



ANNUAL REPORT
2015



CORPORATE DIRECTORY

BOARD OF DIRECTORS

The Hon. Cheryl Edwardes

Non-executive Chairman

Mike Young

Managing Director

Julian Tapp

Executive Director

David Cornell

Non-executive Director

Aaron Hood

Non-executive Director

Shane McBride

Company Secretary

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AUSTRALIAN SECURITIES EXCHANGE

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

ASX code: VMY





TABLE OF CONTENTS

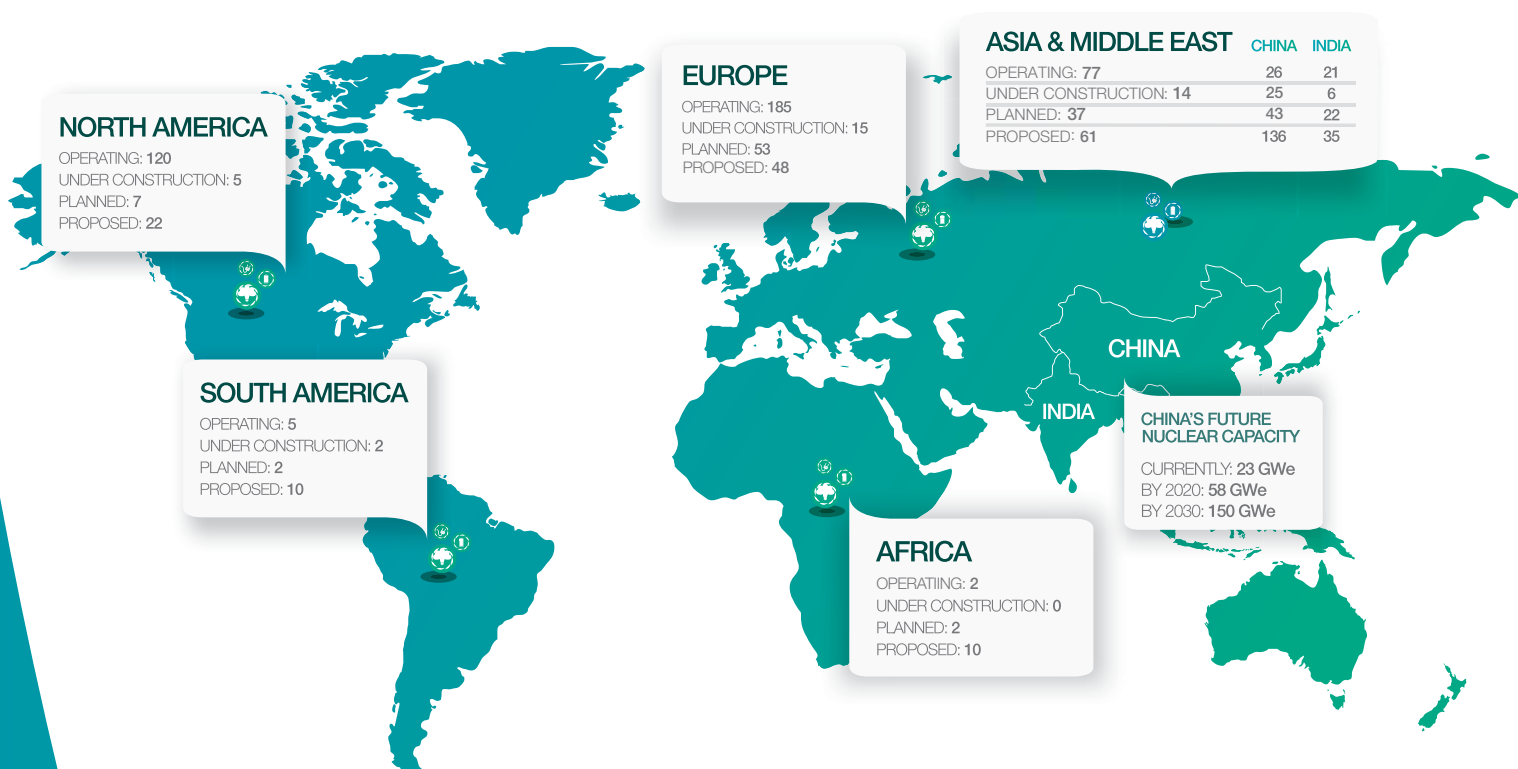
CHAIRMAN'S LETTER	04
CEO'S REVIEW OF ACTIVITIES	06
OUTLOOK FOR 2016	10
OPERATIONS REPORT	12
MINERAL RESOURCE STATEMENT	16
TENEMENT DETAILS	21
FINANCIAL STATEMENTS	23
ADDITIONAL INFORMATION	80
CORPORATE GOVERNANCE STATEMENT	83

MINING A CLEANER TOMORROW

WORLD NUCLEAR POWER REACTORS

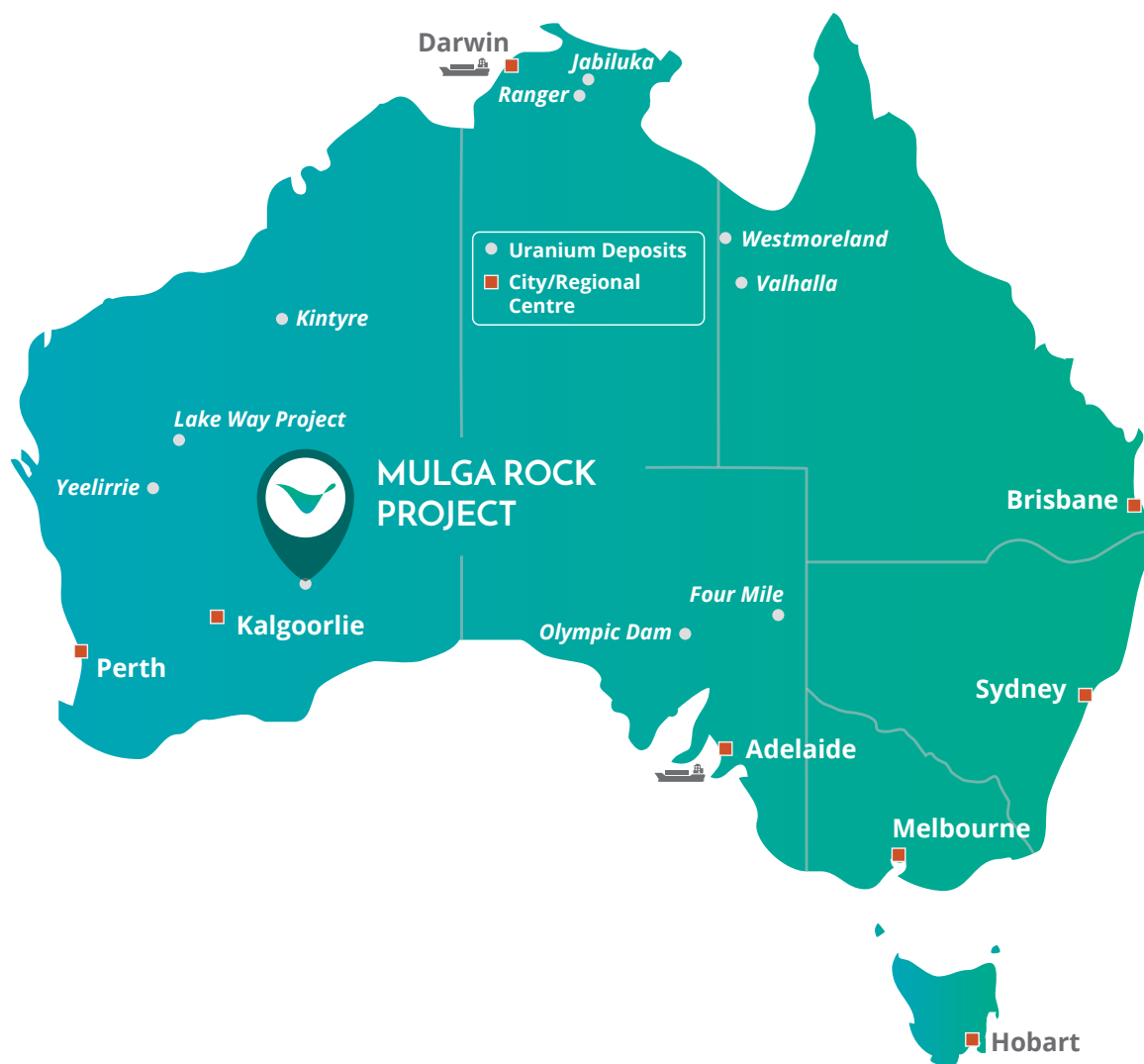
EXISTING, UNDER CONSTRUCTION AND PLANNED

SOURCE: WORLD NUCLEAR ORGANISATION



VIMY IS POSITIONED
TO CAPITALISE ON
THIS UNPRECEDENTED
DEMAND

Western Australia's Emerging Uranium Development Company



THE MULGA ROCK
PROJECT HOSTS
AUSTRALIA'S THIRD
LARGEST UNDEVELOPED
URANIUM DEPOSIT

CHAIRMAN'S LETTER



IN PRODUCTION,
THE MULGA ROCK
PROJECT WILL
PRODUCE ENOUGH
URANIUM TO FUEL
SEVEN TYPICAL
REACTORS AND
OFFSET 50MT OF
CARBON DIOXIDE
EMISSIONS. THIS
IS EQUIVALENT
TO AROUND 9%
OF AUSTRALIA'S
EMISSIONS.

Dear shareholders,

I would like to take a step back and recap why we are so actively developing the Mulga Rock Project, and why we are excited about the future. Uranium's suitability as a cheap and clean source of baseload power is a key factor in driving the increased take-up of nuclear power to meet growing energy needs. Regardless of world economic cycles, energy is always necessary and demand is always growing.

Uranium reduces the world's reliance on fossil fuels for base load electricity and is widely recognised as a low emission energy source. In 2015 there are 436 nuclear power plants in 30 countries accounting for 11% of the world's electricity. This reduces two years of the world's carbon emissions at today's level. Since the March 2011 accident at Fukushima caused by an earthquake and tsunami, member states of the International Atomic Energy Agency (IAEA) have adopted a safety-first approach through a new nuclear safety action plan. Further a recent report from the IAEA confirmed that no one died from radiation following the Fukushima accident. Confidence is being restored and nuclear power will continue to grow in the coming decades.

Also nuclear science and technology is being used in many exciting ways to improve people's lives, especially in developing countries. In the health sector, nuclear techniques are now being used for diagnosing, treating and managing cancer, cardiovascular and other non-communicable diseases, while in agriculture they are being used to improve crop and plant varieties, to control animal and plant pests, for flood control and to identify safe water sources. Nuclear science is also used to monitor air quality, and even to protect cultural heritage by using gamma radiation to eradicate insects destroying a church in Romania. There are many other nuclear tools for a wide range of applications. Much of this work is being funded by the IAEA.

Responsibility, and ensuring a positive social and environmental impact, is one of our core values. During the year we rebranded our Company to reflect this and outlined our vision "Mining a Cleaner Tomorrow." In production, the Mulga Rock Project will produce enough uranium to fuel seven typical reactors and offset 50Mt of carbon dioxide emissions. This is equivalent to around 9% of Australia's emissions.



» Pickering Power Station, Ontario, Canada

The outlook for uranium demand is very positive, and is driven mainly by China. As its population expands, it will need to double its current electricity generation. China has stated a target of obtaining 20% of its primary energy from non-fossil sources by 2030. While renewables, including hydro-electric, wind and solar will be part of this, nuclear power is critical to meeting these energy goals. China is planning to increase its number of nuclear reactors from the 26 currently operating to 150 by 2030. It currently has 25 reactors under construction.

Uranium prices have been relatively stable for the past year and a historically high number of reactors are under construction around the world. At present there are 67 units under construction in 15 countries. This, combined with projects being postponed and cancelled, has resulted in a market that is slowly developing a squeeze which will push uranium prices far higher.

Our recent Scoping Study indicated that the Mulga Rock Project is economic at current long-term contract uranium prices. With this positive outlook for uranium demand, we are very optimistic about the future.

This financial year we welcomed both Forrest Family Investments and Resource Capital Fund VI on to our share register as substantial shareholders, both of which provided significant cash injections into the Company. I would like to thank both of them, not only for the funds which have allowed our technical team to advance the project to where it is today, but also for their continued support. I would also like to thank our other substantial shareholders - Macquarie Bank, Acorn Capital and Mike Fewster - who continue to support us and maintain their shareholding in the Company.

Finally, as Chairman, I would like to recognise our other core asset, our people. Mike and his team have worked tirelessly to progress the development of the Mulga Rock Project. It is their skill, dedication and commitment that has us where we are today. We have a great deposit, and a great opportunity, but it is our people that will turn the Mulga Rock Project into reality. On behalf of our Board, I would like to thank each and every one of the Vimy team.

Again, I look forward to continuing to work with the Vimy team and stakeholders and to communicating the achievements and progress in the coming twelve months.

The Hon. Cheryl Edwardes

CHAIRMAN

WE HAVE A
GREAT DEPOSIT,
AND A GREAT
OPPORTUNITY,
BUT IT IS OUR
PEOPLE THAT
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MULGA ROCK
PROJECT INTO
REALITY.



CEO'S REVIEW OF ACTIVITIES

The 2014-2015 year has been a very challenging one for the resources sector, but I am pleased to report that despite the market malaise, Vimy continues to make substantial progress in developing the Mulga Rock Project into a world-class uranium mine.

As I reviewed our various reports and announcements from the last twelve months, I was struck by how much has been achieved by our fantastic team in such a short time. Since this time last year, we have seen major improvements to the economics of the Mulga Rock Project: we increased our Mineral Resource estimate by 21% (please refer to the updated Resources table on page 15), we've improved on our geological understanding and controls on mineralisation, and very importantly, we have emphatically answered the metallurgical questions that have dogged this Project for so long. In short, we have made significant progress in moving the Mulga Rock Project towards actual uranium production.

In July 2014, we completed a financing transaction which brought Andrew Forrest's family investment group onto our share register. This transaction was also significant in that it allowed us to retire some \$24m in debt. The new equity provided the opportunity to bolster our technical team and carry out significant technical works on the Mulga Rock Project.

Following this event, we decided a fresh start was needed and so we rebranded the Company with a new name, and a 7:1 consolidation of the shares and in doing so breathed new life into the Company.

In May 2015, another important strategic investor, Resource Capital Fund VI, joined our register through a \$30 million funding package which is expected to fund us a long way towards project financing.



IN SHORT, WE HAVE
MADE SIGNIFICANT
PROGRESS IN
MOVING THE
MULGA ROCK
PROJECT TOWARDS
ACTUAL URANIUM
PRODUCTION.

PEOPLE ARE OUR GREATEST ASSET

As our Chairman said in her letter to you, our single greatest asset is our people and I join with her in thanking our team for their tireless efforts in making this year so successful.

The essence of Vimy Resources is inspired by the character displayed by the Canadians who successfully won the battle of Vimy Ridge during the Great War. These characteristics are: unity, cooperation, ingenuity, preparation, planning, flexibility and of course courage. From what I've seen in the past twelve months, our whole team shares these characteristics.

SCOPING STUDY SUPPORTS PROJECT ECONOMICS

The Scoping Study, completed in May 2015, indicated that the Project is robust even at current long-term uranium prices. The Study supports our view that Mulga Rock is one of the best undeveloped uranium projects in Australia, confirming a mine life of 16 years with an estimated total production of 47.0Mlbs (21,325 tonnes) U_3O_8 , with 70% of the uranium mining inventory for the first seven years coming from Indicated Resources.

Importantly, the Scoping Study highlighted the simplicity of the geology, mining and metallurgical process. The results of the study will be incorporated into a Pre-feasibility Study (PFS) which we are expecting to release to the market in the December 2015 quarter.

A silver lining in the current difficult conditions in the resources market is the downward trend in capital costs. This is a significant advantage for project developers such as Vimy.



BENEFICIATION BREAKTHROUGH TO BOOST RECOVERIES AND DECREASE COSTS

The metallurgy has always been the biggest question people have had about the Mulga Rock Project but we have dispelled all of the old myths and shown clearly that the metallurgy is very straightforward and does not represent a technical risk to the Project.

There was a significant metallurgical breakthrough in 2015 with the application of simple gravity separation techniques to beneficiate the ore. This results in significant volume reduction and uranium grade enrichment of the ore before it is presented to the main processing plant. The result is a smaller plant, reduced reagent use and reduced tailings volumes.

Other test work has confirmed that a majority of the uranium mineralisation is simple uraninite (UO_2) and is amenable to simple acid leach at low pH and slightly elevated temperature. There is no need for pressure acid leach.

The Vimy team continues to look for improvements and cost savings with mining costs being a future area of focus. Investigations into the use of a dozer trap mining method, pit floor conveying or continuous excavators may result in significant savings in removing overburden.



DRILLING PROGRAM DRIVES RESOURCE UPGRADE AND IMPROVES OUR UNDERSTANDING OF THE GEOLOGY

In April 2015, we announced a significant Resource upgrade for the Project which was the result of an extensive in-fill drilling program comprising a total of 144 air core and 37 diamond core holes in the Ambassador Mineral Resource which, along with the Princess Resource, forms the Mulga Rock East Deposit.

This infill drill program reaffirmed our understanding and positive view of the nature and continuity of the Ambassador mineralisation with 32 drill holes out of 181 returning intercepts above 1,000 ppm (0.10%) U_3O_8 . During the March 2015 quarter, we also completed an air core drilling exploration program to test potential extensions to the northern portion of the Emperor Mineral Resource, which forms the Mulga Rock West Deposit with Shogun.

In September 2015, we announced a revision to the cut-off grade used to report the Mineral Resource for the Project resulting in a Resource Estimate of 65.6 Mt at 520 ppm U_3O_8 for 75.0 Mlb (34,030 tonnes) contained U_3O_8 . This was due to positive impacts of the recent metallurgical test work and mining options on the Project as a whole, as referred to on page 7.

Overall, the global contained uranium at Mulga Rock Project increased by 21% since the start of the financial year, from 62.2 Mlb U_3O_8 to 75.0 Mlb U_3O_8 . Please refer to the updated Resources table on page 15.

FINANCING - IT CAN STILL HAPPEN EVEN IN THIS MARKET

As mentioned earlier, Vimy secured a \$30m funding package from RCF VI through a combination of equity, royalty payment, and debt. This is significant on a number of fronts; firstly, it provides funding for Vimy during the important feasibility study phases of the Mulga Rock Project, through to the project financing stage. Secondly, it introduces another significant strategic investor to the Company, one that specialises in the resources sector and has considerable project development experience.

And finally, as a specialist resources investor, RCF VI conducted detailed due diligence on the Mulga Rock Project and on Vimy, and has chosen to become a significant stakeholder. This is a strong endorsement of the Project and of Vimy's team.

MISSION

VIMY AIMS TO
BECOME A RELIABLE
AND RESPECTED
URANIUM PRODUCER.
IT WILL ACT IN THE
BEST INTEREST OF
ITS STAKEHOLDERS
THROUGH:

- » caring for our people
- » embracing a safe work culture
- » operational excellence and innovation
- » continuous and sustainable company growth
- » focussed and inclusive leadership



SAFETY – WE ALL OWN IT

Employee safety will always be a priority, regardless of whether we are in the early stages of development or in full production. We emphasise the fact that safety starts with the individual and so we encourage a culture of safety and have appropriate policies and procedures in place to promote this.

I am pleased to disclose that we had another year of no lost time injuries reported.

ENVIRONMENT – “MINING A CLEANER TOMORROW”

Our Vision Statement is “Mining a Cleaner Tomorrow.” The obvious meaning of this derives from the huge benefit nuclear power provides in abating CO₂ emissions from base load power generation. In fact, Vimy will produce enough uranium to power almost 7 GWe of nuclear power capacity resulting in a decrease in global emissions of 50 Mt CO₂ per year; that is almost 9% of Australia’s entire CO₂ emissions.

But secondly, we will be open pit mining, and therefore impacting the local environment. But our aim is to be as low impact as technology and innovation allows. We aim to use innovative ‘real-time’ rehabilitation; backfilling the pits as we go, and we also plan to use in-pit tailings disposal so that our eventual footprint is as small as possible – thus mining cleaner.

CONCLUSION AND OUTLOOK

I strongly believe that the best way to add value for our shareholders is to bring the Mulga Rock Project to production as soon as we can and Vimy is very well positioned to do this. Despite the current state of the overall resources sector, uranium is different and looms as a significant energy-commodity in the near future.

We have an excellent uranium project, and it just keeps getting better as our understanding of the geology, mining and metallurgy improves. We are on track as we progress towards development, and have funding secured to see the development phase through to project financing.

Our philosophy can be captured in a surfing metaphor: we would rather be in the water, on our surfboard, in the take-off zone, waiting for the swell, rather than sitting on the beach waxing our board.

And so despite the flat uranium market, the Board’s very strong view is that the Company should progress the Mulga Rock Project through the Definitive Feasibility Study (DFS) and approvals during 2016.

Looking forward, we will remain focussed and continue to make significant progress in all of the areas I have discussed. I look forward to sharing this progress with you in future announcements.

Mike Young

MANAGING DIRECTOR AND CEO

OUTLOOK FOR 2016

THE COMPANY HAS A BUSY FY16 AHEAD AS IT PROGRESSES THE MULGA ROCK PROJECT.

There are several significant activities being conducted that will continue in the 2016 year.

- » stakeholder engagement
- » Resource definition drilling
- » mine design and ore reserves
- » geotechnical studies
- » metallurgical test work
- » Public Environmental Review (PER)
- » secondary mining approvals

STAKEHOLDER ENGAGEMENT

The PFS will allow the Company to present detailed and robust mining and processing plans to the public and investment community for the first time. This will allow the Company to continue stakeholder engagement with the local community of Kalgoorlie, as well as those communities along our road transport route to the Port of Adelaide in South Australia.

RESOURCE DEFINITION DRILLING

Currently, only half of the Mulga Rock East deposit, comprising Ambassador and Princess, is at Indicated status. As part of the DFS, a significant drilling program, covering Ambassador West, Shogun and a small part of the large Emperor deposit, will be completed in January 2016. Following on from this, updated Resource estimates will be done with the expectation that much more Inferred material will be upgraded to Indicated.

MINE DESIGN AND ORE RESERVES

An outcome of the PFS will be the publication of our maiden ore reserves during the year at Mulga Rock East. Following the Resource definition drilling and updated Resource estimates in early 2016, it is expected that we will update and increase the ore reserves at Ambassador and publish maiden ore reserves for Shogun later in the year.

GEOTECHNICAL STUDIES

In October 2015, the Company received Approval to Commence Mining Operations at Mulga Rock – albeit for two small test pits. But it is a significant step as the approvals are true mining approvals and the exercise was completed quickly. As well, our team gained valuable experience in the approvals process for the main mining proposal application in late 2016.

The approval will allow us to excavate two test pits at Ambassador. The trenches will be approximately 300m by 100m and will allow us to assess the characteristics of the overburden and the ore zone. We will also excavate approximately 20t of ore sample for downstream metallurgical work. The pits will be excavated during November and December of 2015.



METALLURGICAL TEST WORK

During FY2016, we will test the proposed flow sheet with a pilot scale plant. The sample from the test pits will be used to test:

- » beneficiation
- » leach circuit
- » resin-in-pulp circuit
- » uranium elution (recovery)
- » uranium concentrate precipitation
- » base metal recovery.

PUBLIC ENVIRONMENTAL REVIEW

During 2016, the Company will continue the PER assessment process and barring any unforeseen hurdles, expects to receive ministerial state and federal approval in mid-2016.

SECONDARY MINING APPROVALS

While these will not be submitted until towards the end of CY16, the Company will begin the approvals process this year.

MULGA ROCK PROJECT PROVISIONAL TIMETABLE

Activity	2015	2016				2017				2018			
	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
PER Approval													
Works Approval													
Resource Drilling and Ore Reserves													
Definite Feasibility Study													
Investment Decision													
Engineering and Procurement													
Civils and Site Infrastructure													
Plant Fabrication - Offsite													
Plant Fabrication - Onsite													
Princess Pre-Strip													
Princess Ore Mining													
Commissioning													
Handover and First U ₃ O ₈													

This report contains "forward-looking statements" which are only subjective predictions and are subject to inherent risks and uncertainties which could cause outcomes to differ materially from those expressed, implied or projected in such forward-looking statements. No representation or warranty, express or implied, is made by Vimy that the material contained in this report is accurate, reliable, relevant or complete, or will be achieved or prove to be correct.

OPERATIONS REPORT

The Mulga Rock Project (MRP) is a large, world-class uranium resource located 240km east-northeast of Kalgoorlie in Western Australia. The Project, Australia's third largest undeveloped uranium project, comprises four deposits: Ambassador and Princess, which form the Mulga Rock East Deposit, and Emperor and Shogun, which form the Mulga Rock West Deposit. The Project shares road access with the Tropicana Gold Mine.

The Project is 100% owned and operated by Vimy. As the Project is located in the Great Victoria Desert, and there are no competing land uses to the proposed mining operation.

SCOPING STUDY

In May 2015, the results of a Scoping Study on the Mulga Rock Project were released to the ASX. The Study, undertaken by Amec Foster Wheeler Australia Pty Ltd and Coffey Mining, included an economic evaluation of the Project. The results of the Study reaffirm the Company's confidence in the Project as it indicated that the Project is economic at current long-term contract uranium prices. The key economic highlights from the Study indicated:

- » C1 cost in years 1 to 7 of US\$25/lb U_3O_8 including by-product credits
- » C1 cost for LoM of US\$29/lb U_3O_8 including by-product credits
- » Average annual EBITDA of \$161 million at US\$75/lb U_3O_8 price
- » Robust pre-tax NPV₁₀ of \$764M with a 39% IRR and a 2.6 year payback (inclusive of 5% WA Royalty)
- » Breakeven price US\$46/lb U_3O_8 including capital payback (@10% discount rate)

The Study indicated a Life of Mine (LoM) of 16 years with an estimated total production of 47.0Mlbs (21,325 tonnes) U_3O_8 . It also highlighted the Project's low cost mining process, outlining a simple, shallow open-pit, strip mining operation, to a maximum depth of only 74 metres (typically less than 60 metres). The strip mining method proposed in the Study is similar to that used in the mining of coal and mineral sands; which results in a reduced environmental footprint at any given time and significant savings in rehabilitation costs. The Scoping Study also established that the process plant will use a low-cost acid leaching and a resin-in-pulp process.

The Study was based on a total Resource estimate of 59.7Mt at 550ppm U_3O_8 for a contained 72.7Mlbs (32,985 tonnes) U_3O_8 .





PRE-FEASIBILITY STUDY

Results from the Scoping Study are being incorporated into a Pre-feasibility Study (PFS) due to be completed during the December quarter 2015. In addition, the benefits of beneficiation discussed earlier are being incorporated into the PFS, along with other optimisations identified since completion of the Scoping Study.

DRILLING PROGRAMS

Several drill programs were carried out during the year.

An infill drilling program completed on the Ambassador deposit early in 2015 reaffirmed the Company's understanding and positive view of the nature and the continuity of the Ambassador mineralisation. The program consisted of 144 air core and 37 diamond core drill holes for a total of 11,277 metres. In addition to providing information to improve bulk densities, results from the drilling program were used for the upgrade of the Mineral Resource Estimate for the Ambassador Resource which was announced to the ASX on 20 April 2015. That significant upgrade reflected primarily updated correction factors for the radiometric disequilibrium present within the ore zones, derived from improved diamond drilling datasets.

Groundwater drilling was also completed in the March quarter with three large diameter, mud rotary water bores programmed to test the nature and suitability of the aquifers for extraction and groundwater re-injection. Two of those holes were drilled in the proposed re-injection borefield area 10 km south of the Ambassador deposit while the other was in the proposed extraction borefield area approximately 30 km to the northeast of the proposed processing plant. All three holes showed excellent transmissivities and high flow rates in the aquifers tested during pumping.

At the time of preparing this report, additional infill drilling programs are being undertaken at Ambassador, Shogun and Emperor.



ORE BENEFICIATION

During the year, Vimy announced a project-changing beneficiation breakthrough following commercial-scale pilot test work. The results of the test work indicated that the uranium mineralisation at the Mulga Rock Project can be beneficiated to produce a highly concentrated plant feed.

The beneficiation test work indicated that the uranium mineralisation is primarily associated with lighter carbonaceous and clay minerals mixed with non-mineralised medium to coarse sands. These sands are easily removed from the run of mine ore using a simple gravity separation process and, most importantly, with only a minimal loss of uranium. The test work indicated that, after beneficiation, the volume of upgraded ore to be processed will be significantly reduced after mass rejection of 65-72% of the run of mine ore, resulting in uranium grades which are 2.7 to 3.4 times greater than the original grades.

It is expected that this ore beneficiation will have a substantial positive effect on the economics of the Mulga Rock Project. Significantly, the process plant is expected to be approximately half the size originally proposed for the Project, therefore decreasing the process plant capital and operating costs.

A smaller process plant will reduce power costs, reagent consumption and borefield water requirements. Wear rates on processing plant equipment will be reduced as the abrasive sand component will have been removed from the plant feed. Higher uranium resin loading capabilities will be achieved during the resin-in-pulp process, resulting in lower resin inventory, lower first fill costs and potentially fewer impurities in the final yellowcake product. And finally, the mass of process tailings will be approximately half the amount originally envisaged for the Project.

MINERAL RESOURCES

In September 2015, the Company announced an updated Mineral Resource using a reduced cut-off grade. Estimated operating costs have decreased since the estimation of previous Mineral Resources, thereby necessitating a reduction in the cut-off grade used in Mineral Resource estimation. The previous cut-off grade of 200ppm U_3O_8 was reduced to 150ppm U_3O_8 . This change resulted in the total Resource for the Project being increased to 65.6Mt at 520ppm U_3O_8 for a contained 75.0Mlbs (34,030 tonnes) U_3O_8 using the 150ppm U_3O_8 cut-off grade. The table on the next page shows the resulting Resource. There were consequential changes to the Base Metal Resource (please refer to the ASX release of 17 September 2015).

MULGA ROCK PROJECT TOTAL RESOURCE – 14 SEPTEMBER 2015

Deposit / Resource	Classification	Cut-off Grade (ppm U ₃ O ₈) ⁵	Tonnes (Mt) ⁴	U ₃ O ₈ (ppm) ⁵	U ₃ O ₈ (Mlb)
Mulga Rock East					
Princess ¹	Indicated	150	1.3	690	1.9
Princess ¹	Inferred	150	2.5	380	2.1
Ambassador ³	Indicated	150	13.2	750	21.7
Ambassador ³	Inferred	150	16.1	460	16.3
Sub-Total			33.1	580	42.0
Mulga Rock West					
Emperor ²	Inferred	150	28.4	450	28.1
Shogun ²	Inferred	150	4.1	550	4.9
Sub-Total			32.5	460	33.0
Total Resource			65.6	520	75.0

¹ The Princess Resource estimate at a cut-off grade of 200ppm U₃O₈ was reviewed by Coffey Mining and announced to the ASX on 18 December 2014.

² The Emperor and Shogun Resource estimates at a cut-off grade of 200ppm U₃O₈ were prepared by Coffey Mining and initially disclosed to the ASX on 13 January 2009 under the JORC Code 2004. They have subsequently been reviewed by Coffey Mining and re-released to the ASX on 18 December 2014 in accordance to the JORC Code 2012.

³ The Ambassador Resource estimate at a cut-off grade of 200ppm U₃O₈ was reviewed by Coffey Mining and announced to the ASX on 20 April 2015.

⁴ T = metric dry tonnes; appropriate rounding has been applied and rounding errors may occur.

⁵ Using cut combined U₃O₈ composites (combined chemical and radiometric grades).

The Resource Estimate referred to above was announced to the market by the Company on 17 September 2015. The Company is not aware of any new information, or data, that affects the information in that announcement and that all material assumptions and technical parameters underpinning the estimates continue to apply and have not materially changed.

ENVIRONMENTAL

Environmental approvals and permitting for the Project have continued to make good progress and are now well advanced. On 26 February 2015, the Environmental Protection Authority (EPA) approved Vimy's Environmental Scoping Document (ESD). Vimy completed the outstanding work needed to fulfil the 'Required Work' set out in the ESD and submitted an initial draft in June 2015 and a revised draft in August 2015 which was accepted by the EPA. Following feedback from the Office of the EPA (OEPA) and other Decision Making Authorities (DMAs) the final version of the Public Environmental Review (PER) is being prepared for public release later this year. Vimy also hosted a site visit for representatives from the OEPA in October 2015.

Overall the feedback has been positive, with DMAs recognising the benefits of Vimy's proposal to:

- » Undertake strip mining with simultaneous backfill into the mining voids and progressive rehabilitation;
- » Dispose of most tailings into in-pit facilities where the tailing will be permanently isolated from any sensitive environmental receptors; and
- » Manage surplus dewatering from the mine by reinjection back into the same aquifer downstream.

Vimy has also pioneered the use of innovative camera trapping techniques in an attempt to capture the presence of rare fauna that can be difficult to capture using conventional pitfall and other physical traps. The cameras are proving far more efficient and effective than conventional techniques as well as being far less disruptive and potentially damaging to intended targets.

Vimy is continuing to consult with both Commonwealth and State authorities and is moving to wider stakeholder consultation as the project definition firms up and the potential impacts become better quantified.

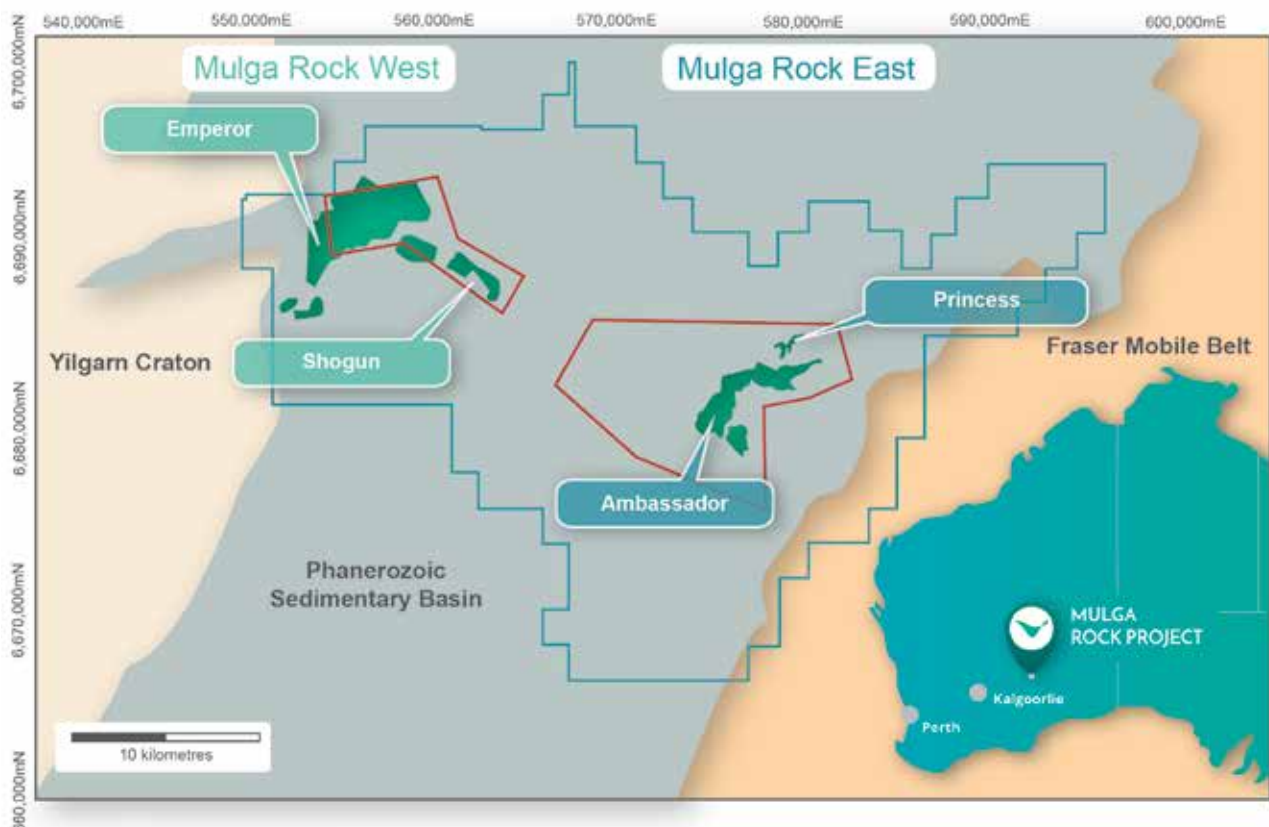
MINERAL RESOURCE STATEMENT

AT 30 JUNE 2015

MULGA ROCK PROJECT

Overview

- » The MRP global uranium mineral estimate increased by 17% between 1 July 2014 and 30 June 2015, from 62.2 to 72.7Mlbs (from 57.3Mt at 500ppm U_3O_8 to 59.7Mt at 550ppm U_3O_8).
- » This change was the result of significant increases in the Mineral Resources at Princess and Ambassador, by 60% and 33% respectively. Both Resources form the Mulga Rock East Deposit.
- » As at 30 June 2015, the Princess Mineral Resource stood at 3.8Mt at 480ppm U_3O_8 , with 47% in an Indicated category and the Ambassador Mineral Resource stood at 28.1Mt at 610ppm U_3O_8 , with 58% classified as Indicated (see Table 1). Please note that on 17 September 2015 the Mineral Resource Statement for the Mulga Rock Project was subsequently upgraded and now stands at 65.6Mt @ 520ppm for 75Mlbs U_3O_8 (please refer to the table on page 15).
- » Maiden Base Metal Resource estimates were reported, coincident with the uranium Mineral Resource.



Uranium Resource Estimate

TABLE 1: MULGA ROCK PROJECT TOTAL RESOURCE

30 JUNE 2015 compared to 30 JUNE 2014

Combined Mineral Resource categories of Indicated and Inferred.

Deposit / Resource	2015			2014		
	Tonnes (Mt) ³	U ₃ O ₈ (ppm) ⁵	U ₃ O ₈ (Mlb)	Tonnes (Mt)	U ₃ O ₈ (ppm) ⁵	U ₃ O ₈ (Mlb)
Mulga Rock East						
Princess	3.8	490	4.0	1.9	600	2.5
Ambassador	28.1	600	37.5	27.6	470	28.4
Sub-Total	31.9	590	41.5	29.5	480	30.9
Mulga Rock West						
Emperor	24.1	500	26.4	24.1	500	26.4
Shogun	3.7	590	4.8	3.7	590	4.8
Sub-Total	27.8	510	31.2	27.8	510	31.2
Total Resource	59.7	550	72.7	57.3	500	62.2

TABLE 2: MULGA ROCK PROJECT TOTAL RESOURCE

30 JUNE 2015

Deposit / Resource	Classification	Cut-off Grade (ppm U ₃ O ₈) ⁵	Tonnes (Mt) ⁴	U ₃ O ₈ (ppm) ⁵	U ₃ O ₈ (Mlb)
Mulga Rock East					
Princess ¹	Indicated	200	1.3	690	1.9
Princess ¹	Inferred	200	2.5	380	2.1
Ambassador	Indicated	200	13.0	750	21.6
Ambassador	Inferred	200	15.1	480	15.9
Sub-Total			31.9	590	41.5
Mulga Rock West					
Emperor ²	Inferred	200	24.1	500	26.4
Shogun ²	Inferred	200	3.7	590	4.8
Sub-Total			27.8	510	31.2
Total Resource			59.7	550	72.7

¹ The Princess Resource estimate at a cut-off grade of 200ppm U₃O₈ was reviewed by Coffey Mining and announced to the ASX on 18 December 2014.

² The Emperor and Shogun Resource estimates at a cut-off grade of 200ppm U₃O₈ were prepared by Coffey Mining and initially disclosed to the ASX on 13 January 2009 under the JORC Code 2004. They have subsequently been reviewed by Coffey Mining and re-released to the ASX on 18 December 2014 in accordance to the JORC Code 2012.

³ The Ambassador Resource estimate at a cut-off grade of 200ppm U₃O₈ was reviewed by Coffey Mining and announced to the ASX on 20 April 2015.

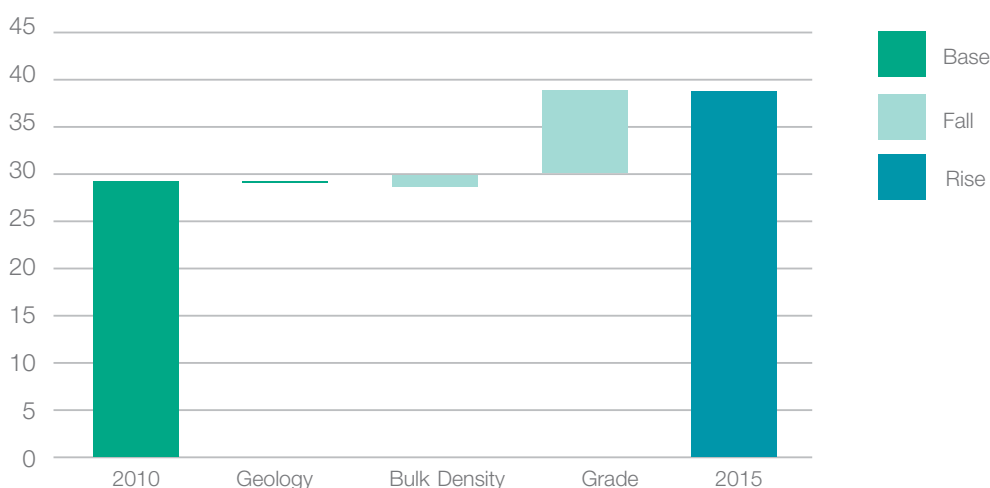
⁴ T = metric dry tonnes; appropriate rounding has been applied and rounding errors may occur.

⁵ Using cut combined U₃O₈ composites (combined chemical and radiometric grades).

Resource Estimate updates by Deposit

- » The 33% increase in the Ambassador Mineral Resource, was primarily driven by a 30% increase in the average grade, as a result of an adjustment to the correction factor used to account for the secular radiometric disequilibrium.
- » 58% of the Ambassador Mineral Resource is now classified as Indicated, totalling 13.0Mt at 750ppm U_3O_8 for 21.6Mlbs U_3O_8 .
- » The Mineral Resources revisions were generally the result of additional drilling reported to the ASX on 4 March 2015.

AMBASSADOR DEPOSIT – CHANGE IN U_3O_8 MINERAL RESOURCE BETWEEN 1 JULY 2014 AND 30 JUNE 2015



- » The 60% Mineral Resource increase at Princess was driven primarily via adjustments to the secular radiometric disequilibrium corrections factors applied and to a lesser degree to minor changes in bulk density and geological models used.
- » The Indicated portion of the Princess Mineral Resource (for a total 47% of the Princess mineral resource, or 1.3Mt at 690ppm U_3O_8) is associated with the thicker, high grade western zone, which was the focus of diamond and twin aircore drilling in 2014.
- » No material changes were made to the Mulga Rock West deposit Mineral Resource estimate (which comprises the Emperor and Shogun Resources, originally prepared and disclosed to the ASX on 13 January 2009 under the JORC Code 2004). Those Resource estimates were reviewed by Coffey Mining and re-released to the ASX on 18 December 2014 in accordance with the JORC Code 2012 but no material changes were made.

- » The Mulga Rock East uranium deposit (Princess and Ambassador) also contains a base metal ("BM") resource. Base metal mineralisation is associated with uranium but also occurs outside the boundaries of the uranium Resource. Base metals will be recovered as part of the processing of the uranium ore. However, since the economic extraction of BM independently of uranium is unlikely at this time, the BM Resource estimate reported in Table 3 represents only the BM mineralisation found inside the boundaries of the uranium Resource. The Princess and Ambassador BM Resources reported at the 200ppm U₃O₈ cut-off grade are provided in Table 3.
- » Previous explorers did not assay for BM during previous drilling at the Mulga Rock West deposit (Emperor and Shogun), and therefore no BM Resource estimation can be determined for those deposits at this stage. Future drilling at Mulga Rock West will address this.

TABLE 3: BASE METAL RESOURCE - MULGA ROCK EAST

Deposit / Resource	Tonnes (Mt)	Cu (ppm) ¹	Zn (ppm) ¹	Ni (ppm) ¹	Co (ppm) ¹
Mulga Rock East – tonnes and grade					
Princess - Indicated	1.3	750	1280	440	210
Princess - Inferred	2.5	270	500	250	140
Ambassador - Indicated	13.0	340	1350	600	250
Ambassador - Inferred	15.1	170	320	300	160
Total	31.9	270	790	420	200

Deposit / Resource	Classification	Cu (kt)	Zn (kt)	Ni (kt)	Co (kt)
Mulga Rock East – contained metal					
Princess	Indicated	0.9	1.6	0.6	0.3
Princess	Inferred	0.7	1.3	0.6	0.4
Ambassador	Indicated	4.4	17.5	7.8	3.3
Ambassador	Inferred	2.6	4.8	4.6	2.4
Total		8.6	25.2	13.6	6.4

¹ The base metal Resource is contained wholly within the uranium Resource. It is reported using the same cut-off grade of 200ppm U₃O₈ with no additional base metal grade cut-offs applied.

Please note that post year end a further update to the Mineral Resource statement was released to the market. Please refer to page 15 for the updated Resource table.

There were consequential changes to the Base Metal Resource (please refer to the ASX announcement of 17 September 2015 for further details).

RESOURCE ESTIMATES - OTHER MATERIAL INFORMATION SUMMARY

Geology and Geological interpretation

- » Geological modelling: Updates to the Mulga Rock East geological model resulted in limited changes to block model volumes overall, with locally significant changes between domains, based on infill drilling programs at Ambassador East and Princess.
- » Cretaceous-hosted mineralisation was identified and paleochannel boundaries and stratigraphy are now better defined.
- » A lithological indicator was used for modelling density, based on a pro rata of lithologies logged.

Sampling and sub-sampling

- » There are no material changes to report regarding sampling and sub-sampling techniques but recovery of loose material in sands during diamond drilling was improved through the use of core-tubes, oversized reamers and finger lifters.

Sample analysis method

- » The correction methodology for secular radiometric disequilibrium was updated, shifting from a fixed factor for grades above 200ppm eU_3O_8 to a polynomial based correction for grades above 100ppm eU_3O_8 .
- » Analysis of wet bulk density based on quality dual spaced density wireline logging, supported by measurements on core. Dry bulk density derived from moisture values inferred from wet and dry weight measurements.

Drilling techniques

- » There were no material changes to the drilling techniques involved but a significant number of diamond holes and aircore twins used to analyse sampling bias associated with the latter.
- » Short-scale grade variability test work was also carried out on 8 inch diamond holes drilled for metallurgical bulk sampling purposes.

Estimation methodology

- » An accumulation or grade x thickness estimation method was used for the domains 100 and 200 at Ambassador and conventional ordinary kriging of U_3O_8 distribution for domains 300 and 400.

Resource classification

- » Resource classification criteria were amended to reflect the revised understanding of longitudinal continuity of the various domains, and to account for the two resource estimation methods used.

Cut-off grade

- » There were no changes to cut-off grades applied other than in domains 300 and 400 at Ambassador where the cut-off grade was revised from 100ppm to 200 ppm U_3O_8 to provide consistency across the deposits.
- » Base metal grades reported were not cut but constrained to the uranium mineral resource domains.

Mining and metallurgical methods and parameters and other modifying factors considered to date

- » There were no material changes to report, assuming mining via conventional open mining methods.

CORPORATE GOVERNANCE – RESERVES AND RESOURCES CALCULATION

Due to the nature, stage and size of the Company's existing operations, the Board believes there would be no efficiencies gained in establishing a separate mineral reserves and resources committee responsible for reviewing and monitoring the Company's processes for calculating mineral reserves and resources and for ensuring that the appropriate internal controls are applied to such calculations.

However, the Company ensures that any mineral reserve and resource calculations are prepared by competent geologists and are reviewed independently and verified (including estimation methodology, sampling, analytical and test data). The Company will report any future mineral reserves and resource estimates in accordance with the 2012 JORC Code.

COMPETENT PERSON'S STATEMENT

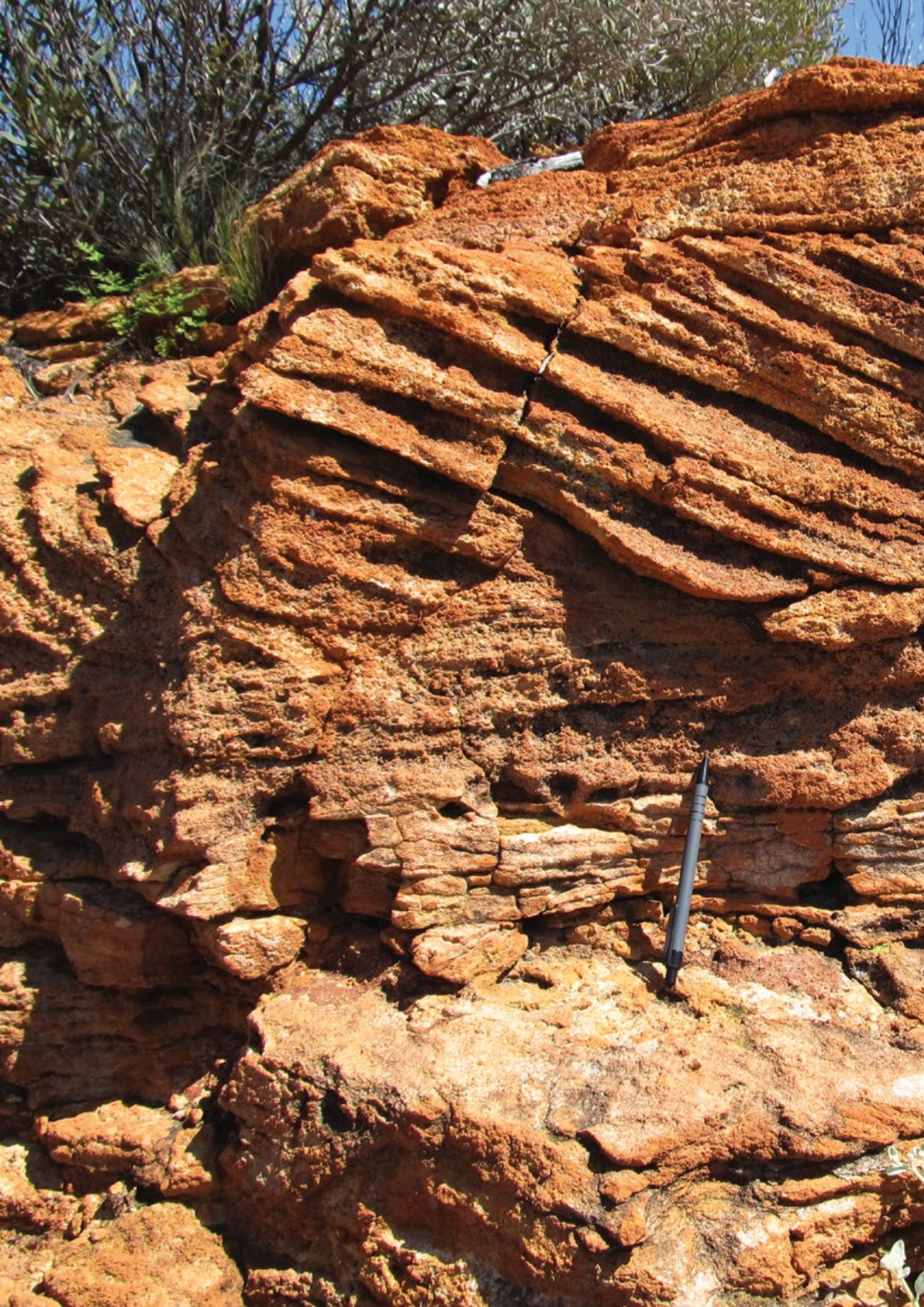
The information in this report that relates to the Exploration Results for the Mulga Rock Resource Estimate U_3O_8 and base metals, Resource Database, Geology and Bulk Densities are based on information compiled by Xavier Moreau, who is a Member of the Australian Institute of Geoscientists. Mr Moreau is a full time employee of Vimy Resources Limited. Mr Moreau has sufficient experience relevant to the style of mineralisation and type of deposit under consideration and to the activity which is being undertaken to qualify as a Competent Person as defined in the 2012 Edition of the JORC 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Moreau consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

The information in this report that relates to the Mulga Rock Mineral Resource estimates U_3O_8 and base metals is based on information compiled or reviewed under the supervision of AMC Consultants as consultants to the Company and reviewed by Ingvar Kirchner, an employee of AMC Consultants. Mr Kirchner consents to the inclusion, form and context of the relevant information herein as derived from the original resource reports. Mr Kirchner has sufficient experience relevant to the style of mineralisation and type of deposit under consideration and to the activity which is being undertaken to qualify as a Competent Person as defined in the 2012 Edition of the JORC 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'.

TENEMENT DETAILS

Project	Tenement	Ownership
Mulga Rock Project	M39/1080	100%
	M39/1081	100%
	E39/876	100%
	E39/877	100%
	E39/1148	100%
	E39/1149	100%
	E39/1150	100%
	E39/1551	100%
	P39/4877	100%
	P39/4878	100%
	P39/4879	100%
	P39/4880	100%
	P39/4881	100%
	P39/4882	100%
	L39/193	100%
	L39/219	100%







ANNUAL FINANCIAL STATEMENTS CONTENTS

DIRECTORS' REPORT	24
AUDITOR'S INDEPENDENCE DECLARATION	41
STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME	42
STATEMENT OF FINANCIAL POSITION	43
STATEMENT OF CHANGES IN EQUITY	44
STATEMENT OF CASH FLOWS	45
NOTES TO THE FINANCIAL STATEMENTS	46
DIRECTORS' DECLARATION	76
INDEPENDENT AUDITOR'S REPORT	77
ADDITIONAL INFORMATION	80
CORPORATE GOVERNANCE STATEMENT	83

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 2015 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 financial report was authorised for issue by the directors on 23 September 2015. 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 vimyresources.com.au.

DIRECTORS' REPORT

FOR THE YEAR ENDED 30 JUNE 2015

Your directors present their report on Vimy Resources Limited consolidated entity ('Group') for the financial year ended 30 June 2015.

DIRECTORS

The names and details of directors who held office during the year ended 30 June 2015 and up to the date of this report (unless otherwise stated), are:

The Hon. Cheryl Edwardes LLM, B.Juris, BA
Independent 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 is currently Chairman of Atlas Iron Limited and assists the clients of FTI Consulting with a range of complex statutory approvals required for resources and infrastructure projects. She was the Executive General Manager for External Affairs for Hancock Prospecting and Special Counsel at Minter Ellison in Perth where she practised in government relations, climate change and environmental regulation and compliance.

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.

Listed company directorships in the last three years: Atlas Iron Limited May 2015 to present

Michael (Mike) Young BSc (Hon), MAIG, MAICD
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 its current 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.

Listed company directorships in the last three years: BC Iron Limited October 2006 to November 2014, Cassini Resources Limited January 2012 to present, Waratah Resources Limited 2011 to 2012, Ascot Resources Limited June 2015 to present

Julian Tapp BA, MSc
Executive Director

Appointed 18 March 2013

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 as an economist before holding a number of high-level roles in companies around the globe, including as Director of New Business Development for the Middle East for BAeSystems. He is also currently a non-executive director with the Pilbara Port Authority.

Listed company directorships in the last three years: Nil

DIRECTORS' REPORT

FOR THE YEAR ENDED 30 JUNE 2015

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

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

Aaron Hood B.Comm, B.Eng, MBA
Non-executive Director

Appointed 26 May 2015

Mr Hood is the Chief Investment Officer of Minderoo, encompassing the philanthropic and private business holdings of Andrew and Nicola Forrest.

Prior to joining Minderoo, Mr Hood spent ten years in Sydney and Perth as executive director of a private equity firm with investments in mining services, oil and gas, manufacturing and retail. He is currently a director of the Scotch College Foundation (WA) and UWA Business School Ambassadorial Council and Chairman of Harvey Beef.

Mr Hood is a representative of the shareholder, Forrest Family Investments Pty Ltd (Peepingee Trust).

Listed company directorships in the last three years: Impact Minerals Limited from May 2015

Felicity Gooding B.Comm, CA
Non-executive Director

Appointed 17 July 2014, Resigned 26 May 2015

Ms Gooding is the Chief Financial Officer of Minderoo, encompassing the philanthropic and private business holdings of Andrew and Nicola Forrest.

Ms Gooding is a Chartered Accountant with over fifteen years' experience specialising in due diligence, mergers and acquisitions and equity and debt financing across various sectors in Washington DC, Singapore and London. Ms Gooding has held senior positions at PricewaterhouseCoopers, Diageo Plc and Fortescue Metals Group Ltd where she was instrumental in the raising of over \$5bn expansion financing. Prior to joining Minderoo, Ms Gooding was an executive at potash development company Sirius Minerals Plc.

Ms Gooding is a representative of the shareholder, Forrest Family Investments Pty Ltd (Peepingee Trust).

Listed company directorships in the last three years: Nil

DIRECTORS' REPORT

FOR THE YEAR ENDED 30 JUNE 2015

Shane McBride BBus., FCPA, FGIA, FCSA, MAICD **Chief Financial Officer and Company Secretary**

Mr McBride has thirty five years of commercial management experience, with twenty-eight years' experience in senior management roles in the resources industry. His experience has been gained in listed Australian public companies in the disciplines of corporate management, management and financial accounting, project development and mine site operations, corporate finance and company secretarial functions.

Mr McBride has been a senior executive of the Company since July 2009. He was the managing director of an Australian copper producer listed on the ASX and has substantial experience as a public company director.

Mr McBride has a Bachelor of Business degree, is a Fellow of CPA Australia, Fellow of Governance Institute of Australia and the Institute of Chartered Secretaries and Administrators, and is a Member of the Australian Institute of Directors.

Listed company directorships in the last three years: Nil

PRINCIPAL ACTIVITIES

The principal activities of the Group during the year ended 30 June 2015 were exploration and development of its tenement package and progression of development studies on the Mulga Rock Project.

There has been no significant change to the nature of the Group's activities during the year.

RESULTS OF OPERATIONS

The consolidated operating loss after tax for the year ended 30 June 2015 attributable to members of the Group was \$10,725,302 (30 June 2014: operating loss after tax \$8,298,813).

DIVIDENDS

No dividends were paid in the current year (2014: \$Nil). The directors do not recommend the payment of a dividend.

OPERATING AND FINANCIAL REVIEW

Operations

Vimy Resources Limited ('Vimy') is a junior uranium exploration company, with its primary asset being the Mulga Rock Project located 240 kilometres northeast of the regional city of Kalgoorlie-Boulder in Western Australia. During the year, the Company continued to develop the Project by completing a Scoping Study on the Mulga Rock Project. A Pre-feasibility Study is currently underway and a Definitive Feasibility Study is expected to start in October 2015. As a junior explorer, the Company is in the high-risk, high-reward sector of the Australian mining industry. Juniors 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.

The Company currently has sixteen tenements, two of which are mining leases and fourteen are exploration licences. The mining leases currently include all of the area that the Company anticipates will be incorporated into the Mulga Rock Project. The Company's tenement holdings are currently limited to the Mulga Rock Project.

Operating Loss

The operating loss for the year increased by 30% for the financial year to \$10,725,302 (2014: \$8,298,813), principally due to the following factors:

- Increased exploration and evaluation expenditure by \$5,834,462, spent on the Mulga Rock Project development studies.
- Increased interest revenue by \$122,580 due to the higher cash balances on hand after capital raisings during the year.
- Debt forgiven including interest and finance charges related to the conversion of convertible notes in July 2014 of \$1,467,367.

DIRECTORS' REPORT

FOR THE YEAR ENDED 30 JUNE 2015

Financial Position

Net assets / (liabilities) improved by \$30,383,524 during the financial year to \$5,745,119 (2014: Net liability (\$24,638,405)). This is substantially due to the Company's convertible note holders converting the liability into shares, thereby eliminating \$24,667,153 in debt; and the Company completing an equity capital raising of \$17,000,000 during the year.

The Group has an accounting policy to expense all exploration activities and therefore, such expenditure does not add to its net assets, even though it may add value to the Group's tenements.

Cash balances at 30 June 2015 totalled \$6,445,757.

Going Concern

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.

On 20 May 2015, the Company announced a conditional \$30 million funding facility with mining-focused private equity fund, Resource Capital Fund VI L.P. ('RCF VI'), whereby RCF VI agreed to subscribe \$5 million in equity through a share placement and conditionally offered to provide an additional \$25 million of funding in the form of a royalty and bridging loan subject to customary conditions precedent

Subsequently on 17 August 2015, the Company announced a legally binding agreement with RCF VI for the provision of the final \$25 million of the \$30 million funding package announced on 20 May 2015. The funding package comprises a \$15 million unsecured bridging loan and a \$10 million payment in return for a 1.15% royalty.

On 3 September 2015, the Company received a payment of \$10 million from RCF VI in consideration of the 1.15% royalty on future production from the Mulga Rock Project.

Therefore, it is the view of the directors that the Group will have adequate resources to continue to operate for at least the next twelve months. For these reasons, they have continued to adopt the going concern basis in preparing the financial report.

Business Strategies and Prospects for future financial years

The Company is a junior exploration company and as such does not receive any revenue, other than interest on cash balances. The Company's business strategy is therefore centred on the requirement for the Group to remain a sustainable entity while ensuring the shareholders' expectations of potential resource discoveries and progression of its Mulga Rock Project are met.

Administration and Organisation

The Group's strategy is to develop the Mulga Rock Project and to ultimately become a mining company producing uranium. At the same time the Group is continually looking for exploration opportunities to add to its exploration upside. Consequently, whilst the Board continually reviews its employment costs, the Group retains personnel that can add value through exploration and at the same time personnel that can manage the development of the Mulga Rock Project.

DIRECTORS' REPORT

FOR THE YEAR ENDED 30 JUNE 2015

SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

During the year the following significant events occurred:

- On 17 July 2014, the Group finalised a \$36.8 million equity injection whereby the Company completed an equity capital raising of \$12 million in cash, \$23.3 million of secured debt was converted to equity and the convertible note holders forgave \$1.5 million in fees, thereby eliminating all secured debt.
- On 4 December 2014, the Company changed its name from Energy and Minerals Australia Limited (ASX: EMA) to Vimy Resources Limited (ASX: VMY).
- On 8 December 2014, the Company re-organised its capital structure by consolidating every 7 shares to 1 share. The consolidation reduced the number of ordinary shares on issue from 1,450,967,418 to 207,280,416 and options from 535,075,000 to 77,582,151.
- On 20 May 2015, the Company announced a conditional \$30 million funding facility with mining-focused private equity fund, Resource Capital Fund VI L.P. ('RCF VI'), whereby RCF VI agreed to subscribe \$5 million in equity through a share placement and conditionally offered to provide an additional \$25 million of funding in the form of a royalty and bridging loan subject to customary conditions precedent.

MATTERS SUBSEQUENT TO THE END OF THE YEAR

Since 30 June 2015 the following has occurred:

- On 17 August 2015, the Company announced a legally binding agreement with RCF Capital VI L.P. for the provision of the final \$25 million of the \$30 million funding package announced on 20 May 2015. The funding package comprises a \$15 million unsecured bridging loan and a \$10 million payment in return for a 1.15% royalty on the future production from the Mulga Rock Project.
- On 3 September 2015, the Company received a payment of \$10 million from RCF VI in consideration of the 1.15% royalty.

LIKELY DEVELOPMENTS

The Group's strategy is to develop the Mulga Rock Project and to ultimately become a uranium producer. At the same time the Group is continually looking for exploration opportunities to add to its exploration upside. New assets will be evaluated on a case by case basis.

The Group's objectives are to complete the feasibility studies to progress the development of the Mulga Rock Project and continue exploration activities on its tenement portfolio.

MEETINGS OF DIRECTORS

The meetings of the Company's Board of Directors held during the year ended 30 June 2015, and the number of meetings attended by each director were:

Directors during the year ended 30 June 2015	Full meetings of directors		Remuneration Committee		Audit Committee	
	A	B	A	B	A	B
C. Edwardes	22	22	1	1	1	1
M. Young	21	21	*	*	1	1
J. Tapp	22	22	*	*	1	1
D. Cornell	21	21	1	1	1	1
F. Gooding	15	17	1	1	1	1
A. Hood	1	1	-	-	-	-

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 2015

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	3,571,427	2,142,856
J. Tapp	3,571,427	2,142,856
D. Cornell	-	-
F. Gooding ^(a)	-	-
A. Hood ^(a)	-	-

^(a) Ms Gooding and Mr Hood represent the Forrest Family Investments Pty Ltd. (Peepingee Trust) which currently holds 57,142,857 ordinary shares and 57,142,857 options over ordinary shares in the Company.

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
17 July 2014	30 June 2016	\$0.42	\$0.35	57,142,857
17 March 2014	16 December 2018	\$0.35	\$1.54	8,714,281
17 March 2014	16 December 2018	\$0.35	\$0.70	8,714,283
14 June 2013	14 June 2018	\$0.098	\$0.35	2,857,142
7 February 2012	31 January 2017	\$0.392	\$1.26	153,568

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 2015.

ENVIRONMENTAL REGULATIONS AND PERFORMANCE

The Group has conducted exploration and development 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.

DIRECTORS' REPORT

FOR THE YEAR ENDED 30 JUNE 2015

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. As an emerging development and exploration company, remuneration levels are established based on industry standards rather than company performance. These remuneration levels are set to attract qualified and experienced people to pursue the Group's stated objectives. The Board takes advice on industry remuneration standards through consultation with external agents.

The Board has established a remuneration charter, administered by the full Board, 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.

During the year the Board received advice from a consulting company, Ausrem Pty Ltd. The advice was considered by the remuneration committee and focused on the fixed, short and long term remuneration incentives of the Managing Director and Executive Director, Messrs M. Young and J. Tapp, and the Chairman, The Hon. Cheryl Edwardes and considered the issue of options and shares for their respective roles. The recommendation put forward to the committee supported the issue of options and shares on the condition that Vimy does not introduce any new short term incentive schemes. The Remuneration committee, which excludes Messrs Tapp and Young, is satisfied that this advice is given free from undue influence by members of the key management personnel of which the advice relates. Fees paid to Ausrem Pty Ltd totalled \$11,062 during the year.

Non-executive directors

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 annually by the Board. 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.

DIRECTORS' REPORT

FOR THE YEAR ENDED 30 JUNE 2015

Executive pay

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 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 senior executives' contracts.

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

(ii) Short-term performance incentives

The Board is responsible for assessing short term incentives for key management personnel.

Service agreements may establish short-term incentives against key performance indicators which are assessed by the Board.

(iii) Long-term incentives

Long-term incentives are provided to employees through the Vimy Employee Share Plan. See section D – Share-based compensation for further information.

Company performance

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

Consequences of performance on shareholder wealth

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

Item	2015	2014 *	2013 *	2012 *	2011 *
Loss per share (cents)	(5.26)	(13.72)	(27.23)	(13.02)	(8.96)
Dividend (cents per share)	-	-	-	-	-
Net Loss	(10,725,302)	(8,298,813)	(15,337,969)	(7,218,965)	(4,979,842)
Share price (\$)	0.26	0.35	0.21	0.35	0.70

* The figures for these years have been retrospectively changed to factor in the consolidation of share capital of the Company on a basis that every 7 shares were consolidated into 1 share.

DIRECTORS' REPORT

FOR THE YEAR ENDED 30 JUNE 2015

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 2015 and 2014 are set out in the following tables.

		Short-term benefits		Post-employment benefits		Share-based payments	
		Cash salary and fees	Cash bonus	Super-annuation	Termination benefits	Value of options / shares	Total
Directors							
Non-executive							
C. Edwardes from 26 May 2014	2015	90,000	-	8,550	-	77,500	176,050
	2014	8,876	-	821	-	-	9,697
D. Cornell	2015	40,000	-	3,800	-	-	43,800
	2014	40,000	-	3,700	-	-	43,700
F. Gooding ^(a) from 17 July 2014 resigned 26 May 2015	2015	34,149	-	-	-	-	34,149
	2014	-	-	-	-	-	-
A. Hood ^(a) from 26 May 2015	2015	4,200	-	-	-	-	4,200
	2014	-	-	-	-	-	-
Executive							
M. Young	2015	422,012	-	24,999	-	123,709	570,720
	2014	254,843	-	10,417	-	-	265,260
J. Tapp	2015	315,503	-	34,995	-	123,709	474,207
	2014	325,000	-	25,000	-	-	350,000
Total directors	2015	905,864	-	72,344	-	324,918	1,303,126
	2014	628,719	-	39,938	-	-	668,657

^(a) Payments for Mr Hood and Ms Gooding were made to the Forrest Family Investments Pty Ltd (Peepingee Trust) whom they represent on the Board. Ms Gooding commenced on 17 July 2014 and was replaced by Mr Hood from 26 May 2015.

Key management personnel

M. Fewster	2015	76,875	-	-	-	-	76,875
	2014	196,450	-	-	-	-	196,450
S. McBride CFO and Company Secretary	2015	292,675	-	34,923	-	21,317	348,915
	2014	196,500	-	18,176	-	-	214,676
Total key management personnel	2015	369,550	-	34,923	-	21,317	425,790
	2014	392,950	-	18,176	-	-	411,126

DIRECTORS' REPORT

FOR THE YEAR ENDED 30 JUNE 2015

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	
	2015	2014	2015	2014	2015	2014
Directors						
Non-executive						
C. Edwardes	100%	100%	-	-	-	-
D. Cornell	100%	100%	-	-	-	-
F. Gooding	-	-	-	-	-	-
A. Hood	-	-	-	-	-	-
Executive						
M. Young	78%	100%	-	-	22%	-
J. Tapp	74%	100%	-	-	26%	-
Key management personnel						
M. Fewster	100%	100%	-	-	-	-
S. McBride	94%	100%	-	-	6%	-

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 Vimy Employee Share Plan.

Mr M. Young, Chief Executive Officer and Managing Director

- 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 six months' written notice or the payment of six months' remuneration in lieu of notice. Mr Young must provide six 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.

Mr J. Tapp, Executive Director

- 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 six months' written notice or the payment of six months' remuneration in lieu of notice. Mr Tapp must provide six 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.

DIRECTORS' REPORT

FOR THE YEAR ENDED 30 JUNE 2015

Mr S. McBride, Chief Financial Officer and Company Secretary

- Term of agreement – The executive service agreement has no fixed completion term.
- Termination – The Company may terminate Mr McBride's employment at any time with six months' written notice or the payment of six months' remuneration in lieu of notice. Mr McBride must provide six 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.

D. Share-based compensation

During the year the Company granted options and issued shares under the Vimy Employee Share Plan ('Plan') to executives and key management personnel.

The following shares were issued to directors and key management personnel for the period ended 30 June 2015:

- On 17 December 2014, the Company issued 714,285 ordinary shares each to Messrs Young and Tapp and 857,500 ordinary shares to The Hon. Cheryl Edwardes. These shares were purchased by the director or their associate and funded by a limited recourse loan provided by the Company. These are subject to a two year voluntary escrow period expiring on 16 December 2016.
- On 9 September 2014, the Company issued 457,142 ordinary shares to Mr McBride. These shares were purchased by an associate of Mr McBride and funded by a limited recourse loan provided by the Company. These shares were subject to a one year voluntary escrow period expiring on 9 September 2015.

The terms of the Plan are detailed below under 'Loans to Director and Key Management Personnel'.

The following options were issued to directors and key management personnel for the period ended 30 June 2015:

- On 17 December 2014, the Company granted 714,285 options each to Messrs Young and Tapp. They vest on 16 December 2016 and expire on 16 December 2019. Each option is exercisable at \$0.80 per ordinary share.

All options are options over ordinary shares of the Company, no option holder has any right under the options to participate in any other share issue of the Company or any other entity. No options have been exercised during the period ended 30 June 2015.

DIRECTORS' REPORT

FOR THE YEAR ENDED 30 JUNE 2015

E. 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	Granted as remuneration	Other changes	Balance at the end of the period
30 June 2015				
Directors				
C. Edwardes	-	857,142	-	857,142
M. Young	2,857,142	714,285	-	3,571,427
J. Tapp	2,857,142	714,285	-	3,571,427
D. Cornell	-	-	-	-
A. Hood ^(a)	-	-	-	-
F. Gooding ^(a)	-	-	-	-
	5,714,284	2,285,712	-	7,999,996
Key management personnel				
M. Fewster	36,597,577	-	(3,216)	36,594,361
S. McBride	211,871	457,142	(211,871)	457,142
	36,809,448	457,142	(215,087)	37,051,503

^(a) Mr Hood and Ms Gooding are representatives of Forrest Family Investments Pty Ltd (Peepingee Trust) which holds 57,142,857 ordinary shares in the Company.

Option holdings

The number of options over ordinary shares in the Company held during the reporting period by each director and key management personnel, including their personally related entities, are set out below.

	Balance at the start of the period	Granted as remuneration	Exercised	Other changes	Balance at the end of the period	Vested and exercisable at 30 June 2015
30 June 2015						
Directors						
C. Edwardes	-	-	-	-	-	-
M. Young	1,428,571	714,285	-	-	2,142,856	1,428,571
J. Tapp	1,428,571	714,285	-	-	2,142,856	1,428,571
D. Cornell	-	-	-	-	-	-
A. Hood ^(a)	-	-	-	-	-	-
F. Gooding ^(a)	-	-	-	-	-	-
	2,857,142	1,428,570	-	-	4,285,712	2,857,142
Key management personnel						
M. Fewster	-	-	-	-	-	-
S. McBride	71,428	-	-	(21,428)	50,000	50,000
	71,428	-	-	(21,428)	50,000	50,000

^(a) Mr Hood and Ms Gooding are representatives of Forrest Family Investments Pty Ltd (Peepingee Trust) which holds 57,142,857 ordinary shares in the Company.

DIRECTORS' REPORT

FOR THE YEAR ENDED 30 JUNE 2015

Loans to Directors and Key Management Personnel

On 14 June 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 Vimy Employee Share Plan ('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 Plan provides 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 Plan 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
Director (or associate)				
C. Edwardes	17/12/2014	857,142	\$357,500	up to 5 years
M. Young	17/12/2014	714,285	\$298,000	up to 5 years
M. Young	14/12/2013	1,428,571	\$246,753	up to 5 years
J. Tapp	17/12/2014	714,285	\$298,000	up to 5 years
J. Tapp	14/12/2013	1,428,571	\$246,753	up to 5 years
Key management personnel (or associate)				
S. McBride	9/9/2014	457,142	\$221,440	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 Plan are as follows:

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

Loans to Directors and Key Management Personnel (continued)

- (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.

DIRECTORS' REPORT

FOR THE YEAR ENDED 30 JUNE 2015

Other transactions with director and key management personnel related entities

	Consolidated	
	2015 \$	2014 \$
Mr Fewster is a director of Eaglefield Holdings Pty Ltd. The Board previously agreed to reimburse legal costs incurred by Eaglefield Holdings Pty Ltd in relation to defending legal claims that were alleged by Yarri Mining Pty Ltd over EL39/876 and EL39/877. These actions were settled on 16 July 2013. There were no amounts unpaid at 30 June 2015 (30 June 2014: \$102,784).		
Amounts recognised		
Legal fees	-	152,785
Mr Cornell is a director of Element Capital Pty Ltd. Element has facilitated capital raisings for the Company for which it was paid commercial rates. There were no amounts unpaid at 30 June 2015 (30 June 2014: \$108,000).		
Amounts recognised		
Capital raising fees	-	137,136

End of audited remuneration report.

DIRECTORS' REPORT

FOR THE YEAR ENDED 30 JUNE 2015

Auditor

Grant Thornton Audit Pty Ltd continues in office 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 2015 \$	Year ended 30 June 2014 \$
Assurance services			
1.	Audit services		
	Grant Thornton Audit Pty Ltd:		
	Audit of financial reports and other audit work under the <i>Corporations Act 2001</i>	32,629	34,648
2.	Non-audit services		
	Advisory fees	1,600	-
Total remuneration for assurance services		34,229	34,648

Advisory services provided by the auditors was for general valuation advice in regard to the RCF VI funding facility. The Board is satisfied that the provision of this non-audit service did not compromise the auditor's independence as required by the *Corporations Act 2001*.

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 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 are legal costs that may be incurred in defending civil or criminal proceedings that may be brought against the officers in their capacity as officers of entities in the Group, and any other payments arising from liabilities incurred by the officers in connection with such proceedings, other than where such liabilities arise out of conduct involving a wilful breach of duty by the officers or the improper use by the officers of their position or of information to gain advantage for themselves or someone else or to cause detriment to the Company. It is not possible to apportion the premium between amounts relating to the insurance against legal costs and those relating to other liabilities.

DIRECTORS' REPORT

FOR THE YEAR ENDED 30 JUNE 2015

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*.

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

A handwritten signature in black ink, appearing to read 'M Y', followed by a long horizontal stroke.

Michael Young
Chief Executive Officer and Managing Director

Dated 23 September 2015

AUDITOR'S INDEPENDENCE DECLARATION



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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 audit of Vimy Resources Limited for the year ended 30 June 2015, 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 audit; and
- b no contraventions of any applicable code of professional conduct in relation to the audit.

A handwritten signature in black ink that reads "Grant Thornton".

GRANT THORNTON AUDIT PTY LTD
Chartered Accountants

A handwritten signature in black ink that appears to read "P. Warr".

P W Warr
Partner - Audit & Assurance

Perth, 23 September 2015

Grant Thornton Audit Pty Ltd ACN 130 913 594
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STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 30 JUNE 2015

		Consolidated	
	Note	2015 \$	2014 \$
Revenue	5	165,655	28,680
Exploration expenditure		(9,033,668)	(3,199,206)
Corporate and administration expense		(2,248,161)	(2,274,688)
Financing expense		(122,379)	(2,853,599)
Debt forgiveness	15	1,467,367	-
Employee share based expense	6	(954,116)	-
Loss before income tax		(10,725,302)	(8,298,813)
Income tax expense		-	-
Loss attributable to members of the Company		(10,725,302)	(8,298,813)
Other comprehensive income, net of tax		-	-
Total comprehensive loss for the year		(10,725,302)	(8,298,813)

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	8	(5.26)	(13.72)

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

STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE 2015

		Consolidated	
	Note	2015 \$	2014 \$
CURRENT ASSETS			
Cash and cash equivalents	9	6,445,757	537,332
Trade and other receivables	10	203,794	88,178
Prepayments		75,668	100,340
Total Current Assets		6,725,219	725,850
NON-CURRENT ASSETS			
Plant and equipment	12	242,954	207,505
Total Non-Current Assets		242,954	207,505
TOTAL ASSETS		6,968,173	933,355
CURRENT LIABILITIES			
Trade and other payables	13	971,694	743,971
Provisions	14	151,447	100,393
Loans and borrowings	15	-	24,667,153
Total Current Liabilities		1,123,141	25,511,517
NON-CURRENT LIABILITIES			
Provisions	14	99,913	60,243
Total Non-Current Liabilities		99,913	60,243
TOTAL LIABILITIES		1,223,054	25,571,760
NET ASSETS / (LIABILITIES)		5,745,119	(24,638,405)
EQUITY			
Contributed equity	16	67,727,303	27,572,593
Compound financial instrument	15	-	3,745,184
Employee option plan reserve	17	1,093,362	974,663
Employee share plan reserve	17	1,235,417	400,000
Accumulated losses	19	(64,310,963)	(57,330,845)
TOTAL EQUITY / (ACCUMULATED LOSSES)		5,745,119	(24,638,405)

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

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 JUNE 2015

	Contributed equity \$	Accumulated losses \$	Option reserve \$	Share reserve \$	Compound financial instruments \$	Total \$
CONSOLIDATED						
Balance at 1 July 2013	27,725,770	(49,032,032)	974,663	400,000	3,745,184	(16,186,415)
Share issue costs	(153,177)	-	-	-	-	(153,177)
Loss attributable to members of the Company	-	(8,298,813)	-	-	-	(8,298,813)
Other comprehensive income, net of tax	-	-	-	-	-	-
Balance at 30 June 2014	27,572,593	(57,330,845)	974,663	400,000	3,745,184	(24,638,405)
Balance at 1 July 2014	27,572,593	(57,330,845)	974,663	400,000	3,745,184	(24,638,405)
Issue of ordinary shares net of issue costs	40,154,710	-	-	-	-	40,154,710
Loss attributable to members of the Company	-	(10,725,302)	-	-	-	(10,725,302)
Employee share based expense	-	-	118,699	835,417	-	954,116
Conversion of compound financial instrument	-	3,745,184	-	-	(3,745,184)	-
Other comprehensive income, net of tax	-	-	-	-	-	-
Balance at 30 June 2015	67,727,303	(64,310,963)	1,093,362	1,235,417	-	5,745,119

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

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 30 JUNE 2015

	Note	Consolidated	
		2015 \$	2014 \$
Cash Flows from Operating Activities			
Payments to other suppliers and employees		(2,143,470)	(1,857,775)
Payments for exploration		(8,790,801)	(2,989,440)
Interest received		139,875	21,526
Other debtors		24,095	10,470
Net cash used in Operating Activities	24	(10,770,301)	(4,815,219)
Cash Flows from Investing Activities			
Purchase of plant and equipment		(158,066)	-
Net cash used in Investing Activities		(158,066)	-
Cash Flows from Financing Activities			
Proceeds from issue of ordinary shares, net of issue costs		17,000,000	-
Share issue costs		(163,208)	(153,177)
Proceeds from loan drawdowns		-	3,600,000
Net cash provided by Financing Activities		16,836,792	3,446,823
Net increase / (decrease) in cash and cash equivalents held		5,908,425	(1,368,396)
Cash and cash equivalents at the beginning of the financial year		537,332	1,905,728
Cash and cash equivalents at the end of the financial year	9	6,445,757	537,332

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

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2015

TABLE OF CONTENTS

1.	Summary of significant accounting policies	47
2.	Financial risk management	53
3.	Critical accounting estimates and judgements	57
4.	Segment information	58
5.	Revenue	58
6.	Loss for the year	59
7.	Income tax benefit	59
8.	Earnings per share	60
9.	Cash and cash equivalents	61
10.	Trade and other receivables	61
11.	Financial assets	61
12.	Plant and equipment	62
13.	Trade and other payables	63
14.	Provisions	63
15.	Loans and borrowings	64
16.	Contributed equity	65
17.	Employee share and option reserves	66
18.	Share based payments	67
19.	Accumulated losses	68
20.	Expenditure commitments	69
21.	Director and key management personnel disclosures	69
22.	Loans and other transactions to directors and key management personnel	70
23.	Remuneration of auditors	72
24.	Reconciliation of loss after tax to net cash outflow from operating activities	73
25.	Contingent liabilities	74
26.	Parent entity information	74
27.	Events occurring after reporting date	75

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2015

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 Ground Floor, 10 Richardson Street, West Perth, WA, 6005, Australia. The consolidated financial statements of the Company as at and for the year ended 30 June 2015 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 development and exploration.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies adopted in the preparation of the financial report are set out below. These policies have been consistently applied to all the periods presented, unless otherwise stated.

(a) Basis of preparation

Statement of Compliance

The consolidated financial statements are general purpose financial statements which have been prepared in accordance with Australian Accounting Standards adopted by the Australian Accounting Standards Board ('AASB') and the *Corporations Act 2001*. The consolidated financial statements comply with International Financial Reporting Standards ('IFRS') adopted 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 (including derivative instruments) 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 3.

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. Where necessary prior year balances can be reallocated to compare with the current year.

(b) Going Concern

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.

On 20 May 2015, the Company announced a conditional \$30 million funding facility with mining-focused private equity fund, Resource Capital Fund VI L.P. ('RCF VI'), whereby RCF VI agreed to subscribe \$5 million in equity through a share placement and conditionally offered to provide an additional \$25 million of funding in the form of a royalty and bridging loan subject to customary conditions precedent

Subsequently on 17 August 2015, the Company announced a legally binding agreement with RCF VI for the provision of the final \$25 million of the \$30 million funding package announced on 20 May 2015. The funding package comprises a \$15 million unsecured bridging loan and a \$10 million payment in return for a 1.15% royalty on future production from the Mulga Rock Project.

On 3 September 2015, the Company received a payment of \$10 million from RCF VI in consideration of the 1.15% royalty on future production from the Mulga Rock Project.

Therefore, it is the view of the directors that the Group will have adequate resources to continue to operate for at least the next twelve months. For these reasons, they have continued to adopt the going concern basis in preparing the financial report.

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2015

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(c) Basis of consolidation

The Group financial statements consolidate those of the Parent Company and all of its subsidiaries as of 30 June 2015. The Parent controls a subsidiary if it is exposed, or has rights, to variable returns from its involvement with the subsidiary and has the ability to affect those returns through its power over the subsidiary. All subsidiaries have a reporting date of 30 June.

All transactions and balances between Group companies are eliminated on consolidation, including unrealised gains and losses on transactions between Group companies. Where unrealised losses on intra-group asset sales are reversed on consolidation, the underlying asset is also tested for impairment from a Group perspective. Amounts reported in the financial statements of subsidiaries have been adjusted where necessary to ensure consistency with the accounting policies adopted by the Group.

Profit or loss and other comprehensive income of subsidiaries acquired or disposed of during the year are recognised from the effective date of acquisition, or up to the effective date of disposal, as applicable.

Non-controlling interests, presented as part of equity, represent the portion of a subsidiary's profit or loss and net assets that is not held by the Group. The Group attributes total comprehensive income or loss of subsidiaries between the owners of the parent and the non-controlling interests based on their respective ownership interests.

(d) New Accounting Standards for Application in Future Periods

The AASB has issued a number of new and amended Accounting Standards and Interpretations that have mandatory application dates for future reporting period, some of which are relevant to the Group. The Group has decided not to early adopt any of the new and amended pronouncements. The Group's assessment of the new and amended pronouncements that are relevant to the Group but applicable in future reporting periods is set out below:

- **AASB 9 Financial Instruments**

AASB 9 introduces new requirements for the classification and measurement of financial assets and liabilities. These requirements improve and simplify the approach for classification and measurement of financial assets compared with the requirements of AASB 139.

Effective date (annual reporting periods beginning on or after 1 January 2018).

The entity has not yet assessed the full impact of AASB 9 as this standard does not apply mandatorily before 1 January 2018 and the IASB is yet to finalise the remaining phases of its project to replace IAS 39 Financial Instruments: Recognition and Measurement (AASB 139 in Australia).

- **AASB 15 Revenue from Contracts with Customers**

The AASB has issued a new standard for the recognition of revenue. This will replace AASB 118 which covers contracts for goods and services and AASB 111 which covers construction contracts. The new standard is based on the principle that revenue is recognised when control of a good or service transfers to a customer – so the notion of control replaces the existing notion of risks and rewards. The standard permits a modified retrospective approach for the adoption. Under this approach entities will recognise transitional adjustments in retained earnings on the date of initial application (e.g. 1 July 2017), i.e. without restating the comparative period. They will only need to apply the new rules to contracts that are not completed as of the date of initial application.

- **AASB 2014-1 Amendments to Australian Accounting Standards (Part D: Consequential Amendments arising from AASB 14)**

Part D of AASB 2014-1 makes consequential amendments arising from the issuance of AASB 14.

Effective date (annual reporting periods beginning on or after 1 January 2016).

When these amendments become effective for the first time for the year ending 30 June 2017, they will not have any impact on the entity.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

- *Clarification of Acceptable Methods of Depreciation and Amortisation (Amendments to IAS 16 and IAS 38)*

The amendments to IAS 16 prohibit the use of a revenue-based depreciation method for property, plant and equipment. Additionally, the amendments provide guidance in the application of the diminishing balance method for property, plant and equipment.

The amendments to IAS 38 present a rebuttable presumption that a revenue-based amortisation method for intangible assets is inappropriate. This rebuttable presumption can be overcome (i.e. a revenue-based amortisation method might be appropriate) only in two limited circumstances:

- the intangible asset is expressed as a measure of revenue, for example when the predominant limiting factor inherent in an intangible asset is the achievement of a revenue threshold (for instance, the right to operate a toll road could be based on a fixed total amount of revenue to be generated from cumulative tolls charged); or
- when it can be demonstrated that revenue and the consumption of the economic benefits of the intangible asset are highly correlated.

The Australian Accounting Standards Board (AASB) is expected to issue the equivalent Australian amendment shortly.

Effective date (annual reporting periods beginning on or after 1 January 2016).

When these amendments are first adopted for the year ending 30 June 2017, there will be no material impact on the transactions and balances recognised in the financial statements.

The entity has not yet assessed the full impact of these amendments.

(e) Impairment of non-financial 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.

(f) 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.

(g) Provisions

Provisions are recognised when the Group has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured.

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2015

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(h) Employee benefits

Share-based payments - Options

Prior to 14 June 2013, when the Group adopted a new employee share plan; share-based compensation benefits were provided to employees and directors via various share option plans. The fair value of options granted is recognised as an employee benefit expense with a corresponding increase in equity. The fair value is measured at grant date and recognised over the period during which the employees become unconditionally entitled to the options.

The fair value at grant date is independently determined using a Black-Scholes option pricing model that takes into account the exercise price, the term of the option, the vesting and performance criteria, the impact of dilution, the non-tradeable nature of the option, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk-free interest rate for the term of the option.

The fair value of the options granted excludes the impact of any non-market vesting conditions (for example, profitability and sales growth targets). Non-market vesting conditions are included in assumptions about the number of options that are expected to become exercisable. At each reporting date, the entity revises its estimate of the number of options that are expected to become exercisable. The employee benefit expense recognised each period takes into account the most recent estimate.

Upon the exercise of options, the balance of the options reserve relating to those options is transferred to share capital. The market value of shares issued to employees for no cash consideration under the share plans is recognised as an employee benefits expense with a corresponding increase in equity when the employees become entitled to the shares.

Share-based payments - Shares

On 14 June 2013, the Group adopted a new employee share plan the (Vimy Employee Share Plan), where eligible participants are granted shares in the Company funded by a limited recourse loan provided by the Company. The limited recourse loans are recorded within equity and not as a receivable or financial asset to be recovered by the Company. Share-based compensation benefits may be provided to employees and directors via Vimy Employee Share Plan. The fair value of the shares is the market volume weighted average closing price for the Shares over the 10 trading day period prior to issue, which is represented as an increase in equity.

(i) Financial instruments

(i) Compound financial instruments

Compound financial instruments issued by the Group comprise convertible notes that can be converted to share capital at the option of the holder at a fixed price determined at the inception of the loan (refer to Note 15 for details).

The liability component of a compound financial instrument is recognised initially at the fair value of a similar liability that does not have an equity conversion option. The equity component is recognised initially as the difference between the fair value of the compound financial instrument as a whole and the fair value of the liability component. Any directly attributable transaction costs are allocated to the liability and equity components in proportion to their initial carrying amounts.

Subsequent to initial recognition, the liability component of a compound financial instrument is measured at amortised cost using the effective interest method. The equity component of a compound financial instrument is not remeasured subsequent to initial recognition.

Interest related to the financial liability is recognised in the Statement of Profit or Loss and Other Comprehensive Income. On conversion, the financial liability is reclassified to equity and no gain or loss is recognised.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(ii) *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 cash and cash equivalents and trade and other receivables.

(iii) *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 and borrowings and trade and other payables.

(j) **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 between the tax bases of assets and liabilities and their carrying amounts in the financial statements, and to 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. An exception is made for certain temporary differences arising from the initial recognition of an asset or a liability. No deferred tax asset or liability is recognised in relation to these temporary differences if they arose in a transaction, other than a business combination, that at the time of the transaction did not affect either accounting profit or taxable profit or loss.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses 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.

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.

(k) **Exploration and evaluation expenditure**

Exploration, evaluation and acquisition costs are expensed in the year they are incurred. Development costs, when incurred, will be capitalised. Amortisation is not charged on costs carried forward in respect of areas of interest in the development phase until production commences.

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2015

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(l) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of associated 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.

(m) Short Term Employee benefits

Short-term employee benefits are current liabilities included in employee benefits, measured at the undiscounted amount that the Group expects to pay as a result of the unused entitlement. Annual leave is included in 'other long-term benefit' and discounted when calculating the leave liability as the Group does not expect all annual leave for all employees to be used wholly within 12 months of the end of reporting period. Annual leave liability is still presented as current liability for presentation purposes under AASB 101 Presentation of Financial Statements.

(n) Leases

Operating lease payments are recognised as an expense in the statement of comprehensive income on a straight-line basis over the lease term.

(o) Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and demand deposits, 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.

(p) Segments

Identification and measurement of segments – AASB 8 requires the 'management approach' to the identification measurement and disclosure of operating segments. The 'management approach' requires that operating segments be identified on the basis of internal reports that are regularly reviewed by the entity's chief operating decision maker, for the purpose of allocating resources and assessing performance. This could also include the identification of operating segments which sell primarily or exclusively to other internal operating segments. Under AASB 8 segments were identified by business and geographical areas, and only segments deriving revenue from external sources were considered. There have been no changes from prior periods in the measurement methods used to determine reported segment profit or loss.

(q) Revenue recognition

Revenue is 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 can be reliably measured. The following specific recognition criteria must also be met before revenue 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.

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2015

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(r) New and revised standards that are effective for these financial statements

A number of new and revised standards are effective for annual periods beginning on or after 1 July 2014. Information on these new standards is presented below.

- AASB 2013-3 Amendments to AASB 136 – Recoverable Amount Disclosures for Non-Financial Assets
- AASB 2013-4 Amendments to Australian Accounting Standards – Novation of Derivatives and Continuation of Hedge Accounting
- Interpretation 21 Accounting for Levies
- AASB 2014-1 Amendments to Australian Accounting Standards

The adoption of AASB 2013-3 had a small impact on the impairment disclosures and AASB 2014-1 has required additional disclosures in our segment note. Other than that, the adoption of these standards did not have any impact on the current period or any prior period and is not likely to affect future periods.

2. FINANCIAL RISK MANAGEMENT

The Group's financial position is not complex. Its 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	
	2015 \$	2014 \$
Financial assets		
Cash and cash equivalents	6,445,757	537,332
Trade debtors and other receivables	203,794	88,178
Prepayments	75,668	100,340
	6,725,219	725,850
Financial liabilities		
Trade and other payables	971,694	743,971
Loans and borrowings	-	24,667,153
	971,694	25,411,124

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2015

2. FINANCIAL RISK MANAGEMENT (continued)

(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 2015 and 2014, the Group's deposits at variable rates were denominated in Australian dollars.

As at the reporting date, the Group had the following variable rate deposits and there were no interest rate swap contracts outstanding:

	2015		2014	
	Weighted average interest rate	Balance \$	Weighted average interest rate	Balance \$
Short-term deposits		4,045,000		57,331
Cash at bank		2,400,757		480,001
Net exposure to cash flow interest rate risk	1.46%	6,445,757	0.89%	537,332

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 2015 and 2014, 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 profit for the year. Equity would not have been 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 Westpac Banking Corporation and the Australian and New Zealand Banking Group Limited. Receivables are generally limited to Goods and Services Tax refunds from the Australian Taxation Office and minor on-chargeable expenses to third parties or employees. 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 Group has no derivative financial instruments. The Board has not authorised management to engage in derivative financial instruments.

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 2015 were received within two 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.

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2015

2. FINANCIAL RISK MANAGEMENT (continued)

Maturities of financial liabilities

As at 30 June 2015, the Group's non-derivative 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 2015				
Loans and borrowings	-	-	-	-
Trade and other payables	971,694	-	-	-
Total	971,694	-	-	-

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

30 June 2014				
Loans and borrowings	24,667,153	-	-	-
Trade and other payables	743,971	-	-	-
Total	25,411,124	-	-	-

(d) Capital management

The Group's capital management objective is to ensure adequate funding is obtained to enable it to progress its exploration and project development activities, while retaining sufficient cash reserves to ensure the Group continues as a going concern. As a development and exploration company, funds for activities are generally sourced from equity markets, joint venture agreements, asset sales, or from borrowing facilities. The Group has utilised convertible notes and equity raisings 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

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2015

2. FINANCIAL RISK MANAGEMENT (continued)

The following table shows the Levels within the hierarchy of financial assets and liabilities measured at fair value on a recurring basis at 30 June 2015 and 30 June 2014:

30 June 2015	Level 1 \$	Level 2 \$	Level 3 \$	Total \$
Financial assets				
Cash and cash equivalents	6,445,757	-	-	6,445,757
Trade debtors and other receivables	203,794	-	-	203,794
Prepayments	75,668	-	-	75,668
Total assets	6,725,219	-	-	6,725,219
Financial liabilities				
Trade and other payables	(971,694)	-	-	(971,694)
Loans and borrowings	-	-	-	-
Total liabilities	(971,694)	-	-	(971,694)
Net fair value	5,753,525	-	-	5,753,525

30 June 2014	Level 1 \$	Level 2 \$	Level 3 \$	Total \$
Financial assets				
Cash and cash equivalents	537,332	-	-	537,332
Trade debtors and other receivables	88,178	-	-	88,178
Prepayments	100,340	-	-	100,340
Total assets	725,850	-	-	725,850
Financial liabilities				
Trade and other payables	(743,971)	-	-	(743,971)
Loans and borrowings	-	(24,667,153)	-	(24,667,153)
Total liabilities	(743,971)	(24,667,153)	-	(25,411,124)
Net fair value	(18,121)	(24,667,153)	-	(24,685,274)

There were no transfers between Level 1 and Level 2 in 2015 or 2014.

3. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of the consolidated financial statements in conformity with the IFRSs requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

Information about critical judgements in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements is included in the following:

(i) 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.

(ii) 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.

(iii) Estimation of useful lives of assets

The estimation of the useful lives of assets has been based on historical experience. In addition, the condition of material assets is assessed at least once per year and considered against the remaining useful life. Adjustments to useful lives are made when considered necessary.

(iv) Impairment

The Group assesses impairment at each reporting date by evaluating conditions specific to the Group that may lead to impairment of assets. Where an impairment trigger exists, the recoverable amount of the asset is determined. The directors considered the impairment of the investments in subsidiaries and loans receivable from subsidiaries based on their estimate of the fair value less costs to sell off the underlying mineral tenements. The inter-company loans have no interest or repayment terms and are effectively investments in controlled entities and are reflected at cost. In accordance with the Group's accounting policies, inter-company loans are classified as part of the investment in controlled entities. Therefore, investments in subsidiaries fall under AASB 10 and are tested for impairment under AASB 136. AASB 136 prescribes the calculation of the recoverable amount of an asset at the higher of Value in Use or Fair Value less cost to sell. Due to a common control business combination in the previous year, assets acquired were recorded at their carrying values instead of fair value under the prescribed 'predecessor accounting method'. The Group's accounting policy is to expense all exploration expenditure in the year that it is incurred. Because of the matters above, the Board considers the fair value of the investments/loans receivable in subsidiaries to be directly associated with the value of the underlying minerals tenements. Based on these considerations, no impairment charge has been recognised by the Parent entity.

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2015

4. SEGMENT INFORMATION

The Group operates one business segment: Exploration and Evaluation. The activities undertaken by the Exploration segment include the exploration on tenements in Western Australia and development study activities on the Mulga Rock Project. This activity does not generate any sales revenue.

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.

	Exploration	
	2015 \$	2014 \$
Result		
Segment contribution	(9,109,671)	(3,304,192)
Carrying amount of segment assets	213,666	198,632
Reconciliation to Consolidated Loss		
Segment contribution	(9,109,671)	(3,304,192)
Corporate expenses	(2,119,790)	(2,148,919)
Depreciation	(28,273)	(11,083)
Employee share-based remuneration	(954,116)	-
Financing expense	(122,379)	(2,853,599)
Debt Forgiveness	1,467,367	-
Financial income	141,560	18,980
Loss from continuing operations	(10,725,302)	(8,298,813)
Assets		
Segment assets	213,666	198,632
Reconciliation to Group Assets		
Segment assets	213,666	198,632
Corporate assets	29,288	8,873
Group assets	242,954	207,505

5. REVENUE

	Consolidated	
	2015 \$	2014 \$
Interest received	141,560	18,980
Other income	24,095	9,700
	165,655	28,680

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2015

6. LOSS FOR THE YEAR

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

	Consolidated	
	2015 \$	2014 \$
(a) Expenses		
Depreciation	128,368	116,069
Operating leases	267,434	215,800
Auditor's fees and provisions for audit of the financial report	32,629	34,648
	428,431	366,517
(b) Employee benefits expense		
Wages, salaries and directors' fees	2,535,352	1,930,832
Employee share based expense	954,166	-
Other employee benefits expense	221,727	170,297
	3,711,195	2,101,129

7. 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) Numerical reconciliation between income tax benefit and the loss before income tax

	Consolidated	
	2015 \$	2014 \$
Loss before tax	(10,725,302)	(8,298,813)
Income tax benefit at 30% (2014: 30%)	(3,217,591)	(2,489,944)
Tax effect of:		
– non-deductible expenses	-	-
– DTA on temporary differences not brought to account	(36,187)	975,090
– equity based remuneration	-	-
DTA on tax losses not recognised	3,253,778	1,514,854
Income tax benefit attributable to loss from ordinary activities	-	-

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2015

7. INCOME TAX BENEFIT (continued)

	Consolidated	
	2015 \$	2014 \$
(c) Unrecognised deferred tax balances		
Tax losses carried forward	52,433,043	42,839,766
Potential tax (benefit) at 30%	15,729,913	12,851,930
Deferred tax liability		
– Property, plant and equipment	-	(56,312)
– Prepayments	-	-
– Accrued income	(774)	(269)
Deferred tax asset		
– Exploration expenditure	1,739,650	1,739,650
– Borrowing costs	-	-
– Employee provisions	81,329	53,125
– S40-880 costs	37,303	28,225
– Other costs	34,500	6,046
Amounts recognised in equity		
– S40-880 costs	152,238	66,277
– Convertible notes	-	-
Net unrecognised deferred tax asset at 30%	(17,774,159)	(14,688,672)

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.

8. EARNINGS PER SHARE

	Consolidated	
	2015 Cents	2014 Cents
Basic and diluted loss per share (cents per share)	(5.26)	(13.72)
Loss after tax used in the calculation of basic EPS	(10,725,302)	(8,298,813)
Weighted average number of shares outstanding during the year used in calculations of loss per share	203,752,216	60,532,316

There are 79,010,701 potential ordinary shares that have not been included in the dilutive EPS calculation because they are anti-dilutive.

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2015

9. CASH AND CASH EQUIVALENTS

	Consolidated	
	2015 \$	2014 \$
Cash at bank and in hand	2,400,757	480,001
Short-term deposits	4,045,000	57,331
	6,445,757	537,332

- (a) The above figures are shown as cash and cash equivalents at the end of the financial period in the statement of cash flows.
- (b) Cash at bank and on hand includes interest-bearing amounts. The average rate applicable to the Group's balance at 30 June 2015 was 1.46% (0.89% at 30 June 2014).
- (c) Included in short-term deposits are deposits for \$45,000 (\$57,331 at 30 June 2014) which are secured against bank guarantees for similar amounts in respect of environmental bonds.

10. TRADE AND OTHER RECEIVABLES

	Consolidated	
	2015 \$	2014 \$
Current		
Receivables	82,248	2,741
Goods and services tax recoverable	121,546	85,437
	203,794	88,178

11. FINANCIAL ASSETS

Controlled entities	Country of incorporation	Percentage owned	
		2015	2014
<i>Parent entity:</i>			
Vimy Resources Limited	Australia		
<i>Subsidiaries of Vimy Resources Limited:</i>			
Narnoo Mining Pty Ltd	Australia	100%	100%
Camuco Pty Ltd	Australia	100%	100%
Gunbarrel Energy and Minerals Australia Pty Ltd	Australia	100%	100%

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2015

12. PLANT AND EQUIPMENT

	Consolidated	
	2015 \$	2014 \$
Office equipment		
Cost	280,911	232,223
Accumulated depreciation	(251,623)	(223,350)
Total office equipment	29,288	8,873
Exploration equipment		
Cost	1,167,272	1,052,143
Accumulated depreciation	(953,606)	(853,511)
Total exploration equipment	213,666	198,632
Total office and exploration equipment	242,954	207,505
Movements in the carrying amounts of each class of office and exploration equipment at the beginning and end of the current financial period is as set out below:		
Office equipment		
Balance at the beginning of year	8,873	19,956
Additions	48,688	-
Depreciation expense	(28,273)	(11,083)
Carrying amount at the end of the year	29,288	8,873
Exploration equipment		
Balance at the beginning of year	198,632	303,618
Additions	115,129	-
Depreciation expense	(100,095)	(104,986)
Carrying amount at the end of the year	213,666	198,632
Total carrying amount at the end of the year	242,954	207,505

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2015

13. TRADE AND OTHER PAYABLES

	Consolidated	
	2015 \$	2014 \$
Current		
Trade payables and accruals	971,694	743,971
	<u>971,694</u>	<u>743,971</u>

14. PROVISIONS

	Consolidated	
	2015 \$	2014 \$
Current		
Employee entitlement: Annual Leave		
Opening balance	100,393	73,278
Employee entitlements provided for	148,409	103,338
Employee entitlements used	(97,355)	(76,223)
Closing balance	<u>151,447</u>	<u>100,393</u>

The current provision relates to annual leave for employees of the Group. Based on past experience, the provision is expected to be used over the forthcoming twelve months.

Non-Current

Employee entitlement: Long Service Leave		
Opening balance	60,243	-
Employee entitlements provided for	39,670	60,243
Employee entitlements used	-	-
Closing balance	<u>99,913</u>	<u>60,243</u>

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2015

15. LOANS AND BORROWINGS

		Consolidated	
		2015 \$	2014 \$
Convertible Notes	(a)	-	20,897,666
Promissory Notes	(b)	-	3,769,487
Total Loans and Borrowings		-	24,667,153

(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 Notes.
- (ii) Term of the Notes – Maturity was on 16 December 2015.
- (iii) Issue Price – The Notes have been issued to the noteholders at a subscription price of \$0.95 for each convertible note. Vimy issued a total of 10,684,211 2011-Convertible Notes to the noteholders, which equates to a total subscription price of \$10,150,000; and 4,336,842 2012-Convertible Notes to the noteholders, which equates to a total subscription price of \$4,120,000.
- (iv) Interest on the Notes accrued at a rate of 10% per annum and is payable in arrears, 14 days after the conclusion of each interest period. Under certain circumstances the interest rate was to increase to 20% per annum. Any interest that remained unpaid for 14 days was to be capitalised unless the noteholders have previously advised the Company that interest cannot be capitalised for that period.
- (v) Conversion Price of the Notes – The noteholders may elect to convert all (but not some) of the Notes into Vimy Shares. The Notes will convert into the number of Vimy Shares equal to the outstanding amount payable by Vimy under the Notes (sum of the face value (\$1) plus capitalised amendment, waiver and establishment fees and any capitalised or accrued but un-capitalised interest) to that noteholder divided by the Conversion Price (initially set at 18 cents but subsequently reset to 7 cents on drawdown of the 2012-Convertible Notes) multiplied by the number of notes held by that noteholder.
- (vi) Security for the 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 secured the tenements that make up the Mulga Rock Project.
- (vii) The capitalised amendment, waiver and establishment fees which total \$1,200,000 was waived on the earlier of the conversion of all the 2011 Convertible Notes and the 2012 Convertible Notes.

On 17 July 2014, these Notes were converted into equity. 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 (pre-consolidation), in addition, the note holders have forgiven \$1.2 million in fees plus interest thereon. These transactions resulted in the Company eliminating the convertible note facility.

The Notes were 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 has determined that the applicable market interest rate for these 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.

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2015

15. LOANS AND BORROWINGS (continued)

(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 ('Promissory Noteholders'). 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 is secured by the same charge as the convertible notes referred to in Note 15 (a).

On 17 July 2014, the Promissory Notes were converted into equity along with the convertible notes explained in part (a) above.

16. CONTRIBUTED EQUITY

227,732,795 (2014: 423,726,209) fully paid ordinary shares

	Consolidated	
	Number	\$
Ordinary shares		
At 1 July 2014 (Pre consolidation)	423,726,209	27,572,593
17 July 2014 Share placement @ 3 cents (Pre consolidation)	400,000,000	12,000,000
17 July 2014 Conversion of convertible and promissory notes to equity (Pre consolidation)	613,741,209	23,322,166
5 September 2014 Employee share plan issue (Pre consolidation)	13,500,000	-
8 December 2014 Consolidation of share capital ^(a)	(1,243,687,002)	-
17 December 2014 Employee share plan issue (Post consolidation)	2,285,712	-
21 May 2015 Share placement @ 30 cents (Post consolidation)	16,666,667	5,000,000
21 May 2015 Shares issued for fees on placement @ 30 cents (Post consolidation)	1,500,000	450,000
Share issue costs		(617,456)
Balance at 30 June 2015 (Post consolidation)	227,732,795	67,727,303

- (a) On 8 December 2014, the Company restructured its capital by way of consolidation on a 7 to 1 basis of ordinary shares. Share fractions were rounded down to the nearest whole share resulting in 643 shares being eliminated. After consolidation, shares on issue decreased from 1,450,967,418 to 207,208,416.

The shares have no par value.

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.

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2015

17. EMPLOYEE SHARE AND OPTION RESERVES

Share Options Reserves

	Consolidated	
	2015 \$	2014 \$
Reserves	1,093,362	974,663
Reserves comprise the following:		
Options reserve		
Balance as at start of financial year	974,663	974,663
1,428,570 options granted ^(a)	118,699	-
Balance as at end of the financial year	1,093,362	974,663

- (a) On 17 December 2014, the Company granted 714,285 options each to Messrs Young and Tapp which vest two years after grant date being 16 December 2016 and expire on 16 December 2019. Each option is exercisable at \$0.80 per ordinary share. The Black Scholes valuation expense will be proportionately allocated over the vesting period.

Share Plan Reserves

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

	Consolidated	
	2015 \$	2014 \$
Reserves	1,235,417	400,000
Reserves comprise the following:		
Employee Share Plan Reserve		
Balance as at start of financial year	400,000	400,000
4,214,283 shares issued ^(a)	835,417	-
Balance as at end of the financial year	1,235,417	400,000

- (a) On 9 September 2014, a total of 1,928,571 shares were issued to staff and have been funded by a non-interest bearing, limited recourse loan from the Company. These shares are subject to voluntary escrow period of one year expiring on 9 September 2015 and the Black Scholes valuation expense will be proportionately allocated over the escrow period.

On 17 December 2014, a total of 2,285,712 ordinary shares were issued to Directors, Messrs Young and Tapp and The Hon. Cheryl Edwardes and have been funded by a non-interest bearing, limited recourse loan from the Company. These shares are subject to voluntary escrow period of two years expiring on 16 December 2016 and the Black Scholes valuation expense will be proportionately allocated over the escrow 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.

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

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2015

18. SHARE BASED PAYMENTS

(a) Employee 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 and some options were issued during the year to the directors outside of the previous Plan.

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 Cancelled during year	Number Balance at end of year	Number Exercisable at end of year
Various	Various	3,035,000	1,428,570	-	(24,285)	4,439,285	3,010,715
Weighted average exercise price			0.80	-	3.71	0.65	0.40

The Company issued 1,428,570 options to directors on 17 December 2014.

The input variables used in the Black Scholes option pricing model are as follows:

Grant date:	17 December 2014
Expiry date:	16 December 2019
Exercise price:	\$0.80
Expected volatility:	115%
Expected life:	5 years
Risk free interest rate (based on government bonds):	2.38%
Calculated share value at grant date:	\$0.311
Total amount to be recognised as share based payment over the two year vesting period	\$444,362

(b) Employee share plan

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 Vimy Employee Share Plan.

A summary of the main terms and conditions of the Vimy Employee Share Plan can be found at Note 22.

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

Issue date	Number Balance at start of year	Number Issued during year	Number Cancelled during year	Number Balance at end of year
14 June 2013	2,857,142	-	-	2,857,142
5 September 2014	-	1,928,571	-	1,928,571
17 December 2014	-	2,285,712	-	2,285,712

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2015

18. SHARE BASED PAYMENTS (continued)

On 5 September 2014, the Company issued 1,928,571 shares to staff under its employee share plan.

The input variables used in the Black Scholes option pricing model are as follows:

Issue date:	5 September 2014
Expected volatility:	115%
Latest loan repayment date:	5 years
Risk free interest rate (based on government bonds):	2.99%
Calculated share value at issue date:	\$0.39
Total amount to be recognised as share based payments over a one year escrow period	\$768,958

Subsequently on 17 December 2014, the Company issued 2,285,712 shares to directors under its employee share plan.

The input variables used in the Black Scholes option pricing model are as follows:

Issue date:	17 December 2014
Expected volatility:	115%
Latest loan repayment date:	5 years
Risk free interest rate (based on government bonds):	2.38%
Calculated share value at issue date:	\$0.34
Total amount to be recognised as share based payments over a two year escrow period	\$776,601

Expenses arising from share-based payment transactions

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

	Consolidated	
	2015 \$	2014 \$
Employee share based expense	954, 116	-

19. ACCUMULATED LOSSES

	Consolidated	
	2015 \$	2014 \$
Accumulated losses at the beginning of the financial year	(57,330,845)	(49,032,032)
Transfer of compound financial instrument to accumulated losses	3,745,184	-
Net loss attributable to members of the Company	(10,725,302)	(8,298,813)
Accumulated losses at the end of the financial year	(64,310,963)	(57,330,845)

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2015

20. EXPENDITURE COMMITMENTS

	Consolidated	
	2015 \$	2014 \$
(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	74,000	230,067
- between 12 months and 5 years	-	74,000
	<u>74,000</u>	<u>304,067</u>

A cash backed guarantee bond has been established for \$45,000 in relation to these commitments.

(b) Expenditure commitments contracted for:

Exploration tenements

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

- not later than 12 months	1,947,120	2,256,408
- between 12 months and 5 years	5,034,120	6,405,914
	<u>6,981,240</u>	<u>8,662,322</u>

21. DIRECTOR AND KEY MANAGEMENT PERSONNEL DISCLOSURES

(a) Key management personnel

The following additional persons had authority and responsibility for planning, directing and controlling the activities of the Group, directly or indirectly, during the year:

Name	Position	Employer
S. McBride	Chief Financial Officer and Company Secretary	Vimy Resources Limited

(b) Key management personnel compensation

	Consolidated	
	2015 \$	2014 \$
Short-term employee benefits	1,275,414	1,021,669
Post-employment benefits	107,267	58,114
Share-based payments	346,235	-
	<u>1,728,916</u>	<u>1,079,783</u>

In accordance with AASB124 remuneration disclosures related to key management personnel are included in the Remuneration Report in the Directors' Report.

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2015

22. LOANS AND OTHER TRANSACTIONS TO DIRECTORS AND KEY MANAGEMENT PERSONNEL

(a) Loans to Director and Key Management Personnel

On 14 June 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 Vimy Employee Share Plan ('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 Plan provides 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 Plan 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 Plan 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
Director (or associate)				
C. Edwardes	17/12/2014	857,142	\$357,500	up to 5 years
M. Young	17/12/2014	714,285	\$298,000	up to 5 years
	14/12/2013	1,428,571	\$246,753	up to 5 years
J. Tapp	17/12/2014	714,285	\$298,000	up to 5 years
	14/12/2013	1,428,571	\$246,753	up to 5 years
Key management personnel (or associate)				
S. McBride	9/9/2014	457,142	\$221,440	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 Plan are as follows:

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

22. LOANS AND OTHER TRANSACTIONS TO DIRECTORS AND KEY MANAGEMENT PERSONNEL (continued)

- (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.

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2015

22. LOANS AND OTHER TRANSACTIONS TO DIRECTORS AND KEY MANAGEMENT PERSONNEL (continued)

(b) Other transactions with director and key management personnel related entities

	Consolidated	
	2015 \$	2014 \$
Mr Fewster is a director of Eaglefield Holdings Pty Ltd. The Board previously agreed to reimburse legal costs incurred by Eaglefield Holdings Pty Ltd in relation to defending legal claims that were alleged by Yarri Mining Pty Ltd over EL39/876 and EL39/877. These actions were settled on 16 July 2013. There was \$102,784 unpaid at 30 June 2015 (30 June 2014: \$nil).		
Amounts recognised		
Legal fees	-	152,785
Mr Cornell is a director of Element Capital Pty Ltd. Element has facilitated capital raisings for the Company for which it was paid commercial rates. There was \$108,000 unpaid at 30 June 2015 (30 June 2014: \$nil).		
Amounts recognised		
Capital raising fees	-	137,136

23. REMUNERATION OF AUDITORS

	Consolidated	
	2015 \$	2014 \$
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:		
Assurance services		
Audit services		
Grant Thornton Audit Pty Ltd:		
- audit and review of financial reports and other audit work under the <i>Corporations Act 2001</i>	32,629	34,648
Non audit services		
- Advisory fees	1,600	-
Total remuneration for assurance services	34,229	34,648

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2015

24. RECONCILIATION OF LOSS AFTER TAX TO NET CASH OUTFLOW FROM OPERATING ACTIVITIES

	Consolidated	
	2015 \$	2014 \$
(a) Reconciliation of cash		
Cash at the end of the financial year as shown in the statement of cash flows is reconciled to the related items in the statement of financial position as follows:		
Cash at bank	6,445,757	537,332
Reconciliation of cash flow from operations with loss after income tax		
Loss after income tax	(10,725,302)	(8,298,813)
Loss on the sale of asset	-	-
Depreciation	128,369	116,069
Share based payments expense	954,116	-
Convertible note – net amortisation of legal costs	-	125,199
Fees and interest forgiven on Convertible Notes	(1,467,367)	-
Finance cost	112,379	2,853,599
	(10,997,805)	(5,203,946)
Changes in assets and liabilities:		
Decrease in trade and other receivables	(115,616)	(18,404)
Decrease in prepayments	24,672	173,226
Increase in trade and other payables	227,723	146,547
Increase in employee benefits	90,725	87,358
Net cash outflow from operating activities	(10,770,301)	(4,815,219)
(b) Non-cash financing and investing activities		
The following transactions occurred which affected assets and liabilities but which are not reflected in the statement of cash flows:		
Capitalisation of finance costs	112,379	2,853,599
Debt forgiveness	(1,467,367)	-
Employee share based expenses	954,116	-
Payment of facility fee on RCF funding facility	450,000	-

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2015

25. 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 would have ceased 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 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 must give a surrender notice (if instructed by the Relevant Noteholders being Noteholders who have subscribed for 66% or more by value in aggregate of the Convertible Notes) under which the Noteholder will surrender all of its rights under the royalty arrangements. Narnoo would have been required to pay the Noteholders \$12 million upon receiving the surrender notice from the Noteholders.

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. Please refer to Note 15 for further details.

26. PARENT ENTITY INFORMATION

	Parent Entity	
	2015 \$	2014 \$
Information relating to Vimy Resources Limited:		
Current assets	6,725,031	667,477
Total assets	46,560,060	31,489,065
Current liabilities	1,100,911	25,372,384
Total liabilities	1,200,824	25,432,627
Total net assets	45,359,236	6,056,438
Issued capital	67,727,303	27,572,593
Accumulated losses	(24,696,846)	(26,636,002)
Compound financial instruments	-	3,745,184
Employee share plan reserve	1,093,362	400,000
Employee options plan reserve	1,235,417	974,663
Total shareholders' equity	45,359,236	6,056,438
Profit / (Loss) of the parent entity	(1,806,028)	(5,027,015)
Total comprehensive loss of the parent entity	(1,806,028)	(5,027,015)

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2015

26. PARENT ENTITY INFORMATION (continued)

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	
	2015 \$	2014 \$
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	74,000	26,567
- between 12 months and 5 years	-	-
	<u>74,000</u>	<u>26,567</u>

27. EVENTS OCCURRING AFTER REPORTING DATE

Since 30 June 2015 the following has occurred:

- On 17 August 2015, the Company announced a legally binding agreement with RCF Capital VI L.P. for the provision of the final \$25 million of the \$30 million funding package announced on 20 May 2015. The funding package comprises a \$15 million unsecured bridging loan and a \$10 million payment in return for a 1.15% royalty on future production from the Mulga Rock Project.
- On 3 September 2015, the Company received a payment of \$10 million from RCF VI in consideration of the 1.15% royalty.

DIRECTORS' DECLARATION

30 JUNE 2015

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 its financial position as at 30 June 2015 and of its performance for the financial year ended on that date; and
 - ii. complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Regulations 2001; and
 - (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 required by Section 295A of the *Corporations Act 2001* from the chief executive officer and chief financial officer for the financial year ended 30 June 2015.
3. The consolidated financial statements comply with International Financial Reporting Standards.

Signed in accordance with a resolution of the directors:



Michael Young

Chief Executive Officer and Managing Director

Dated: 23 September 2015

INDEPENDENT AUDITOR'S REPORT



Independent Auditor's Report To the Members of Vimy Resources Limited

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

Report on the financial report

We have audited the accompanying financial report of Vimy Resources Limited (the "Company"), which comprises the consolidated statement of financial position as at 30 June 2015, the 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 comprising a summary of significant accounting policies and other explanatory information and the directors' declaration of the consolidated entity comprising the Company and the entities it controlled at the year's end or from time to time during the financial year.

Directors' responsibility for the financial report

The Directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the Corporations Act 2001. The Directors' responsibility also includes such internal control as the Directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error. The Directors also state, in the notes to the financial report, in accordance with Accounting Standard AASB 101 Presentation of Financial Statements, the financial statements comply with International Financial Reporting Standards.

Auditor's responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. Those standards require us to comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

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INDEPENDENT AUDITOR'S REPORT



An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error.

In making those risk assessments, the auditor considers internal control relevant to the Company's preparation of the financial report that gives a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Directors, as well as evaluating the overall presentation of the financial report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Independence

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

Auditor's opinion

In our opinion:

- a the financial report of Vimy Resources Limited is 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 2015 and of its performance for the year ended on that date; and
 - ii complying with Australian Accounting Standards and the Corporations Regulations 2001; and
- b the financial report also complies with International Financial Reporting Standards as disclosed in the notes to the financial statements.

Report on the remuneration report

We have audited the remuneration report included in pages 30 to 38 of the directors' report for the year ended 30 June 2015. 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 responsibility is to express an opinion on the remuneration report, based on our audit conducted in accordance with Australian Auditing Standards.

INDEPENDENT AUDITOR'S REPORT



Auditor's opinion on the remuneration report

In our opinion, the remuneration report of Vimy Resources Limited for the year ended 30 June 2015, complies with section 300A of the Corporations Act 2001.

A handwritten signature in black ink that reads "Grant Thornton".

GRANT THORNTON AUDIT PTY LTD
Chartered Accountants

A handwritten signature in black ink that reads "P. Warr".

P W Warr
Partner - Audit & Assurance

Perth, 23 September 2015

ADDITIONAL INFORMATION

AS AT 23 SEPTEMBER 2015

Capital structure

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

Ordinary shares	Unlisted options
227,732,795	79,010,703

Distribution of listed ordinary fully paid shares

Size of holding	Number of shareholders	Number of ordinary shares
1 - 1,000	449	177,354
1,001 - 5,000	532	1,331,547
5,001 - 10,000	147	1,091,384
10,001 - 100,000	235	7,236,676
100,001 - and over	44	217,895,834
	1,407	227,732,795

The number of shareholders holding less than a marketable parcel of ordinary shares was 513.

Twenty largest shareholders of listed ordinary shares

	Name	Ordinary shares held	% of total
1	Forrest Family Inv. Pty Ltd ATF Peepingee A/C	57,142,857	25.09%
2	Macquarie Bank Limited	43,156,026	18.95%
3	National Nominees Limited ATF Geiger Resource Fund	27,691,365	12.16%
4	Sumico WA Pty Ltd	27,620,076	12.13%
5	Merrill Lynch Australia Nominees Pty Ltd	18,166,667	7.98%
6	BNP Paribas Nominees Pty Ltd	7,480,343	3.28%
7	Michael E. Fewster and S. T. Fewster	5,228,571	2.30%
8	J. P. Morgan Nominees Australia Limited	4,498,513	1.98%
9	HSBC Custody Nominees Australia Limited	4,150,944	1.82%
10	Eaglefield Holdings Pty Ltd (Fewster Super Fund Account)	3,745,714	1.64%
11	Michael C. Young and J. T. Young	3,571,427	1.57%
12	Citicorp Nominees Pty Ltd	3,332,532	1.46%
13	Julian R. Tapp	2,142,856	0.94%
14	Greensilk Nominees Pty Ltd (Dunbar - Tapp Family Account)	1,428,571	0.63%
15	Cheryl Edwardes	857,142	0.38%
16	C.G., H.J. and M. Petricevic	854,874	0.38%
17	Christopher W. Davis	753,993	0.33%
18	HSBC Custody Nominees Australia Limited	595,714	0.26%
19	HSBC Custody Nominees Australia Limited	520,416	0.23%
20	Kenneth Joseph Hall	500,000	0.22%
		213,438,601	93.73%

ADDITIONAL INFORMATION

AS AT 23 SEPTEMBER 2015

Voting rights of ordinary shares (ASX Code: VMY)

At a general meeting, on a show of hands, every ordinary shareholder present in person or by proxy has one vote. On the taking of a poll, every ordinary shareholder present in person or by proxy, and whose shares are fully paid, has one vote for each of his or her shares.

Distribution of all unlisted employee option plan holders:

Size of holding	Number of option holders	Number of options
5,001 - 10,000	3	21,426
10,001 - 100,000	5	132,142
100,001 - and over	2	4,285,712
	10	4,439,280

Holders of 20% or more of the securities listed above:

Michael C. Young and J. T. Young ATF the MJE Trust	2,142,856 options
Julian R. Tapp	2,142,856 options

Distribution of unlisted option holders (expiring on 16 December 2018, exercisable at \$1.54 per share):

Size of holding	Number of option holders	Number of options
100,001 - and over	6	8,714,281
	6	8,714,281

Holders of 20% or more of the securities listed above:

National Nominees Limited	3,290,235 options
Macquarie Bank Limited	4,292,751 options

Distribution of unlisted option holders (expiring on 16 December 2018, exercisable at 70 cents per share):

Size of holding	Number of option holders	Number of options
100,001 - and over	6	8,714,283
	6	8,714,283

Holders of 20% or more of the securities listed above:

National Nominees Limited	3,242,318 options
Macquarie Bank Limited	4,230,236 options

Distribution of unlisted option holders (expiring on 30 June 2016, exercisable at 35 cents per share):

Size of holding	Number of option holders	Number of options
100,001 - and over	1	57,142,857
	1	57,142,857

Holders of 20% or more of the securities listed above:

Forrest Family Inv. Pty Ltd ATF Peepingee A/C	57,142,857 options
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ADDITIONAL INFORMATION

AS AT 23 SEPTEMBER 2015

Unlisted options

Until exercised, unlisted options confer no voting rights and no rights to subscribe for new securities in the Company. They do not entitle the holder to a dividend, or to participate in a winding up of the Company. The unlisted options are a separate class of security that may be converted into the Company's shares on a one-for-one basis once they are exercised.

Substantial shareholders (in accordance with notices provided to the Company)

	Name	Ordinary shares held	% of total
1	Forrest Family Inv. Pty Ltd	57,142,857	25.09%
2	Acorn Capital Limited	47,462,332	20.84%
3	Macquarie Bank Limited	43,159,992	18.95%
4	Michael Edward Fewster	36,597,577	16.07%
5	Resource Capital Fund VI LP	18,166,667	7.98%

On-market buy back

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

Investor Relations

Shareholders and investors seeking information on the Company should reference the Australian Securities Exchange website asx.com.au and search announcements under the Company's ASX symbol VMY, reference the Company's website at www.vimyresources.com.au or contact the Chief Executive Officer or Company Secretary at:

Vimy Resources Limited
Ground Floor
10 Richardson Street
West Perth WA 6005

Telephone: +61 8 9389 2700

Facsimile: +61 8 9389 2722

Email: info@vimyresources.com.au

Shareholder enquiries

Enquiries relating to shareholding, tax file number and notification of change of address should be directed to:

Security Transfer Registrars Pty Ltd
770 Canning Highway
Applecross WA 6153

Telephone: +61 8 9315 2333

Facsimile: +61 8 9315 2233

CORPORATE GOVERNANCE STATEMENT

STATEMENT

Vimy Resources Limited ('Company') has adopted systems of control and accountability as the basis for the administration of corporate governance. Some of these policies and procedures are summarised in this statement. Commensurate with the spirit of the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations Third Edition ("Principles and Recommendations"), the Company has followed each recommendation where the Board has considered the recommendation to be an appropriate benchmark for its corporate governance practices. Where the Company's corporate governance practices follow a recommendation, the Board has made appropriate statements reporting on the adoption of the recommendation. Where, after due consideration, the Company's corporate governance practices depart from a recommendation, the Board has offered full disclosure and reason for the adoption of its own practice, in compliance with the "if not, why not" regime.

This statement is current as at 30 September 2015.

DISCLOSURE – PRINCIPLES AND RECOMMENDATIONS

The Company reports below on how it has followed (or otherwise departed from) each of the Principles and Recommendations during the 2015 financial year ('Reporting Period').

Principle 1 – Lay solid foundations for management and oversight

A listed entity should establish and disclose the respective roles and responsibilities of board and management and how their performance is monitored and evaluated.

Recommendation 1.1:

A listed entity should disclose:

- (a) the respective roles and responsibilities of board and management; and
- (b) those matters expressly reserved to the board and those delegated to management.

Disclosure:

The Company has established functions reserved to the Board and has set out these functions in its Board Charter. The Board is collectively responsible for promoting the success of the Company through its key functions of overseeing the management of the Company, providing overall corporate governance of the Company, monitoring the financial performance of the Company, engaging appropriate management commensurate with the Company's structure and objectives, involvement in the development of corporate strategy and performance objectives and reviewing, ratifying and monitoring systems of risk management and internal control, codes of conduct and legal compliance.

The Company has established the functions delegated to senior executives and has set out these functions in its Board Charter. Senior executives are responsible for supporting the Chief Executive Officer/ Managing Director ('CEO/MD') and assisting the CEO/MD in implementing the running of the general operations and financial business of the Company, in accordance with the delegated authority of the Board.

Senior executives are responsible for reporting all matters which fall within the Company's materiality thresholds at first instance to the CEO/MD or, if the matter concerns the CEO/MD, then directly to the Chair.

Recommendation 1.2:

A listed entity should:

- (a) undertake appropriate checks before appointing a person, or putting forward to security holders a candidate for election, as a director; and
- (b) provide security holders with all material information in its possession relevant to a decision on whether or not to elect or re-elect a director

CORPORATE GOVERNANCE STATEMENT

Disclosure:

When the Board determines that changes are required to the Board or indeed, if a director resigns from the Board, in determining candidates for the Board, the Nomination Committee (or equivalent) will follow a prescribed procedure whereby it considers the balance of independent directors on the Board as well as the skills and qualifications of potential candidates that will best enhance the Board's effectiveness.

The Board recognises that Board renewal is critical to performance and the impact of Board tenure on succession planning. Directors are rotated on the basis of: "At each annual general meeting one-third of the directors for the time being, or, if their number is not a multiple of three, then the whole number nearest one-third, shall retire from office and based on that calculation the directors to retire at an annual general meeting are those who have been longest in office since their last election. A retiring director is eligible for re-election. Re-appointment of directors is not automatic."

The Company Policy and Procedure for the Selection and re/Appointment of Directors requires that shareholders shall be informed of the names of candidates submitted for election as directors at a general meeting of shareholders. In order to enable shareholders to make an informed decision regarding the election, the following information shall be supplied to shareholders:

- biographical details (including competencies and qualifications and information sufficient to enable an assessment of the independence of the candidate);
- details of material business relationships between the candidate and the Company; and the candidate and directors of the Company;
- directorships held;
- the term of office currently served by any directors subject to re-election; and
- any other particulars required by law.

Recommendation 1.3:

A listed entity should have a written agreement with each director and senior executive setting out the terms of their appointment.

Disclosure:

Remuneration and other terms of employment for certain key management personnel are formalised in service agreements which are disclosed in the remuneration report.

Recommendation 1.4:

The company secretary of a listed entity should be accountable directly to the board, through the chair, on all matters to do with the proper functioning of the board.

Disclosure:

The Company Secretary fulfils other management responsibilities in addition to company secretarial duties. The formal reporting line of the Company Secretary is to the CEO/MD. For any matter relevant to the company secretarial duties or conduct of the Board, the Company Secretary has an indirect reporting line, and is accountable, to the Chair of the Board.

CORPORATE GOVERNANCE STATEMENT

Recommendation 1.5:

A listed entity should:

- (a) have a diversity policy which includes requirements for the board or a relevant committee of the board to set measurable objectives for achieving gender diversity and to assess annually both the objectives and the entity's progress in achieving them;
- (b) disclose that policy or a summary of it; and
- (c) disclose as at the end of each reporting period the measurable objectives for achieving gender diversity set by the board or a relevant committee of the board in accordance with the entity's diversity policy and its progress towards achieving them and either:
 - o the respective proportions of men and women on the board, in senior executive positions and across the whole organisation (including how the entity has defined "senior executive" for these purposes); or
 - o if the entity is a "relevant employer" under the Workplace Gender Equality Act, the entity's most recent "Gender Equality Indicators", as defined in and published under that Act.

Notification of departure:

The Company does not have a diversity policy.

Explanation for departure:

The Company has not established a diversity policy due to the relatively small size of the Company. The Board considers that at this stage no benefits would be gained by establishing a diversity policy. The Company is committed to ensuring a diverse mix of skills and talent exists amongst its directors, officers and employees to enhance the Company's performance.

The Board of five members currently comprises one woman; being the Chairman, The Hon. Cheryl Edwardes. The Company currently has nineteen employees, five are women. There are no women in senior executive roles.

Recommendation 1.6:

A listed entity should:

- (a) have and disclose a process for periodically evaluating the performance of the board, its committees and individual directors; and
- (b) disclose, in relation to each reporting period, whether a performance evaluation was undertaken in the reporting period in accordance with that process.

Disclosure:

The assessment process currently used by the Board requires each director to complete a questionnaire relating to the role, composition, procedures, practices and behaviour of the Board and its members. Senior executives having most direct contact with the Board may also be invited to complete similar questionnaires. Responses to the questionnaires are confidential and provided direct to the Company Secretary with the results individually and in aggregate then communicated to the Chair of the Board.

During the Reporting Period, a formal evaluation of the Board did not take place, although the Chair informally considered the composition of the Board.

CORPORATE GOVERNANCE STATEMENT

Recommendation 1.7:

A listed entity should:

- (a) have and disclose a process for periodically evaluating the performance of its senior executives; and
- (b) disclose, in relation to each reporting period, whether a performance evaluation was undertaken in the reporting period in accordance with that process.

Disclosure:

The performance of all directors and senior executives is reviewed at least annually. The Board evaluates the performance of senior executives having regard to such things as: the responsibilities of the executive; performance against budget and goals that have been set; any communicated key performance indicators; and qualitative as well as quantitative measures.

No senior executive is involved with their own evaluation, and the Board evaluates such parties without such parties being present. An evaluation of senior executives was undertaken during the year in accordance with this process.

Principle 2 – Structure the Board to add value

A listed entity should have a board of an appropriate size, composition, skills and commitment to enable it to discharge its duties effectively.

Recommendation 2.1:

The board of a listed entity should:

- (a) have a nomination committee which:
 - has at least three members, a majority of whom are independent directors; and
 - is chaired by an independent director,and disclose:
 - the charter of the committee;
 - the members of the committee; and
 - as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or
- (b) if it does not have a nomination committee, disclose that fact and the processes it employs to address board succession issues and to ensure that the board has the appropriate balance of skills, knowledge, experience, independence and diversity to enable it to discharge its duties and responsibilities effectively.

Disclosure:

The Board has not established a Nomination Committee.

Notification of departure:

The full Board performs the function of a Nomination Committee.

CORPORATE GOVERNANCE STATEMENT

Explanation for departure:

A separate Nomination Committee has not been formed due to the relatively small size and structure of the Board. The Board considers that at this stage no efficiencies or other benefits would be gained by establishing a separate Nomination Committee. The Board discusses nomination-related matters on an ongoing basis, as required. When considering matters of nomination, the Board functions in accordance with its Nomination Committee Charter. Items that are usually required to be discussed by a Nomination Committee are marked as separate agenda items at Board meetings when required. The Board deals with any conflicts of interest that may occur when convening in the capacity of Nomination Committee by ensuring the director with conflicting interests is not party to the relevant discussions.

Recommendation 2.2:

A listed entity should have and disclose a board skills matrix setting out the mix of skills and diversity that the board currently has or is looking to achieve in its membership.

Disclosure:

A profile of each director containing their skills, experience, expertise and term of office is set out in the Directors' Report.

Recommendation 2.3:

A listed entity should disclose:

- (a) the names of the directors considered by the board to be independent directors;
- (b) if a director has an interest, position, association or relationship of the type described in Box 2.3 of the Principles and Recommendations, but the board is of the opinion that it does not compromise the independence of the director; the nature of the interest, position, association or relationship in question and an explanation of why the board is of that opinion; and
- (c) the length of service of each director.

Disclosure:

The independent directors of the Company during the reporting period were The Hon. Cheryl Edwardes and Mr David Cornell. These directors are independent as they are non-executive directors who are not members of management and who are free of any material business or other relationship that could materially interfere with, or could reasonably be perceived to materially interfere with, the independent exercise of their judgement.

The director's interest, position, association or relationship and length of service is set out in the Directors' Report.

Recommendation 2.4:

A majority of the board of a listed entity should be independent directors.

Notification of departure:

The Company did not have a majority of independent directors.

Explanation for departure:

The Board considered that the composition of the Board was adequate for the Company's current size and operations, and includes an appropriate mix of skills and expertise, relevant to the Company's business.

CORPORATE GOVERNANCE STATEMENT

Recommendation 2.5:

The chair of the board of a listed entity should be an independent director and, in particular, should not be the same person as the CEO/MD of the entity.

Disclosure:

The Hon. Cheryl Edwardes is the independent chair and Michael Young is the CEO/MD of the Company.

Recommendation 2.6:

A listed entity should have a program for inducting new directors and provide appropriate professional development opportunities for directors to develop and maintain the skills and knowledge needed to perform their role as directors effectively.

Disclosure:

The formal letter of appointment and induction pack provided to directors contains sufficient information to allow the new director to gain an understanding of:

- the rights, duties and responsibilities of directors;
- the role of Board Committees;
- the roles and responsibilities of the executive team; and
- the Company's financial, strategic, and operational risk management position.

New directors undertake an induction program which comprises:

- an information pack which includes a copy of the Company's constitution; Board and Committee charters; most recent annual report; most recent monthly group performance report; the Company's strategic plan; organisational chart; deed of access, insurance and indemnity and details of the Company's directors and officers' insurance policy; and a copy of the register of the Company's most significant risks;
- a program of meetings with members of the Company's executive team;
- visits to the Company's projects.

Principle 3 – Act ethically and responsibly

A listed entity should act ethically and responsibly.

Recommendation 3.1:

A listed entity should:

- (a) have a code of conduct for its directors, senior executives and employees; and
- (b) disclose that code or a summary of it.

Disclosure:

The Company has established a Code of Conduct as to the practices necessary to maintain confidence in the Company's integrity, practices necessary to take into account their legal obligations and the expectations of their stakeholders and responsibility and accountability of individuals for reporting and investigating reports of unethical practices.

A copy of the Company's Code of Conduct is made available on the Company's website.

CORPORATE GOVERNANCE STATEMENT

Principle 4 – Safeguard integrity in financial reporting

Recommendation 4.1:

The board of a listed entity should:

- (a) have an audit committee which:
 - has at least three members, all of whom are non-executive directors and a majority of whom are independent directors; and
 - is chaired by an independent director, who is not the chair of the board,and disclose:
 - the charter of the committee;
 - the relevant qualifications and experience of the members of the committee; and
 - in relation to each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or
- (b) if it does not have an audit committee, disclose that fact and the processes it employs that independently verify and safeguard the integrity of its corporate reporting, including the processes for the appointment and removal of the external auditor and the rotation of the audit engagement partner.

Disclosure:

The Company has an Audit Committee.

For the reporting period, Mr David Cornell was the independent chair of the Audit Committee.

The Audit Committee Charter is disclosed on the Company's website.

The number of Audit Committee meetings held during the year and the qualifications of the directors are disclosed in the Directors' Report.

Recommendation 4.2:

The board of a listed entity should, before it approves the entity's financial statements for a financial period, receive from its CEO/MD and CFO a declaration that, in their opinion, the financial records of the entity have been properly maintained and that the financial statements comply with the appropriate accounting standards and give a true and fair view of the financial position and performance of the entity and that the opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.

Disclosure:

The CEO/MD and CFO provide a declaration that the consolidated financial statements and notes of Vimy Resources Limited are in accordance with the *Corporations Act 2001*, including:

- giving a true and fair view of its financial position as at 30 June 2015 and of its performance for the financial year ended on that date; and
- complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Regulations 2001; and
- 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
- the directors have been given the declarations required by Section 295A of the *Corporations Act 2001* from the CEO/MD and CFO for the financial year ended 30 June 2015.

The consolidated financial statements comply with International Financial Reporting Standards.

CORPORATE GOVERNANCE STATEMENT

Recommendation 4.3:

A listed entity that has an Annual General Meeting ('AGM') should ensure that its external auditor attends its AGM and is available to answer questions from security holders relevant to the audit.

Disclosure:

The external auditor attends the Company's AGM. Shareholders may submit written questions to the auditor to be considered at the meeting in relation to the conduct of the audit and the preparation and content of the Independent Audit Report by providing the questions to the Company at least five business days before the day of the meeting. Shareholders are also given a reasonable opportunity at the meeting to ask the auditor questions relevant to the conduct of the audit, the Independent Audit Report, the accounting policies adopted by the Company and the independence of the auditor.

Principle 5 – Make timely and balanced disclosure

A listed entity should make timely and balanced disclosure of all matters concerning it that a reasonable person would expect to have a material effect on the price or value of its securities.

Recommendation 5.1:

Companies should establish written policies designed to ensure compliance with ASX Listing Rule disclosure requirements and to ensure accountability at a senior executive level for that compliance and disclose those policies or a summary of those policies.

Disclosure:

The Company has established written policies designed to ensure compliance with ASX Listing Rule disclosure and accountability at a senior executive level for that compliance.

Principle 6 – Respect the rights of security holders

A listed entity should respect the rights of its security holders by providing them with appropriate information and facilities to allow them to exercise those rights effectively.

Recommendation 6.1:

A listed entity should provide information about itself and its governance to investors via its website.

Disclosure:

The Company has a website "vimyresources.com.au" providing information about itself and its governance to investors.

Recommendation 6.2:

A listed entity should design and implement an investor relations program to facilitate effective two way communication with investors.

Disclosure:

The Company has designed a communications policy for promoting effective communication with investors and encouraging shareholder participation at general meetings. Please refer to the section above marked Website Disclosures.

CORPORATE GOVERNANCE STATEMENT

Recommendation 6.3:

A listed entity should disclose the policies and processes it has in place to facilitate and encourage participation at meetings of security holders.

Disclosure:

Notices of meeting sent to the Company's shareholders comply with the ASX Listing Rules. In relation to AGMs, shareholders are invited to submit questions before the meeting.

The Chairman also encourages shareholders at the AGM to ask questions and make comments about the Company's operations and the performance of the Board and senior management.

New directors or directors seeking re-election are given the opportunity to address the AGM and to answer questions from shareholders.

Recommendation 6.4:

A listed entity should give security holders the option to receive communications from, and send communications to, the entity and its security registry electronically.

Disclosure:

Shareholders have the option of electing to receive all shareholder communications by email. The Company provides a printed copy of the annual report only to those shareholders who have specifically elected to receive a printed copy. The annual report is available on the Company website.

All announcements made to the ASX are available to shareholders by email notification when a shareholder provides the Company with an email address and elects to be notified of all the Company's ASX announcements.

The Company share register is managed and maintained by Security Transfer Registrars Pty Ltd. Shareholders can access their shareholding details or make enquiries about their current shareholding electronically by quoting their Shareholder Reference Number (SRN) or Holder Identification Number (HIN), via the Security Transfer Registrars investor centre or by emailing registrar@securitytransfer.com.au.

Principle 7 – Recognise and manage risk

A listed entity should establish a sound risk management framework and periodically review the effectiveness of that framework.

Recommendation 7.1:

The board of a listed entity should:

- (a) have a committee or committees to oversee risk, each of which:
 - has at least three members, a majority of whom are independent directors; and
 - is chaired by an independent director,and disclose:
 - the charter of the committee;
 - the members of the committee; and
 - as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or
- (b) if it does not have a risk committee or committees that satisfy (a) above, disclose that fact and the processes it employs for overseeing the entity's risk management framework.

CORPORATE GOVERNANCE STATEMENT

Notification of departure:

The Board performs the function of the Risk Committee.

Explanation for departure:

The composition of the Board during the financial year did not allow for a Risk Committee to be structured in accordance with the recommendation. The Board assumes the role of the Risk Committee.

The Board has adopted a Risk Management Policy, which sets out the Company's risk profile. Under the policy, the Board is responsible for approving the Company's policies on risk oversight and management and satisfying itself that management has developed and implemented a sound system of risk management and internal control.

Under the policy, the Board delegates day-to-day management of risk to the CEO/MD, who is responsible for identifying, assessing, monitoring and managing risks. The CEO/MD is also responsible for updating the Company's material business risks to reflect any material changes, with the approval of the Board.

In fulfilling the duties of risk management, the CEO/MD has unrestricted access to Company employees, contractors and records. The CEO/MD may obtain independent expert advice on any matter believed appropriate, with the prior approval of the Board.

The Audit Committee monitors and reviews the integrity of financial reporting and the Company's internal financial control systems and risk management systems.

In addition, the following risk management measures have been adopted by the Board to manage the Company's material business risks:

- the Board has established authority limits for management which, if exceeded, will require prior Board approval;
- the Board has adopted a compliance procedure for the purpose of ensuring compliance with the Company's continuous disclosure obligations; and
- the Board has adopted a corporate governance manual which contains other policies to assist the Company to establish and maintain its governance practices.

Recommendation 7.2:

The board or a committee of the board should:

- review the entity's risk management framework at least annually to satisfy itself that it continues to be sound; and
- disclose, in relation to each reporting period, whether such a review has taken place.

Disclosure:

The Board has required management to design, implement and maintain risk management and internal control systems to manage the Company's material business risks. The Board also requires management to report to it confirming that those risks are being managed effectively. Further, the Board has received oral reports from management as to the effectiveness of the Company's management of its material business risks on an ongoing and regular basis for each reporting period.

CORPORATE GOVERNANCE STATEMENT

Recommendation 7.3:

A listed entity should disclose:

- if it has an internal audit function, how the function is structured and what role it performs; or
- if it does not have an internal audit function, that fact and the processes it employs for evaluating and continually improving the effectiveness of its risk management and internal control processes

Disclosure:

The CEO/MD and the CFO have provided a declaration to the Board in accordance with section 295A of the *Corporations Act 2001* and have assured the Board that such declaration, after considering the size of the group, its complexity, number of personnel and its financial resources, is founded on a sound system of risk management and internal control appropriate to the Company and that the system is operating effectively in all material respects in relation to financial reporting risks.

Recommendation 7.4:

A listed entity should disclose whether it has any material exposure to economic, environmental and social sustainability risks and, if it does, how it manages or intends to manage those risks.

Disclosure:

The Board monitors all material risks that the Company is exposed to and actively seeks to mitigate them, using resources reasonably available to control those risks.

The activities of the Company are focused on developing the Mulga Rock Project into a producing uranium mine. Uranium mining has inherent risks which the Company, utilising its own professional employees and consultants and working in partnership with communities and authorities, actively seeks to mitigate against.

The material risks which the Company is exposed include, but are not limited to, the following:

- obtaining government approvals
- geological and environmental issues
- land access and community disputes
- the ability to raise additional capital
- commodity price and world economy
- recruiting and retaining qualified personnel
- inherent risks associated with production, storage and transport of uranium.

The Board is responsible to oversee the risk management function and the CEO/MD is in charge of implementing an appropriate level of control to mitigate these risks within the Company. The Board reviews all major strategies and decisions and takes appropriate actions on a continuous basis.

Principle 8 – Remunerate fairly and responsibly

A listed entity should pay director remuneration sufficient to attract and retain high quality directors and design its executive remuneration to attract, retain and motivate high quality senior executives and to align their interests with the creation of value for security holders.

CORPORATE GOVERNANCE STATEMENT

Recommendation 8.1:

The board of a listed entity should:

- (a) have a remuneration committee which:
 - has at least three members, a majority of whom are independent directors; and
 - is chaired by an independent director,and disclose:
 - the charter of the committee;
 - the members of the committee; and
 - as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or
- (b) if it does not have a remuneration committee, disclose that fact and the processes it employs for setting the level and composition of remuneration for directors and senior executives and ensuring that such remuneration is appropriate and not excessive.

Notification of departure:

The Company has a Remuneration Committee that comprises of two independent directors being Mr David Cornell, the Chair of the Committee, and The Hon. Cheryl Edwardes, and also Mr Aaron Hood, who is not an independent director. The Committee has adopted, and applies, its Remuneration Committee Charter which is made available on the Company's website. The number of Remuneration Committee meetings held during the year is disclosed in the Directors' Report.

Recommendation 8.2:

A listed entity should separately disclose its policies and practices regarding the remuneration of non-executive directors and the remuneration of executive directors and other senior executives.

Disclosure:

Non-executive directors are remunerated at a fixed fee for time, commitment and responsibilities. Remuneration for non-executive directors is not linked to individual performance.

Pay and rewards for executive directors and senior executives consists of a base salary and performance incentives. Long term performance incentives may include securities granted at the discretion of the Board and subject to obtaining the relevant approvals. Executives are offered a competitive level of base pay at market rates and are reviewed annually to ensure market competitiveness.

Details of remuneration, including the Company's policy on remuneration, are contained in the Remuneration Report which forms part of the Directors' Report.

CORPORATE GOVERNANCE STATEMENT

Recommendation 8.3:

A listed entity which has an equity-based remuneration scheme should:

- have a policy on whether participants are permitted to enter into transactions (whether through the use of derivatives or otherwise) which limit the economic risk of participating in the scheme; and
- disclose that policy or a summary of it.

Disclosure:

On 14 June 2013, shareholders approved an employee share scheme for the Company ('Plan'). The Plan provides 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 Plan until the limited recourse loan provided for the subscription price for those shares is repaid in full. Further details of this scheme can be seen in the notes to the annual financial report.

As far as the Company is aware, no director or employee uses hedging instruments to limit their exposure to risk on either shares or options in the Company. The Company's Securities Trading Policy prohibits the use of such hedging instruments.



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