VIMY

RESOURCES LIMITED

Annual Financial Report

For the year ended 30 June 2019

Vimy Resources Limited – Consolidated Entity

Contents

This financial report covers Vimy Resources Limited as a Group consisting of Vimy Resources Limited and its subsidiaries. The financial report covers the year ended 30 June 2019 and is presented in Australian dollars.

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

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

The financial report was authorised for issue by the Directors on 26 September 2019. The Company has the power to amend and reissue the financial report.

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

Directors' Report
for the Year ended 30 June 2019

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

DIRECTORS

The names and details of Directors who held office during the year ended 30 June 2019 and up to the date of this report (unless otherwise stated), are:

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

Appointed 26 May 2014

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

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

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

Listed company directorships in the last three years: Atlas Iron Limited May 2015 to October 2018, AusCann Group Holdings Limited May 2016 to present, CropLogic Limited March 2018 to February 2019 and Flinders Mines Limited June 2019 to present.

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

Appointed 17 April 2013

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

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

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

Listed company directorships in the last three years: Cassini Resources Limited January 2012 to present, and Cycliq Group Limited February 2017 to January 2019.

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

Appointed 17 July 2012

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

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

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

Listed company directorships in the last three years: Nil

Directors' Report
for the Year ended 30 June 2019

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

Appointed 1 February 2019

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

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

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

Listed company directorships in the last three years: Nil

Julian Tapp BA, MSc
Executive Director

Appointed 18 March 2013, Resigned 30 November 2018

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

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

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

Listed company directorships in the last three years: Nil

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

Appointed 1 April 2016, Resigned 30 November 2018

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

Mr Haslam 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.

Mr Haslam will remain within the Vimy Group as Non-Executive Chairman of Velo Resources Pty Ltd, a wholly-owned subsidiary of Vimy.

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

Directors' Report
for the Year ended 30 June 2019

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

Appointed 1 April 2016, Resigned 7 May 2019

Mr James has over 30 years' experience in merchant banking, engineering, 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 was a representative of the shareholder, Forrest Family Investments Pty Ltd (Peepingee Trust).

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

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

Appointed 6 October 2017, Resigned 30 November 2018

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

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

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

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

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

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

COMPANY SECRETARY

Marcel Hilmer BCom, FCA
Chief Financial Officer and Company Secretary

Appointed 8 March 2019

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

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

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

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

Appointed 5 February 2016, Resigned 15 March 2019

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

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

Listed company directorships in the last three years: Nil

PRINCIPAL ACTIVITIES

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

SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

During the year the following significant events occurred:

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

OPERATING AND FINANCIAL REVIEW

OPERATING RESULT

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

Key highlights for the year were as follows:

- Other income increased to $1,138,662 (2018: $707,819) as a consequence of higher research and development tax incentive grant income in 2019 relating to the nature of the exploration activities being carried out on the Alligator River Project during the year.

- Lower exploration and evaluation expenditure of $4,346,561 (2018: $5,951,592) were the result of the Mulga Rock Project Definitive Feasibility Study being completed during 2018 and exploration activities commencing on the Alligator River Project in 2019.

DIVIDENDS

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

REVIEW OF OPERATIONS

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

On the 17 July 2018 the Group completed the acquisition of the largest granted uranium exploration package in the world-class Alligator River uranium district, located in the Northern Territory.

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

During the year the following significant exploration events occurred:

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

Financial Position

Net assets at 30 June 2019 were $2,559,840 (2018: $6,483,983) and are lower as a consequence of the Group being in the exploration and evaluation phase and expensing related expenditure on granted tenements as incurred.

Cash and cash equivalents at 30 June 2019 totalled $977,759 (2018: $6,734,623).

Going Concern

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

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

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

The Group's ability to continue as a going concern, including meeting current deferred consideration obligations and to advance its exploration and evaluation activities, depends on its ability to obtain additional funding through equity, debt or hybrid financing, joint ventures, production off-take arrangements, research and development claim or other means. This creates a material uncertainty as to the ability of the Group to continue as a going concern.

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

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

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

LIKELY DEVELOPMENTS AND BUSINESS STRATEGY

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

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

MATTERS SUBSEQUENT TO THE END OF THE YEAR

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

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

MEETINGS OF DIRECTORS

The meetings of the Company's Board of Directors held during the year ended 30 June 2019, and the number of meetings attended by each Director were:

	Full meetings of Directors		Remuneration Committee		Audit Committee	
Directors during the year ended 30 June 2019	**A**	**B**	**A**	**B**	**A**	**B**
C. Edwardes	14	14	3	3	2	2
M. Young	14	14	1	1	1	1
D. Cornell	14	14	3	3	2	2
T. Chamberlain (Appointed 1 February 2019)	5	5	1	1	1	1
J. Tapp (resigned 30 November 2018)	6	6	*	*	*	*
A. Haslam (resigned 30 November 2018)	6	6	2	2	1	1
V. Guthrie (resigned 30 November 2018)	6	6	2	2	1	1
M. James (resigned 7 May 2019)	7	12	1	3	2	2

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

Directors' Report
for the Year ended 30 June 2019

DIRECTORS' INTERESTS IN SHARES AND OPTIONS

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

Director	Number of shares	Number of options
C. Edwardes	857,142	-
M. Young	4,902,680	714,285
D. Cornell	-	-
T Chamberlain (Appointed 1 February 2019)	2,767,642	-
J. Tapp (resigned 30 November 2018)	2,142,856	714,285
A. Haslam (resigned 30 November 2018)	-	-
V. Guthrie (resigned 30 November 2018) [b]	-	-
M. James (resigned 7 May 2018)[a]	-	-

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

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

SHARE OPTIONS

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

Date granted	Expiry date	Fair value per option at grant date	Exercise price	Number of options
17 December 2014	16 December 2019	$0.31	$0.80	1,428,570

No option holder has any right under the options to participate in any other share issue of the Group or of any other controlled entity. No options were exercised during the year ended 30 June 2019.

Directors' Report
for the Year ended 30 June 2019

ENVIRONMENTAL REGULATIONS AND PERFORMANCE

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

REMUNERATION REPORT (AUDITED)

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

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

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

B. Details of remuneration

C. Service agreements

D. Share-based compensation

E. Additional information

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

The objective of the Group's executive reward framework is to ensure reward for performance is competitive and appropriate for the results delivered. Remuneration levels are set to attract qualified and experienced people to pursue the Group's stated objectives. The Board, through the Remuneration Committee, takes advice on industry remuneration standards through internal database benchmarking or use of external consultants. During the 2019 year the company engaged no external consultants.

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

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

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

Non-executive Directors

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

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

Executive pay

From 1 July 2018 the Company has modified Executive Team contracts to provide the Company with flexibility to respond to the current uranium market conditions. Refer to section C – Service agreements for the specific details on the modifications.

The executive pay and reward framework has three components:

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

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

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

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

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

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

(ii) *Short-term incentives*

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

(iii) *Long-term incentives*

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

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

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

Company performance

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

Consequences of performance on shareholder wealth

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

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

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B. Details of remuneration

Amounts of remuneration

The key management personnel of the Group are the Directors and specified executives. Details of the remuneration of the key management personnel of the Group for the years ended 30 June 2019 and 2018 are set out in the following tables.

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

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

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

Directors' Report
for the Year ended 30 June 2019

		Short-term benefits			Post-employment benefits	Share-based payments	
		Cash salary and fees	Cash bonus	Share-based payments (a)	Superannuation	Value of shares	Total
Key management personnel							
T. Chamberlain (resigned 31 January 2019)	2019	200,585	-	15,200 (a)	11,977	36,624	264,386
Chief Operating Officer	2018	380,000	-	15,200 (a)	20,049	-	415,249
R. Chamberlain (resigned 15 March 2019)	2019	214,545	-	12,000 (a)	17,291	-	243,836
CFO and Company Secretary	2018	300,000	-	12,000 (a)	28,500	-	340,500
M. Hilmer (appointed 8 March 2019)	2019	75,484	-	-	7,171	-	82,655
CFO and Company Secretary	2018	-	-	-	-	-	-
Total key management personnel	2019	490,614	-	27,200 (a)	36,439	36,624	590,877
	2018	680,000	-	27,200 (a)	48,549	-	755,749

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

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

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

For the 2018 year short-term benefit, M. Young received 40% of the maximum annual short-term incentive bonus (60% forfeited), J. Tapp received 40% of the maximum annual short-term incentive bonus (60% forfeited), T. Chamberlain received 40% of the maximum annual short-term incentive bonus (60% forfeited), and R. Chamberlain received 40% of the maximum annual short-term incentive bonus (60% forfeited). The short-term benefit share-based payments in 2018 relate to an award of a fixed value of shares issued to key management personnel based on their individual performance during the year.

Directors' Report
for the Year ended 30 June 2019

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

	Fixed remuneration		***At risk – short term incentives***		***At risk – long term incentives***	
	2019	**2018**	**2019**	**2018**	**2019**	**2018**
Directors						
Non-executive						
C. Edwardes	100%	100%	-	-	-	-
D. Cornell	100%	100%	-	-	-	-
T. Chamberlain (appointed 1 February 2019)	58%	-	-	-	42%	-
A. Haslam (resigned 30 November 2018)	100%	100%	-	-	-	-
M. James (resigned 7 May 2019)	100%	100%	-	-	-	-
V. Guthrie *Appointed 7 October 2017 Resigned 30 November 2018*	100%	100%	-	-	-	-
Executive						
M. Young	88%	78%	6%	5%	6%	17%
J. Tapp (Resigned 30 November 2018)	100%	96%	-	4%	-	-
Key management personnel						
T. Chamberlain (Resigned 31 January 2019)	80%	96%	5%	4%	15%	-
R. Chamberlain (Resigned 15 March 2019)	95%	96%	5%	4%	-	-
M. Hilmer (Appointed 8 March 2019)	100%	-	-	-	-	-

C. Service agreements

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

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

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

The service agreements in effect for the year ended 30 June 2019 were:

Mr M. Young, Chief Executive Officer and Managing Director

- Base Remuneration - $450,000 inclusive of superannuation, prorated.
- Short Term Incentive – Maximum annual award of 30% of base remuneration.
- Term of Agreement – The executive service agreement has no fixed completion term.
- Termination – The Company may terminate Mr Young's employment at any time with two months' written notice or the payment of two months' remuneration in lieu of notice. Mr Young must provide two months' written notice to terminate the agreement.
- The service agreement may be terminated by the Company at any time, without notice to the executive as a result of misconduct, wilful neglect, material breaches of his duties, the executive being charged with a criminal offence which brings the Company into serious disrepute, the executive becoming insolvent or becoming ineligible to hold office as a Director.

- Change of Control - If there is a change of control of the Company, and there is a material diminution of the executive's duties or decision-making authority which is not agreed with the executive, the executive will be entitled to twelve months base remuneration plus the equivalent of the full year short term incentive bonus. This change of control entitlement is inclusive of the applicable notice period.

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

- Base Remuneration - $350,000 inclusive of superannuation, prorated.
- Short Term Incentive – Maximum annual award of 20% of base remuneration.
- Term of Agreement – The executive service agreement has no fixed completion term.
- Termination – The Company may terminate Mr Tapp's employment at any time with two months' written notice or the payment of two months' remuneration in lieu of notice. Mr Tapp must provide two months' written notice to terminate the agreement.
- The service agreement may be terminated by the Company at any time, without notice to the executive as a result of misconduct, wilful neglect, material breaches of his duties, the executive being charged with a criminal offence which brings the Company into serious disrepute, the executive becoming insolvent or becoming ineligible to hold office as a Director.
- Change of Control - If there is a change of control of the Company, and there is a material diminution of the executive's duties or decision-making authority which is not agreed with the executive, the executive will be entitled to twelve months base remuneration plus the equivalent of the full year short term incentive bonus. This change of control entitlement is inclusive of the applicable notice period.
- Allowing external consultancy work to be undertaken as unpaid leave for a minimum period. This minimum period ranges from 1 to 2 days per week depending upon the key management personnel and has been arrived at by a mutual understanding and has the effect of reducing ongoing remuneration by between 20% to 40%.

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

- Base Remuneration - $380,000 plus superannuation capped at the maximum super contribution base, prorated.
- Short Term Incentive – Maximum annual award of 20% of base remuneration.
- Term of Agreement – The executive service agreement has no fixed completion term.
- Termination – The Company may terminate Mr T. Chamberlain's employment at any time with two months' written notice or the payment of two months' remuneration in lieu of notice. Mr T. Chamberlain must provide two months' written notice to terminate the agreement.
- The service agreement may be terminated by the Company at any time, without notice to the executive as a result of misconduct, wilful neglect, material breaches of his duties, the executive being charged with a criminal offence which brings the Company into serious disrepute, the executive becoming insolvent or becoming ineligible to hold office as a officer.
- Change of Control - If there is a change of control of the Company, and there is a material diminution of the executive's duties or decision-making authority which is not agreed with the executive, the executive will be entitled to twelve months base remuneration plus the equivalent of the full year short term incentive bonus. This change of control entitlement is inclusive of the applicable notice period.
- Allowing external consultancy work to be undertaken as unpaid leave for a minimum period. This minimum period ranges from 1 to 2 days per week depending upon the key management personnel and has been arrived at by a mutual understanding and has the effect of reducing ongoing remuneration by between 20% to 40%.

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

- Base Remuneration - $300,000 plus superannuation, prorated.
- Short Term Incentive – Maximum annual award of 20% of annual base remuneration.
- Term of Agreement – The executive service agreement has no fixed completion term.
- Termination – The Company may terminate Mr R. Chamberlain's employment at any time with two months' written notice or the payment of two months' remuneration in lieu of notice. Mr R. Chamberlain must provide two months' written notice to terminate the agreement.
- The service agreement may be terminated by the Company at any time, without notice to the executive as a result of misconduct, wilful neglect, material breaches of his duties, the executive being charged with a criminal offence which brings the Company into serious disrepute, the executive becoming insolvent or becoming ineligible to hold office as a officer.
- Change of Control - If there is a change of control of the Company, and there is a material diminution of the executive's duties or decision making authority which is not agreed with the executive, the executive will be entitled to twelve months' base remuneration plus the equivalent of the full year short term incentive bonus. This change of control entitlement is inclusive of the applicable notice period.
- Allowing external consultancy work to be undertaken as unpaid leave for a minimum period. This minimum period ranges from 1 to 2 days per week depending upon the key management personnel and has been arrived at by a mutual understanding and has the effect of reducing ongoing remuneration by between 20% to 40%.

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

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

Directors' Report
for the Year ended 30 June 2019

D. Share-based compensation

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

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

Additional Information

Shareholdings

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

	Balance at the start of the period	Re-classified	Granted as remuneration	Share buy back	Purchased on Market	Other[c]	Balance at the end of the period
30 June 2019							
Directors							
C. Edwardes	857,142	-	-	-	-		857,142
M. Young	5,538,094	-	793,157	(1,428,571)	-		4,902,680
J. Tapp (resigned 30 November 2018)	3,571,427	-	-	(1,428,571)	-	(2,142,856)	-
D. Cornell	-	-	-	-	-		-
A. Haslam (resigned 30 November 2018)	-	-	-	-	-		-
M. James (resigned 7 May 2018)[a]	-	-	-	-	-		-
V. Guthrie [b] (resigned 30 November 2018)	-	-	-	-	-		-
T. Chamberlain (appointed 1 February 2019)	-	2,767,642	-	-	-		2,767,642
	9,966,663	2,767,642	793,157	(2,857,142)	-	(2,142,856)	8,527,464
Key management personnel							
T. Chamberlain (resigned 31 January 2019)	1,142,857	(2,767,642)	1,324,785		300,000		-
R. Chamberlain (resigned 15 March 2019)	500,000	-	256,410	(500,000)	-	(256,410)	-
M. Hilmer (appointed 8 March 2019)	-	-	-	-	-		-
	1,642,857	(2,767,642)	1,581,195	(500,000)	300,000	(256,410)	-

(a) Mr James was the representative of Forrest Family Investments Pty Ltd (Peepingee Trust) which held 57,142,857 ordinary shares in the Company during the year ended 30 June 2019. Mr James has no direct interest in the shareholding of Forrest Family Investments Pty Ltd.

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

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

Option holdings

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

	Balance at the start of the period	Granted as remuneration	Exercised	Expired	Balance at the end of the period	Vested and exercisable at 30 June 2019
Directors						
M. Young	714,285	-	-	-	714,285	714,285
J. Tapp (Resigned 30 November 2018)	714,285	-	-	-	714,285	714,285
	1,428,570	-	-	-	1,428,570	1,428,570

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

Vesting Profiles

Details of the vesting profiles of employee share plans held at 30 June 2019 by each key management personal of the Company are detailed below.

	Number of Shares	Grant Date	% vested in year	% forfeited in year	% expired during the year	Financial year in which grant vests
Directors						
C. Edwardes	857,142	17 Dec 2014	-%	-%	-%	2017
M. Young	1,666,667	22 Nov 2016	12%	-%	-%	2017, 2018, 2019, 2020
M. Young	714,285	17 Dec 2014	-%	-%	-%	2017
J. Tapp (Resigned 30 November 2018)	714,285	17 Dec 2014	-%	-%	-%	2017
T. Chamberlain (appointed as director on 1 February 2019)	142,857	5 Sep 2014	-%	-%	-%	2016
T. Chamberlain (appointed as director on 1 February 2019)	1,000,000	20 Nov 2015	-%	-%	-%	2018
T. Chamberlain (appointed as director on 1 February 2019)	1,000,000	20 Jul 2018	60%	-%	-%	2019, 2020, 2021
	6,095,236					
Key Management Personnel						
R. Chamberlain (resigned 15 March 2019)	500,000	3 Jun 2016	-%	100%	-%	2017
	500,000					

Details of the vesting profiles of employee share options held at 30 June 2019 by each key management personal of the Company are detailed below.

	Number of Options	Grant date	% vested in year	% forfeited in year	% expired during the year	Financial year in which grant vests
Directors						
M. Young	714,285	16 Dec 2014	-%	-%	-%	2017
J. Tapp	714,285	16 Dec 2014	-%	-%	-%	2017
	1,428,570					

Loans to Directors and Key Management Personnel

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

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

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

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

	Grant Date	Number of shares acquired	Amount of the loan	Term of the loan
Directors (or associate)				
C. Edwardes	17/12/2014	857,142	$357,500	up to 5 years
M. Young	22/11/2016	1,666,667	$407,500	up to 5 years
M. Young	17/12/2014	714,285	$298,000	up to 5 years
J. Tapp	17/12/2014	714,285	$298,000	up to 5 years
T. Chamberlain	20/11/2015	1,000,000	$340,800	up to 5 years
T. Chamberlain	5/9/2014	142,857	$69,200	up to 5 years
T. Chamberlain	20/7/18	1,000,000	$99,400	up to 5 years

Share based payment

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

Loan terms

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

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

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

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

- acknowledges and agrees that the Plan Shares will not be transferred, encumbered, otherwise disposed of, or have a security interest granted over it, by or on behalf of the Participant until the Limited Recourse Loan is repaid in full to the Company; and

– authorises the Company (at its election) either to take such action in the Participant's name or direct that Participant take such action in relation to the Plan Shares as the Company considers appropriate which may include but is not limited to the Company undertaking buy-back of the Plan Shares or selling the Plan Shares;

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

– the date which is five years after the grant date of the Limited Recourse Loan ('Repayment Date');

– one month after the Participant ceases for any reason to be employed by the Company; and

– (by the legal personal representative of the Participant) six months after the Participant ceases to be an employee of the Company due to their death;

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

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

– the outstanding balance of the Limited Recourse Loan; and

– the market value of the Plan Shares on that date.

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

Rights attaching to Plan Shares

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

Sale of Plan Shares

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

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

Other transactions with Director and key management personnel related entities

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

End of audited remuneration report.

Directors' Report
for the Year ended 30 June 2019

Auditor

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

NON-AUDIT SERVICES

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

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

AUDITORS' INDEMNITIES AND INSURANCE

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

AUDITOR'S INDEPENDENCE DECLARATION

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

OFFICERS' INDEMNITIES AND INSURANCE

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

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

PROCEEDINGS ON BEHALF OF THE COMPANY

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

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

ROUNDING OF AMOUNTS

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

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

Michael Young
Managing Director and Chief Executive Officer

Dated 26 September 2019

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

To the Directors of Vimy Resources Limited

I declare that, to the best of my knowledge and belief, in relation to the audit of Vimy Resources Limited for the financial year ended 30 June 2019 there have been:

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

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

KPMG

KPMG

Derek Meates
Partner

Perth
26 September 2019

Consolidated Statement of Profit or Loss and Other Comprehensive Income

for the year ended 30 June 2019

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

Loss per share from continuing operations attributable to the ordinary equity holder of the Company:		**Cents per share**	**Cents per share**
Basic and diluted loss per share	4	(1.52)	(2.62)

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

Consolidated Statement of Financial Position
as at 30 June 2019

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

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

Consolidated Statement of Changes in Equity

for the year ended 30 June 2019

	Contributed equity $	Accumulated losses $	Reserves $	Total $
CONSOLIDATED				
Balance at 1 July 2017	88,248,678	(87,768,945)	4,148,115	4,627,848
Loss attributable to members of the Company	-	(9,545,741)	-	(9,545,741)
Total comprehensive loss attributable to members of the Company	**-**	**(9,545,741)**	**-**	**(9,545,741)**
Transactions with owners in their capacity as owners:				
Issue of ordinary shares net of issue costs	11,226,882	-	-	11,226,882
Share based payments expense	-	-	174,994	174,994
	11,226,882	-	174,994	11,401,876
Balance at 30 June 2018	**99,475,560**	**(97,314,686)**	**4,323,109**	**6,483,983**
Balance at 1 July 2018	99,475,560	(97,314,686)	4,323,109	6,483,983
Loss attributable to members of the Company	-	(6,864,312)	-	(6,864,312)
Total comprehensive loss attributable to members of the Company	**-**	**(6,684,312)**	**-**	**(6,684,312)**
Transactions with owners in their capacity as owners:				
Issue of ordinary shares net of issue costs	2,796,407	-	-	2,796,407
Share based payments expense	-	-	143,762	143,762
	2,796,407	-	143,762	2,940,169
Balance at 30 June 2019	102,271,967	**(104,178,998)**	**4,466,871**	**2,559,840**

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

Consolidated Statement of Cash Flows

For the year ended 30 June 2019

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

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

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REPORTING ENTITY

Vimy Resources Limited ('the Company') is a company incorporated and domiciled in Australia. The address of the Company's registered office and principal place of business is Level 1, 1209 Hay Street, West Perth, WA, 6005, Australia. The consolidated financial statements of the Company as at and for the year ended 30 June 2019 comprise the Company and its subsidiaries, together referred to as the ('Group'). The Group is a for-profit entity and primarily involved in uranium project exploration and evaluation.

1. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

(a) Carrying amounts of assets and liabilities

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

(i) Share-based payment transactions

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

(ii) Rehabilitation provision

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

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

(iii) Income taxes

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

(iv) Impairment

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

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

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

(b) Going concern

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

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

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

The Group's ability to continue as a going concern, including meeting current deferred consideration obligations and to advance its exploration and evaluation activities, depends on its ability to obtain additional funding through equity, debt or hybrid financing, joint ventures, production off-take arrangements, research and development claim or other means. This creates a material uncertainty as to the ability of the Group to continue as a going concern.

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

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

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

2. SEGMENT INFORMATION

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

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

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

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

3. FINANCIAL RISK MANAGEMENT

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

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

The Group holds the following financial instruments:

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

(a) Market risk

Cash flow and fair value interest rate risk

The Group's main interest rate risk arises from cash deposits. Deposits at variable rates expose the Group to cash flow interest rate risk. Deposits at fixed rates expose the Group to fair value interest rate risk. During 2019 and 2018, the Group's deposits at variable rates were denominated in Australian dollars.

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

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

The Group analyses its interest rate exposure on each occasion a deposit term expires. The Group aims to maximise interest returns from available funds and at the same time retain operating flexibility through adequate access to funds. During 2019 and 2018 if interest rates had been 10% higher or lower than the prevailing rates realised, with all other variables held constant, there would be an immaterial change in post-tax loss for the year. Equity would not have been materially impacted.

(b) Credit risk

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

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

The maximum exposure to credit risk at the reporting date is the carrying amount of the financial assets as summarised at the beginning of this note. All receivables at 30 June 2019 are expected to be received within three months.

(c) Liquidity risk

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

Maturities of financial liabilities

As at 30 June 2019, the Group's financial liabilities have contractual maturities (including interest payments where applicable) as summarised below:

	Current		*Non-current*	
	Within Six Months $	**Six - Twelve Months $**	**One - Five Years $**	**Later than Five Years $**
30 June 2019				
Trade and other payables	532,276	-	-	-
Loans and borrowings	-	2,324,929	2,038,523	-
Total	532,276	2,324,929	2,038,523	-

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

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

(d) Capital management

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

(e) Fair value estimation

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

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

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

4. EARNINGS PER SHARE

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

There are 1,428,572 (2018: 18,857,136) potential ordinary shares in the form of unlisted options that have not been included in the dilutive EPS calculation because they are anti-dilutive.

5. DIRECTORS AND KEY MANAGEMENT PERSONNEL DISCLOSURE

(a) Key management personnel

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

Name	**Position**	**Employer**
T. Chamberlain (Resigned 31 January 2019)	Chief Operating Officer	Vimy Resources Limited
R. Chamberlain (Resigned 15 March 2019)	Chief Financial Officer and Company Secretary	Vimy Resources Limited
M. Hilmer (Appointed 8 March 2019)	Chief Financial Officer and Company Secretary	Vimy Resources Limited

(b) Key management personnel compensation

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

(c) Loans to Director and Key Management Personnel

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

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

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

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

	Grant Date	Number of shares acquired	Amount of the loan	Term of the loan
Directors (or associate)				
C. Edwardes	17/12/2014	857,142	$357,500	up to 5 years
M. Young	22/11/2016	1,666,667	$407,500	up to 5 years
M. Young	17/12/2014	714,285	$298,000	up to 5 years
J. Tapp	17/12/2014	714,285	$298,000	up to 5 years
T. Chamberlain	20/11/2015	1,000,000	$340,800	up to 5 years
T. Chamberlain	5/9/2014	142,857	$69,200	up to 5 years
T. Chamberlain	20/7/18	1,000,000	$99,400	up to 5 years

Share based payment

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

Loan terms

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

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

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

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

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

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

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

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

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

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

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

Rights attaching to Plan Shares

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

Sale of Plan Shares

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

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

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

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

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

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

	Number of Options	Grant date	% vested in year	% forfeited in year	% expired during the year	Financial year in which grant vests
Directors						
M. Young	714,285	16 Dec 2014	-%	-%	-%	2017
J. Tapp	714,285	16 Dec 2014	-%	-%	-%	2017
	1,428,570					

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

	Number of Shares	Grant date	% vested in year	% forfeited in year	% expired during the year	Financial year in which grant vests
Directors						
C. Edwardes	857,142	17 Dec 2014	-%	-%	-%	2017
M. Young	1,666,667	22 Nov 2016	12%	-%	-%	2017, 2018, 2019, 2020
M. Young [a]	714,285	17 Dec 2014	-%	-%	-%	2017
J. Tapp	714,285	17 Dec 2014	-%	-%	-%	2017
T. Chamberlain	1,000,000	20 Nov 2015	-%	-%	-%	2018
T. Chamberlain	142,857	5 Sep 2014	-%	-%	-%	2016
T. Chamberlain	1,000,000	20 Jul 2018	60%	-%	-%	2019,2020,2021
	6,095,236					
Key Management Personnel						
R. Chamberlain	500,000	3 Jun 2016	-%	100%	-%	2017
	500,000					

6. OTHER INCOME

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

Notes to the Financial Statements
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7. LOSS FOR THE YEAR

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

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

8. INCOME TAX BENEFIT

(a) Income tax recognised

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

(b) Reconciliation of effective tax rate

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

Notes to the Financial Statements
30 June 2019

(c) Unrecognised deferred tax assets and liabilities

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

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

9. CASH AND CASH EQUIVALENTS

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

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

(b) Cash at bank and on hand includes interest-bearing amounts. The weighted average rate applicable to the Group's balance at 30 June 2019 was 1.82% (2018: 2.02%).

10. TRADE AND OTHER RECEIVABLES

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

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

11. PREPAYMENT

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

12. PLANT AND EQUIPMENT

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

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

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

13. EXPLORATION AND EVALUATION

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

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

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

14. TRADE AND OTHER PAYABLES

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

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

Notes to the Financial Statements
30 June 2019

15. PROVISIONS

	Consolidated 2019 $	2018 $
CURRENT		
Employee entitlement: Annual Leave		
Opening balance	319,418	302,632
Employee entitlements provided for	94,748	187,980
Employee entitlements used	(228,535)	(171,194)
Closing balance	185,631	319,418
Employee entitlement: Long Service Leave		
Opening balance	110,873	74,758
Employee entitlements provided for	(46,995)	28,349
Reclassification from non-current	9,973	7,766
Closing balance	73,851	110,873
Rehabilitation		
Opening balance	535,669	-
Reclassification from/(to) non-current	(535,669)	535,669
Closing balance	-	535,669
The Group has a provision for rehabilitation relating to the geotechnical test pits designed to provide information inputs into the Definitive Feasibility Study for the Mulga Rock Project. The rehabilitation work is to be completed by March 2022 (2019: Non-Current; 2018: Current).		
Total current provision	259,482	965,960

Notes to the Financial Statements
30 June 2019

	Consolidated	
	2019 $	2018 $
NON-CURRENT		
Employee entitlement: Long Service Leave		
Opening balance	81,246	56,608
Employee entitlements provided for	5,058	32,404
Reclassification to current	(9,973)	(7,766)
Closing balance	76,331	81,246
Rehabilitation		
Opening balance	130,913	530,429
Reclassification from/(to) current	535,669	(535,669)
Rehabilitation provided for	162,520	136,153
Closing balance	829,102	130,913
The Group has a provision for rehabilitation relating to the Mulga Rock Project and the Alligator River Project		
Total non-current provision	905,433	212,159

16. CONTRIBUTED EQUITY

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

	Consolidated	
	Number	$
Ordinary shares		
At 1 July 2017		
4 August 2017 Share placement @ 14 cents per share	43,000,000	6,020,000
7 May 2018 Share placement @ 11 cents per share	55,000,000	6,050,000
27 June 2018 Share Buy Back	(151,428)	-
Share issue costs	-	(843,118)
Balance at 30 June 2018	414,734,372	99,475,560
At 1 July 2018		
20 July 2018 Share purchase plan @ 9.94 cents per share	4,030,000	-
27 July 2018 Share Buy Back	(2,857,142)	-
5 October 2018 Share purchase plan @ 9.36 cents per share	773,501	-
5 December 2018 Share purchase plan @ 6.34 cents per share	900,000	-
6 December 2018 Share purchase plan @ 6.43 cents per share	1,197,512	-
20 December 2018 Share placement @ 4.5 cents per share	66,666,668	3,000,000
5 February 2019 Share purchase plan @ 5.42 cents per share	155,571	-
15 January 2019 Share Buy Back	(928,570)	-
Share issue costs	-	(203,593)
Balance at 30 June 2019	484,671,912	102,271,967

Employee share plan shares

The number of fully paid ordinary shares disclosed in Note 16 includes the outstanding shares issued under the employee share plans. At 30 June 2019 this amounted to 9,959,519 shares (2018: 10,515,231 shares) which have either not vested to the employee or the employee has not repaid the non-recourse loan used to fund the share issue. Both these conditions must be met in order for the employee to freely trade the shares.

Fully paid ordinary shares

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

17. RESERVES

Employee Share Option Reserve

	Consolidated	
	2019 $	**2018 $**
Reserve comprises the following:		
Balance as at start of financial year	1,419,026	1,419,026
Movement in options	-	-
Balance as at end of the financial year	1,419,026	1,419,026

Employee Share Plan Reserve

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

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

(a) On 22 November 2016, 1,666,667 shares were issued to Mr M. Young after shareholder approval was received and have been funded by a non-interest bearing, limited recourse loan from the Company. The shares are subject to a variety of vesting conditions over a three-year period, and expire on 22 November 2021. On the 11 January 2019, the vesting conditions were reviewed. The Black Scholes valuation expense will be proportionally allocated over the vesting period.

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

(c) On 6 December 2018, 900,000 shares were issued to Mr J. Tapp after shareholder approval was received and have been funded by a non-interest bearing, limited recourse loan from the Company. The shares are subject to a variety of vesting conditions over a three-year period, and expire on 6 December 2023. The Black Scholes valuation expense will be proportionally allocated over the vesting period.

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

Employee Short-term Incentive Reserve

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

	Consolidated 2019 $	Consolidated 2018 $
Reserve comprises the following:		
Balance as at start of financial year	74,700	-
2018 short term incentives [(a)]	83,132	74,700
Transferred to Employee Share Plan Reserve	(157,832)	-
Balance as at end of the financial year	-	74,700

(a) On 31 August 2018, the Remuneration Committee and Board approved a 2018 short-term benefit of a fixed value of future issue of shares to key management personnel. The future issue of a portion of the shares is to Directors and was approved by the shareholders on the 30 November 2018. The Black Scholes valuation expenses was proportionally allocated over the vesting period.

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

18. SHARE BASED PAYMENTS

(a) Employee share option plan

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

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

Grant date	Expiry date	Number Balance at start of year	Number Granted during year	Number Exercised during year	Number Forfeited during year	Number Balance at end of year	Number Exercisable at end of year
17 December 2014	16 December 2019	1,428,570	-	-	-	1,428,570	1,428,570
		1,428,570	-	-	-	1,428,570	1,428,570
Weighted average exercise price						$0.80	$0.80
Weighted average remaining contractual life						0.46 years	0.46 years

(b) Employee share plans

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

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

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

Set out below is a summary of shares granted to employees under the Plans:

Issue date	Number Balance at start of year	Number Issued during year	Number Forfeited during year	Number Balance at end of year
14 June 2013	2,857,142		(2,857,142)	-
5 September 2014	1,485,710	-	(328,570)	1,157,140
17 December 2014	2,285,712	-	-	2,285,712
20 November 2015	1,000,000	-	-	1,000,000
3 June 2016	1,220,000	-	(940,000)	280,000
22 November 2016	1,666,667	-	-	1,666,667
20 July 2018	-	4,030,000	(1,360,000)	2,670,000
6 December 2018	-	900,000	-	900,000
	10,515,231	4,930,000	(5,485,712)	9,959,519

(c) Expenses recognised in profit and loss

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

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

19. ACCUMULATED LOSSES

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

20. EXPENDITURE COMMITMENTS

	Consolidated 2019 $	Consolidated 2018 $
(a) Operating lease commitments		
Non-cancellable operating leases contracted for but not capitalised in the financial statements relating to office space		
Payable - minimum lease payments		
- not later than 12 months	119,667	83,732
- between 12 months and 5 years	191,018	-
	310,685	83,732

The Company leases the office located at Level 1, 1209 Hay Street, West Perth, Western Australia. The lease term expires in November 2021. A cash backed guarantee bond has been established for $54,190 in relation to the lease, refer to Note 10.

(b) Expenditure commitments contracted for:

Exploration tenements

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

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

21. CONTROLLED ENTITIES

	Country of incorporation	Percentage owned 2019	Percentage owned 2018
Parent entity:			
Vimy Resources Limited	Australia		
Subsidiaries of Vimy Resources Limited:			
Narnoo Mining Pty Ltd	Australia	100%	100%
Vélo Resources Pty Ltd (previously Camuco Pty Ltd)	Australia	100%	100%
Viva Resources Pty Ltd (previously Gunbarrel Energy and Minerals Australia Pty Ltd)	Australia	100%	100%
Wellington Range and King River Joint Venture	Australia	78%	-

22. REMUNERATION OF AUDITORS

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

23. CASH FLOW INFORMATION

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

24. CONTINGENT LIABILITIES

Contingent Liability - Royalty

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

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

25. PARENT ENTITY INFORMATION

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

Guarantees of the Parent:

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

	Parent Entity	
	2019 $	**2018 $**
Commitments and contingent liabilities of the Parent		
Expenditure commitments		
Non-cancellable operating leases contracted for but not capitalised in the financial statements relating to office space		
Payable - minimum lease payments		
- not later than 12 months	119,667	83,732
- between 12 months and 5 years	191,018	-
	310,685	83,732

26. EVENTS OCCURRING AFTER REPORTING DATE

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

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

27. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

(a) Basis of preparation

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

Compliance with IFRS

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

Historical cost convention

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

Critical accounting estimates

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

Functional and presentation currency

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

New and amended standards adopted by the Group

AASB 15 Revenue from Contracts with Customers

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

AASB 9 Financial Instruments

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

New standards and interpretations not yet adopted

AASB 16 *Leases* (effective for annual reporting periods beginning on or after 1 January 2019). AASB 16 introduces new framework for accounting for leases and will replace AASB 117 Leases. The new standard will primarily affect the accounting by lessees and will result in the recognition of almost all leases on the Statement of Financial Position. The standard removes the current distinction between operating and financing leases and requires recognition of an asset (the right to use the leased item) and a financial liability to pay rentals for almost all lease contracts. Vimy expects that AASB 16 will result in an increase in assets and liabilities as fewer leases will be expensed as payments are made. It is also expected that depreciation expense will increase related to the additional assets, and cash flow from operating activities will increase as lease payments will be recorded as financing outflows in the cash flow statement. As the main lease the Group has entered into relates to rental of a small amount of corporate and project office space for a short period of time, it is not expected that AASB 16 will have a material impact on the Group's financial statements.

(b) Principles of consolidation

The Group financial statements consolidate those of the Parent Company and all of its subsidiaries as of 30 June 2019. Subsidiaries are all entities (including structured entities) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity, and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

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

(c) Segments

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

(d) Revenue and income recognition

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

Interest revenue

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

R&D Tax Incentive grant income

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

(e) Income tax

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

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

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

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

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

(f) Leases

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

(g) Impairment of assets

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

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

(h) Cash and cash equivalents

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

(i) Trade and other receivables

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

(j) Financial instruments

(i) Non-derivative financial assets

Loans and receivables

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

Loans and receivables comprise trade and other receivables.

(ii) Non-derivative financial liabilities

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

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

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

(k) Plant and equipment

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

Plant and equipment – 2 to 15 years

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

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

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

(l) Trade and other payables

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

(m) Loans and borrowings

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

(n) Provisions

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

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

(o) Rehabilitation and site restoration

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

(p) Employee benefits

Employee entitlement

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

Share-based payments

The Company provides staff with Employee Share Plans, whereby eligible participants are granted shares in the Company funded by a limited recourse loan from the Company. The limited recourse loans are recorded within equity and not as a receivable or financial asset to be recovered from the Company.

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

(q) Goods and Services Tax (GST)

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

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

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

(r) Exploration and evaluation expenditure

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

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

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

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

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

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

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

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

Directors' Declaration
30 June 2019

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

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

      i. giving a true and fair view of the consolidated entity's financial position as at 30 June 2019 and of its performance for the financial year ended on that date; and

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

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

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

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

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

Michael Young
Managing Director and Chief Executive Officer

Dated 26 September 2019

Independent Auditor's Report

To the shareholders of Vimy Resources Limited

Report on the audit of the Financial Report

Opinion

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

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

- Giving a true and fair view of the ***Group***'s financial position as at 30 June 2019 and of its financial performance for the year ended on that date; and
- Complying with *Australian Accounting Standards* and the *Corporations Regulations 2001*.

The ***Financial Report*** comprises:

- Consolidated statement of financial position as at 30 June 2019
- Consolidated statement of profit or loss and other comprehensive income, Consolidated statement of changes in equity, and Consolidated statement of cash flows for the year then ended
- Notes including a summary of significant accounting policies
- Directors' Declaration.

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

Basis for opinion

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

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

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

Material uncertainty related to going concern

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

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

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

Key Audit Matters

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

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

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

KPMG

Completion of the acquisition of the Alligator River Uranium Project (A$6,500,000)	
Refer to Note 13 to the Financial Report	
The key audit matter	**How the matter was addressed in our audit**
The Group's acquisition of the Alligator River Uranium Project represents a significant transaction for the Group. This was a key audit matter due to the: • Size and nature of the acquisition having a pervasive impact on the Group's financial statements; and • The level of judgement used by the Group to determine the date of acquisition that was completed on 17 July 2018; and • The level of judgement required in determining the accounting approach as either a business (in accordance with IFRS 3 Business Combinations), or an asset acquisition. The difference in the accounting for the acquisition as a business or an asset is significant and could impact the recognition and measurement of amounts reported in the consolidated financial statements • The level of judgement applied by the Group to recognise and measure the fair value of deferred consideration. Consideration is payable by the Group upon reaching specific milestones as disclosed in Note 13 to the financial report. These conditions and associated complex acquisition accounting required significant audit effort and greater involvement of senior team members.	Our procedures included: • Reading the Sale and Purchase Agreement and associated agreements related to the acquisition to understand the structure, key terms, the nature of the transaction and consideration. Using this information, we evaluated the accounting treatment of the acquisition. • We involved senior audit team members to assess the accounting treatment for the transaction. We researched and analysed the conclusions reached by the Group and compared those conclusions to accounting interpretations, industry practice and accounting literature. • Assessing the Group's recognition and determination of fair value measurement of deferred consideration by checking the Group's calculation to the Share Sale Agreement. • We considered the adequacy of the Group's disclosures in respect of this acquisition against the criteria in the accounting standards.

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Other Information

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

The Other Information we obtained prior to the date of this Auditor's Report was the Director's Report. The Chairman's Letter, CEO's Review of Activities, Outlook for 2020, Operations Review, Mineral Resource and Ore Reserve statement, Additional Information and Corporate Governance Statement are expected to be made available to us after the date of the Auditor's Report.

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

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

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

Responsibilities of the Directors for the Financial Report

The Directors are responsible for:

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

Auditor's responsibilities for the audit of the Financial Report

Our objective is:

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

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

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

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

Report on the Remuneration Report

Opinion

In our opinion, the Remuneration Report of Vimy Resources Limited for the year ended 30 June 2019, complies with *Section 300A* of the *Corporations Act 2001*.

Directors' responsibilities

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

Our responsibilities

We have audited the Remuneration Report included in pages 7 to 18 of the Directors' report for the year ended 30 June 2019.

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

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Derek Meates
Partner
Perth
26 September 2019