Half Year Report

For the half year ended 31 December 2014

Vimy Resources Limited   ACN 120 178 949

Vimy Resources Limited
ACN 120 178 949

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The interim financial report does not include all the notes of the type normally included in an annual financial report. Accordingly, this report is to be read in conjunction with the annual report for the year ended 30 June 2014 and any public announcements made by Vimy Resources Limited during the interim reporting period in accordance with the continuous disclosure requirements of the *Corporations Act 2001*.

The interim financial report has been prepared for the consolidated entity consisting of Vimy Resources Limited and its subsidiaries. The report covers the half year ended 31 December 2014 and is presented in Australian dollars.

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

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

The interim financial report was authorised for issue by the directors on 12 March 2015.

The Company has the power to amend and reissue the interim financial report.

Directors' Report
For the Half Year Ended 31 December 2014

Your directors present their report on the consolidated entity consisting of Vimy Resources Limited ('the Company') and the entities it controlled at the end of, and during, the half year ended 31 December 2014.

DIRECTORS

The names and details of directors who held office during the half year ended 31 December 2014 and up to the date of this report (unless otherwise stated), are:

The Hon. Cheryl Edwardes, Non-executive Chairman

Michael (Mike) Young, CEO and Managing Director

Julian Tap, Executive Director

David Cornell, Non-executive Director

Felicity Gooding, Non-executive Director

REVIEW OF OPERATIONS

The Consolidated entity is a uranium exploration and development company; its main asset being the Mulga Rock Uranium Project located 240 kilometres north east of Kalgoorlie in Western Australia.

During the six months to 31 December 2014, the Company carried out the following activities:

- On 17 July 2014, the Company finalised a $36.5 million balance sheet restructure. The restructure comprised the following:

  The issue of 400,000,000 fully paid ordinary shares to Forrest Family Investments Pty Ltd, an Andrew Forrest entity within the Minderoo Group, at an issue price of $0.03, raising $12 million. A free unlisted option was granted for each share issued, with the options having an exercise price of $0.05 and an expiry date of 30 June 2016.

  The Company's previous convertible note holders, comprising Australian resource investment groups Acorn Capital Limited and its clients, Macquarie Bank Ltd and the Element Resources Fund, converted $23.3 million of debt to equity by subscribing for 613,741,209 ordinary fully paid shares at an issue price of $0.038 per share, in addition, the note holders forgave $1.2 million in fees previously charged on the convertible note facility. These transactions resulted in the Company eliminating its bank debt.

  On conversion of the convertible notes a 1.5% royalty over the Narnoo Mining Pty Ltd ("Narnoo") tenements was terminated. Narnoo is a 100% owned subsidiary of the Company.

  The above transactions were before the consolidation referred to below.

- At the Annual General Meeting held in Perth on 28 November 2014, shareholders approved a change of name for the Company from Energy and Minerals Australia Limited to Vimy Resources Limited (ASX:VMY). The new name is unique on the ASX and will better enable shareholders, investors and stakeholders to identify the Company. The new name was registered by ASIC on 4 December 2014.

- Also at the Annual General Meeting shareholders approved the consolidation of the Company's securities on a 7-for-1 basis; in accordance with the procedure prescribed by the ASX Listing Rules.

Directors' Report
For the Half Year Ended 31 December 2014

Operations

Vimy Resources Limited ('**VMY'**) is a junior uranium exploration explorer/developer, with its primary asset being the Mulga Rock Uranium Project located 240 kilometres northeast of the regional city of Kalgoorlie-Boulder in Western Australia. The Mulga Rock Uranium Project is currently at pre-feasibility study stage. Nevertheless, as a junior explorer/developer the Company is in the high-risk, high-reward sector of the Australian mining industry. Exploration/development companies are at the critical front-end of the mining industry with high risk and as such the Company's business model is specific to this sector.

The Company has currently 16 tenements, two of which are mining leases. The mining leases currently include all of the area that the Company anticipates will be incorporated in to the Mulga Rock Uranium Project. The Company's tenement holdings are currently limited to the Mulga Rock Uranium Project area.

Financial

The operating loss for the period was $6,922,688 and the net assets of the Consolidated Entity are $5,577,054. The cash balance at 31 December 2014 is $6,370,189.

DIVIDENDS

No dividends were recommended or paid during the six months to 31 December 2014 ($ Nil: 31 December 2013).

AUDITOR'S INDEPENDENCE DECLARATION

A copy of the auditor's independence declaration as required under section 307C of the *Corporations Act 2001* is set out on page 5.

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

Mike Young
Managing Director

Dated this 12 March 2015

Grant Thornton Audit Pty Ltd
ACN 130 913 594

Level 1
10 Kings Park Road
West Perth WA 6005

Correspondence to:
PO Box 570
West Perth WA 6872

T +61 8 9480 2000
F +61 8 9322 7787
E info.wa@au.gt.com
W www.grantthornton.com.au

Auditor's Independence Declaration
To The Directors of Vimy Resources Limited

In accordance with the requirements of section 307C of the Corporations Act 2001, as lead auditor for the review of Vimy Resources Limited for the half-year ended 31 December 2014, I declare that, to the best of my knowledge and belief, there have been:

a No contraventions of the auditor independence requirements of the Corporations Act 2001 in relation to the review; and

b No contraventions of any applicable code of professional conduct in relation to the review.

Grant Thornton

GRANT THORNTON AUDIT PTY LTD
Chartered Accountants

P. Warr.

P W Warr
Partner - Audit & Assurance

Perth, 12 March 2015

Consolidated Statement of Profit or Loss and other Comprehensive Income

For the Half Year Ended 31 December 2014

	Notes	Consolidated Half year ended 31 Dec 2014 $	Consolidated Half year ended 31 Dec 2013 $
Other Income	3	108,193	15,127
Exploration expenditure		(5,357,465)	(1,430,356)
Corporate and administration expense		(1,053,172)	(843,971)
Employee share based payments expense		(1,965,231)	-
Financing expenses		1,344,987	(1,708,436)
Loss before income tax		(6,922,688)	(3,967,636)
Income tax expense		-	-
Loss attributable to members of the Company		(6,922,688)	(3,967,636)
Other comprehensive income			
Other comprehensive income		-	-
Other comprehensive income, net of income tax		-	-
Total comprehensive loss attributable to members of the Company		(6,922,688)	(3,967,636)
Loss per share from continuing operations attributable to the members of the Company:		**Cents per share**	**Cents per share**
Basic and diluted loss per share	4	(3.57)	(6.55)

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 31 December 2014

	Notes	Consolidated Half year ended 31 Dec 2014 $	Consolidated Year ended 30 June 2014 $
CURRENT ASSETS			
Cash and cash equivalents	5	6,370,189	537,332
Prepayments		55,228	88,178
Trade and other receivables		335,647	100,340
Total Current Assets		6,761,064	725,850
NON-CURRENT ASSETS			
Plant and equipment		301,082	207,505
Total Non-Current Assets		301,082	207,505
TOTAL ASSETS		7,062,146	933,355
CURRENT LIABILITIES			
Trade and other payables		1,272,156	743,971
Provisions		140,675	100,393
Borrowings	6	-	24,667,153
Total Current Liabilities		1,412,831	25,511,517
NON-CURRENT LIABILITIES			
Provisions		72,261	60,243
Total Non-Current Liabilities		72,261	60,243
TOTAL LIABILITIES		1,485,092	25,571,760
NET ASSET/ (DEFICIENCY)		5,577,054	(24,638,405)
EQUITY			
Contributed equity	7	62,745,509	27,572,593
Compound financial instrument		-	3,745,184
Employee option plan reserve		1,394,334	974,663
Employee share plan reserve		1,945,560	400,000
Accumulated losses		(60,508,349)	(57,330,845)
TOTAL EQUITY		5,577,054	(24,638,405)

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

Consolidated Statement of Changes in Equity
For the Half Year ended 31 December 2014

	Contributed equity $	Accumulated losses $	Compound financial instrument $	Share plan reserve $	Option reserve $	Total $
CONSOLIDATED						
Balance at 1 July 2013	27,725,770	(49,032,032)	3,745,184	400,000	974,663	(16,186,415)
Total comprehensive loss attributable to members of the Company	-	(3,967,636)	-	-	-	(3,967,636)
Balance at 31 December 2013	27,725,770	(52,999,668)	3,745,184	400,000	974,663	(20,154,051)
Balance at 1 July 2014	27,572,593	(57,330,845)	3,745,184	400,000	974,663	(24,638,405)
Employee Share based expenses	-	-	-	1,545,560	419,671	1,965,231
Transfer to accumulated losses	-	3,745,184	(3,745,184)	-	-	-
Issue of ordinary shares, net of issue costs	35,172,916	-	-	-	-	35,172,916
Total comprehensive loss attributable to members of the Company	-	(6,922,688)	-	-	-	(6,922,688)
Balance at 31 December 2014	62,745,509	(60,508,349)	-	1,945,560	1,394,334	5,577,054

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

Consolidated Statement of Cash Flows
For the Half Year ended 31 December 2014

	Note	Consolidated	
		Half year ended 31 December 2014 $	Half year ended 31 December 2013 $
Cash Flows from Operating Activities			
Interest received		115,718	10,049
Other Income		-	6,730
Payments to suppliers and employees		(5,986,668)	(2,131,065)
Net cash used in Operating Activities		(5,870,950)	(2,114,286)
Cash Flows from Investing Activities			
Purchase of property, plant and equipment		(146,943)	-
Net cash used in Investing Activities		(146,943)	-
Cash Flows from Financing Activities			
Proceeds from issue of ordinary shares, net of issue costs		11,850,750	-
Proceeds from borrowings		-	950,040
Net cash provided by Financing Activities		11,850,750	950,040
Net Increase/(Decrease) in cash held		5,832,857	(1,164,246)
Cash at the beginning of the financial period		537,332	1,905,728
Cash at the end of the financial period	5	6,370,189	741,482

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

Notes to the Financial Statements
31 December 2014

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Notes to the Financial Statements
31 December 2014

1. Basis of preparation of half-year report

This general purpose financial report for the interim half-year reporting period ended 31 December 2014 has been prepared in accordance with Australian Accounting Standards AASB 134 *Interim Financial Reporting and* the *Corporations Act 2001.* Compliance with Australian Accounting Standards ensures that the financial statements and notes also comply with International Financial Reporting Standards.

This interim financial report does not include all the notes of the type normally included in an annual financial report. Accordingly, this report is to be read in conjunction with the annual report for the year ended 30 June 2014 and any public announcements made by Vimy Resources Limited during the interim reporting period in accordance with the continuous disclosure requirements of the *Corporations Act 2001*.

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

The Interim financial report was authorised for issue by the directors on 12 March 2015.

Going Concern

The Group incurred net losses of $6,922,688 during the half-year ended 31 December 2014 and, as of that date, the Group's operating cash outflows totalled $5,870,950. The Group's ability to continue as a going concern and to expand its exploration and development activities depends on its ability to obtain financing through equity, debt or hybrid financing, joint ventures, production off-take arrangements or other means. These circumstances create material uncertainties as to the ability of the Group to continue as a going concern.

In view of the foregoing, the directors are of the view that they have a reasonable expectation that the Group will have adequate resources to continue to operate for at least the next twelve months. For these reasons, they continue to adopt the going concern basis in preparing the financial report.

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.

New Accounting Standards and Interpretations

The Group did not early adopt any standard, interpretation or amendment that has been issued but is not yet effective.

The Group did not adopt any new or revised standards, amendments or interpretations from 1 July 2014 which has any effect on the financial position or performance of the Group.

2. Operating Segments

The Consolidated entity operates one business segment: Exploration. The activities undertaken by the Exploration segment includes the exploration on tenements in Western Australia and development activities at the Mulga Rock Uranium Project. This activity does not generate any sales revenue.

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

	Half year ended 31 December 2014 $	Half year ended 31 December 2013 $
Result		
Segment contribution	(5,413,501)	(1,470,424)
Carrying amount of assets	256,425	250,386
Reconciliation to Consolidated Loss		
Segment contribution	(5,413,501)	(1,470,424)
Corporate expenses	(985,363)	(778,270)
Share based payments	(1,965,231)	-
Depreciation	(11,773)	(19,233)
Financial expense	1,344,987	(1,708,436)
Financial income	108,193	8,727
Loss from continuing operations	(6,922,688)	(3,967,636)

Notes to the Financial Statements
31 December 2014

	Half year ended 31 December 2014 $	Half year ended 31 December 2013 $
3. Loss for the year		
The loss from ordinary activities before income tax has been determined after:		
(a) Income		
Interest received	108,193	8,727
	108,193	8,727
(b) Expenses		
Depreciation expense	67,809	59,301
Interest expense	122,381	1,708,436
Interest expense - forgiven	(267,368)	-
Amendment, waiver and establishment fees - forgiven	(1,200,000)	-
	(1,277,178)	1,767,737
4. Loss per share		
Loss used in the calculation of basic EPS	(6,922,688)	(3,967,636)
Basic and diluted loss per share (cents per share)	(3.57)	(6.55)
Weighted average number of shares outstanding during the year used in calculations of basic loss per share (on a post-consolidation basis)	193,985,134	60,532,316

5. Cash and cash equivalents

	31 December 2014 $	30 June 2014 $
Cash at bank and in hand	6,267,079	480,001
Short-term deposits – restricted balances (a)	103,110	57,331
	6,370,189	537,332

Cash backed guarantee bonds are in place for operating lease commitments and rehabilitation commitments on specific exploration tenements in the amounts of $45,000 and $58,110; respectively.

6. Borrowings

	31 December 2014 $	30 June 2014 $
Convertible Notes (a)	-	20,897,666
Promissory Notes (b)	-	3,769,487
Current Borrowings	-	24,667,153

On 17 July 2014, the Convertible Notes and Promissory Notes holders comprising Australian resource investment groups Acorn Capital Limited and its clients, Macquarie Bank Ltd and the Element Resources Fund converted $23.3 million of debt to equity by subscribing for 613,741,209 ordinary fully paid shares at an issue price of $0.038 per share, in addition, the note holders have forgave $1.2 million in fees previously charged on the convertible note facility. These transactions resulted in the Company eliminating the Convertible and Promissory Note debt on 17 July 2014.

Details of the Convertible Notes and Promissory Notes, prior to conversion, are described below.

a) Convertible Notes:

(i) The Company issued two tranches of convertible notes. The 2011-Convertible Notes were drawn down on 14 October 2011 and the 2012-Convertible Notes were drawn down on 23 November 2012, collectively they are referred to as the Convertible Notes.

(ii) Term of the Convertible Notes – Maturity on 16 December 2015.

(iii) Issue Price – The Convertible Notes were issued to the noteholders at a subscription price of $0.95 for each convertible note. The Company issued a total of 10,684,211 2011-Convertible Notes, which equated to a total subscription price of $10,150,000; and 4,336,842 2012-Convertible Notes which equated to a total subscription price of $4,120,000.

(iv) Interest on the Convertible Notes accrued at a rate of 10% per annum and was payable in arrears, 14 days after the conclusion of each interest period. Under certain circumstances the interest rate was increased to 20% per annum. Any interest which remained unpaid for 14 days was capitalised.

(v) Conversion Price of the Convertible Notes – The noteholders were able to elect to convert all (but not some) of the Convertible Notes into ordinary shares. The Convertible Notes were to convert into the number of ordinary shares equal to the outstanding amount payable by the Company under the Convertible Notes (sum of the face value ($1) plus capitalised amendment, waiver and establishment fees and any capitalised or accrued but uncapitalised interest) to that noteholder divided by the Conversion Price multiplied by the number of notes held by that noteholder.

(vi) Security for the Convertible Notes – The facility was secured by a fixed and floating charge over the assets of Vimy Resources Limited and its subsidiaries and a mining mortgage also secured the tenements that make up the Mulga Rock Uranium Project.

(vii) The capitalised amendment, waiver and establishment fees which totalled $1,200,000 were to be waived on the earlier of the conversion of all the 2011 Convertible Notes and the 2012 Convertible Notes (2011 and 2012 Convertible Notes) or the repayment of the 2011 and 2012 Convertible Notes on the last business day before the maturity date for the Convertible Notes.

The Convertible Notes are considered a Compound Financial Instrument, that is, an instrument that has both a debt and equity component. A review of the Convertible Notes for accounting purposes determined that the applicable market interest rate for the Convertible Notes was 30% pa. Consequently, the original drawn down amounts of $10,150,000 and $4,120,000 were split between debt and equity using that rate as a basis for the split.

b) Promissory Notes

(i) The Company issued four tranches of promissory notes. On each of 27 September 2013 and 27 November 2013 the Company issued promissory notes to the value of $300,000, on 20 December 2013 the Company issued promissory notes to the value of $350,000 and on 24 January 2014 the Company issued promissory notes to the value of $2,649,960; collectively ("the Promissory Notes"). All of the Promissory Notes were issued to Acorn Capital Limited and its clients; and Macquarie Bank Limited. The total principal amount of the loans provided pursuant to the Promissory Notes was $3,600,000.

(ii) Interest on the Promissory Notes– accrued at a rate of 10% per annum and was payable on maturity.

(iii) Security for the Promissory Notes – The facility was secured by the same charge as the Convertible Notes.

7. Contributed equity

	31 December 2014 $	30 June 2014 $
Ordinary shares		
Beginning of the period	27,572,593	27,725,770
Share Issue	12,000,000	-
Conversion of Convertible and Promissory notes	23,322,166	-
Share issue costs	(149,250)	(153,177)
Total Contributed Equity at the end of the period	62,745,509	27,572,593

8. Contingent Liabilities

Royalty

Narnoo Mining Pty Ltd ('Narnoo'), one of the Company's wholly owned subsidiaries, had agreed to pay a royalty of 1.5% on all the gross proceeds actually received by Narnoo from selling mineral products, other than scandium, extracted and recovered from a number of the tenements held by Narnoo. The royalty was to cease on the earlier of the conversion of all the 2011 Convertible Notes and the 2012 Convertible Notes (2011 and 2012 Convertible Notes), the repayment of 2011 and 2012 Convertible Notes on the last business day before the maturity date for the notes and the payment by Narnoo of the cash consideration as detailed below.

If the Company repaid the 2011 and 2012 Convertible Notes early or a Noteholder gave a redemption notice upon the occurrence of a redemption event under the 2011 and 2012 Convertible Notes, then a Noteholder was to give a surrender notice (if instructed by the Relevant Noteholders being Noteholders who had subscribed for 66% or more by value in aggregate of the Convertible Notes) under which the Noteholder would surrender all of its rights under the royalty arrangements, however, Narnoo would have been required to pay the Noteholders $12 million upon a receiving surrender notice from the Noteholders.

As described in Note 6, on 17 July 2014, the 2011 and 2012 Convertible Notes were converted into equity. As part of those transactions the 1.5% Royalty agreement over the Narnoo Mining Pty Ltd tenements was terminated.

As at 31 December 2014, the Company has no contingent liabilities.

9. Event Occurring after Reporting Date

There has not arisen in the interval between 31 December 2014 and the date of this report any item, transaction or event of a material and unusual nature likely, in the opinion of the directors of the Company, to affect significantly the operations of the Group, the results of those operation, or the state of affairs of the Group in future financial years.

Directors' Declaration

In the directors' opinion:

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

  (i) complying with Accounting Standard AASB 134 *Interim Financial Reporting*; and

  (ii) giving a true and fair view its financial position as at 31 December 2014 and its performance for the half year ended on that date; and

(b) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

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

Mike Young
Managing Director

12 March 2015

Level 1
10 Kings Park Road
West Perth WA 6005

Correspondence to:
PO Box 570
West Perth WA 6872

T +61 8 9480 2000
F +61 8 9322 7787
E info.wa@au.gt.com
W www.grantthornton.com.au

Independent Auditor's Review Report
To the Members of Vimy Resources Ltd

We have reviewed the accompanying half-year financial report of Vimy Resources Ltd ("Company"), which comprises the consolidated financial statements being the statement of financial position as at 31 December 2014, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the half-year ended on that date, notes comprising a statement or description of accounting policies, other explanatory information and the directors' declaration of the consolidated entity, comprising both the Company and the entities it controlled at the half-year's end.

Directors' responsibility for the half-year financial report

The directors of Vimy Resources Ltd are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the Corporations Act 2001 and for such controls as the directors determine is necessary to enable the preparation of the half-year financial report that is free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express a conclusion on the consolidated half-year financial report based on our review. We conducted our review in accordance with the Auditing Standard on Review Engagements ASRE 2410 Review of a Financial Report Performed by the Independent Auditor of the Entity, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the Corporations Act 2001 including: giving a true and fair view of the Vimy Resources Ltd consolidated entity's financial position as at 31 December 2014 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 Interim Financial Reporting and the Corporations Regulations 2001. As the auditor of Vimy Resources Ltd, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

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

Independence

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

Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Vimy Resources Ltd is not in accordance with the Corporations Act 2001, including:

a giving a true and fair view of the consolidated entity's financial position as at 31 December 2014 and of its performance for the half-year ended on that date; and

b complying with Accounting Standard AASB 134 Interim Financial Reporting and Corporations Regulations 2001.

Material uncertainty regarding continuation as a going concern

Without qualification to the conclusion expressed above, we draw attention to Note 1 in the financial report which indicates that the consolidated entity incurred a net loss of $6,922,688 during the half year ended 31 December 2014 and, as of that date, the consolidated entity's operating cash outflows totalled $5,870,950. These conditions, along with other matters as set forth in Note 1, indicate the existence of a material uncertainty which may cast significant doubt about the consolidated entity's ability to continue as a going concern and therefore, the consolidated entity may be unable to realise its assets and discharge its liabilities in the normal course of business, and at the amounts stated in the financial report.

Grant Thornton

GRANT THORNTON AUDIT PTY LTD
Chartered Accountants

P. Warr.

P W Warr
Partner - Audit & Assurance

Perth, 12 March 2015