31 December 2018

5. Cash and cash equivalents

	31 December 2018 \$	30 June 2018 \$
Cash at bank and on hand	630,303	2,234,623
Short-term deposits	3,000,000	4,500,000
	3,630,303	6,734,623

6. Trade and other receivables

	31 December 2018 \$	30 June 2018 \$
Current		
Research and development tax incentive grant receivable	-	484,536
Goods and services tax receivable	151,365	110,592
Security deposit ⁽¹⁾	-	190,506
Other receivables	51,173	26,186
	202,538	811,820
Non-Current		
Security deposit ⁽²⁾	355,583	229,015
	355,583	229,015

(1) The security deposit was cash security for a bank guarantee relating to the old office lease at 10 Richardson Street, West Perth which expired on 1 November 2018, and was subsequently refunded before 31 December 2018.

(2) The security deposit is cash security for bank guarantees relating to the Alligator River Project in the Northern Territory and a bank guarantee relating to the new office lease at Level 1, 1209 Hay Street, West Perth.

7. Prepayments

	31 December 2018 \$	30 June 2018 \$
Current		
Deposits for tenement applications	68,278	92,797
Other prepayments	81,108	5,477
	149,386	98,274
Non-Current		
Tenement acquisition costs ⁽¹⁾	-	466,540
	-	466,540

(1) The tenement acquisition costs relate to the purchase of the Alligator River Project from Cameco Australia Pty Ltd that was finalised on 17 July 2018, refer Note 8 for further disclosure.

Notes to the Financial Statements

31 December 2018

8. Capitalised exploration and evaluation expenditure

	31 December 2018 \$	30 June 2018 \$
Alligator River Project tenements ⁽¹⁾	5,768,237	-
	5,768,237	-

(1) 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.

The Group has granted the buy-back option on any individual project within the tenement package where a uranium resource of not less 100Mlbs U3O8 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.

The first instalment of \$1.5 million was paid in July 2018, with \$2.5 million still due and payable both in January 2020 and January 2021.

9. Trade and other payables

	31 December 2018 \$	30 June 2018 \$
Current		
Trade payables and accruals	455,325	784,395
Interest payable ⁽¹⁾	-	104,894
	455,325	889,289
Non-Current		
Alligator River project deferred consideration ⁽²⁾	4,052,184	-
	4,052,184	-

(1) Interest payable related to the Resource Capital Fund VI L.P. ('RCF') Bridge Facility Agreement which was fully repaid in January 2017. Interest on the facility contained a deferred interest component of 11% payable on 31 March 2018 if certain circumstances were not met. As the Company did not meet all the circumstances the majority of the deferred interest was repaid during the 2018 financial year, with the balance of \$104,894 repaid in July 2018.

(2) During the half year the Group acquired the Alligator River project from Cameco Australia Pty Ltd and has future instalment payments of \$2.5 million due and payable both in January 2020 and January 2021 for a total of \$5.0 million. This has been discounted to present value at 15% to derive a liability at acquisition date. At 31 December 2018 the fair value of the liability is \$4,052,184. 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. During the half year \$0.3 million has been recognised as an interest expense.

Notes to the Financial Statements

31 December 2018

10. Provisions

	31 December 2018 \$	30 June 2018 \$
Current		
Provision for annual leave	262,726	319,418
Provision for long service leave	93,343	110,873
Provision for rehabilitation ⁽¹⁾	-	535,669
	356,069	965,960
Non-Current		
Provision for long service leave	79,030	81,246
Provision for rehabilitation ^{(1) (2)}	810,305	130,913
	889,335	212,159

(1) The rehabilitation work for the geotechnical test pits at the Mulga Rock project was previously required to be completed by March 2019, which resulted in a current liability disclosure as at 30 June 2018. During the half year the Group was advised that this rehabilitation deadline had been extended to March 2022, resulting in a non-current liability disclosure as at 31 December 2018.

(2) During the half year the Group has recognised a liability for rehabilitation relating to the Alligator River Project acquired in July 2018.

11. Contributed equity

	Number	\$
Ordinary shares		
Balance at 30 June 2018	414,734,372	99,475,560
20 July 2018 Employee share plan grants	4,030,000	-
27 July 2018 Share buyback of previous Director share plan grants	(2,857,142)	-
5 October 2018 Employee share issue in lieu of cash bonus	773,501	-
5 December 2018 Director share plan grant	900,000	-
6 December 2018 Director share issue in lieu of cash bonus	1,197,512	-
20 December 2018 Share placement @ \$0.045 per share	66,666,668	3,000,000
Share issue costs	-	(201,709)
Balance at 31 December 2018	485,444,911	102,273,851

For the year ending 30 June 2018 short-term benefit share-based payments were awarded as a fixed value of future issue of shares to key management personnel based on their individual performance during the year. The issue of shares in the future was subject to an additional service condition through to 30 June 2019, unless the employee was terminated by the Company without cause. The future issue of shares to M. Young and J. Tapp was also subject to shareholder approval. During the half year, but subsequent to the release of the 2018 Annual Financial Report, the Board of Directors resolved to remove this additional service condition. On 30 November 2018 the shareholders approved the issue of shares to M. Young and J. Tapp without an additional service condition. As a consequence, half the share-based payments expense relating to this short-term benefit have been recognised in the year ending 30 June 2018, with the balance of the expense recognised during the half year.

Notes to the Financial Statements

31 December 2018

12. Contingent liabilities

Royalty

In 2015 the Group 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 Group has granted security to RCF VI for the royalty obligations, in the form of a mortgage over the mining tenements.

13. Events occurring after reporting date

Since 31 December 2018 the following significant subsequent event occurred:

- On 8 January 2019, the Company announced that Dr Tony Chamberlain had resigned as Vimy's Chief Operating Officer and will join the Board as a Non-Executive Director effective from 1 February 2019
- On 8 March 2019, the Company announced the appointment of Mr Marcel Hilmer as Chief Financial Officer and Company Secretary of the Vimy Group of companies as a consequence of the resignation of Mr Ron Chamberlain

Directors' Declaration

In the directors' opinion:

- (a) the consolidated financial statements and notes of Vimy Resources Limited are in accordance with the *Corporations Act 2001* including:
 - (i) complying with Accounting Standard AASB 134 *Interim Financial Reporting*; and
 - (ii) giving a true and fair view of its financial position as at 31 December 2018 and its performance for the half year ended on that date; and
- (b) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the directors.



Mike Young
Managing Director and Chief Executive Officer

14 March 2019



Independent Auditor's Review Report

To the shareholders of Vimy Resources Limited

Report on the Half-year Financial Report

Conclusion

We have reviewed the accompanying **Half-year Financial Report** of Vimy Resources Limited.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the Half-year Financial Report of Vimy Resources Limited is not in accordance with the *Corporations Act 2001*, including:

- giving a true and fair view of the **Group's** financial position as at 31 December 2018 and of its performance for the Half-year ended on that date; and
- complying with *Australian Accounting Standard AASB 134 Interim Financial Reporting* and the *Corporations Regulations 2001*.

The **Half-year Financial Report** comprises:

- Consolidated statement of financial position as at 31 December 2018
- Consolidated statement of profit or loss and other comprehensive income, Consolidated statement of changes in equity and Consolidated statement of cash flows for the Half-year ended on that date
- Notes comprising a summary of significant accounting policies and other explanatory information
- The Directors' Declaration.

The **Group** comprises Vimy Resources Limited (the Company) and the entities it controlled at the Half year's end or from time to time during the Half-year.

Material uncertainty related to going concern – emphasis of matter

We draw attention to Note 1, "Going Concern" in the Half-year Financial Report. The conditions disclosed in Note 1, 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 Half-year Financial Report. Our conclusion is not modified in respect of this matter.



Responsibilities of the Directors for the Half-year Financial Report

The Directors of the Company are responsible for:

- the preparation of the Half-year Financial Report that gives a true and fair view in accordance with *Australian Accounting Standards* and the *Corporations Act 2001*
- such internal control as the Directors determine is necessary to enable the preparation of the Half-year Financial Report that is free from material misstatement, whether due to fraud or error.

Auditor's responsibility for the review of the Half-year Financial Report

Our responsibility is to express a conclusion on the Half-year Financial Report based on our review. We conducted our review in accordance with *Auditing Standard on Review Engagements ASRE 2410 Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the Half-year Financial Report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the Group's financial position as at 31 December 2018 and its performance for the half-year ended on that date; and complying with *Australian Accounting Standard AASB 134 Interim Financial Reporting* and the *Corporations Regulations 2001*. As auditor of Vimy Resources Limited, *ASRE 2410* requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a Half-year Financial Report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with *Australian Auditing Standards* and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*.

KPMG

Derek Meates
Partner
Perth
14 March 2019