

Appendix 5B

Mining exploration entity and oil and gas exploration entity quarterly report

Introduced 01/07/96 Origin Appendix 8 Amended 01/07/97, 01/07/98, 30/09/01, 01/06/10, 17/12/10, 01/05/13, 01/09/16

Name of entity

Vimy Resources Limited

ABN

56 120 178 949

Quarter ended ("current quarter")

31 December 2016

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (6 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	-	-
1.2 Payments for		
(a) exploration & evaluation	(3,656)	(6,733)
(b) development	-	-
(c) production	-	-
(d) staff costs	(1,015)	(2,162)
(e) administration and corporate costs	(446)	(1,046)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	43	71
1.5 Interest and other costs of finance paid	(8)	(8)
1.6 Income taxes paid	-	-
1.7 Research and development refunds	-	-
1.8 Other	-	-
1.9 Net cash from / (used in) operating activities	(5,082)	(9,878)
2. Cash flows from investing activities		
2.1 Payments to acquire:		
(a) property, plant and equipment	(61)	(63)
(b) tenements (see item 10)	-	-
(c) investments	-	-
(d) other non-current assets	-	-

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (6 months) \$A'000
2.2	Proceeds from the disposal of:		
	(a) property, plant and equipment	-	-
	(b) tenements (see item 10)	-	-
	(c) investments	-	-
	(d) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (provide details if material)	-	-
2.6	Net cash from / (used in) investing activities	(61)	(63)

3.	Cash flows from financing activities		
3.1	Proceeds from issues of shares	104	6,368
3.2	Proceeds from issue of convertible notes	-	-
3.3	Proceeds from exercise of share options	-	-
3.4	Transaction costs related to issues of shares, convertible notes or options	(167)	(331)
3.5	Proceeds from borrowings	-	7,500
3.6	Repayment of borrowings	-	-
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	-	-
3.10	Net cash from / (used in) financing activities	(63)	13,537

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	13,375	4,573
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(5,082)	(9,878)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(61)	(63)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	(63)	13,537
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of period	8,169	8,169

5. Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1 Bank balances	169	2,375
5.2 Call deposits	8,000	11,000
5.3 Bank overdrafts	-	-
5.4 Other (provide details)	-	-
5.5 Cash and cash equivalents at end of quarter (should equal item 4.6 above)	8,169	13,375

6. Payments to directors of the entity and their associates	Current quarter \$A'000
6.1 Aggregate amount of payments to these parties included in item 1.2	258
6.2 Aggregate amount of cash flow from loans to these parties included in item 2.3	-
6.3 Include below any explanation necessary to understand the transactions included in items 6.1 and 6.2	

Payment of salary entitlements and Director fees

7. Payments to related entities of the entity and their associates	Current quarter \$A'000
7.1 Aggregate amount of payments to these parties included in item 1.2	-
7.2 Aggregate amount of cash flow from loans to these parties included in item 2.3	-
7.3 Include below any explanation necessary to understand the transactions included in items 7.1 and 7.2	

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8. Financing facilities available <i>Add notes as necessary for an understanding of the position</i>	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
8.1 Loan facilities	10,000	10,000
8.2 Credit standby arrangements	-	-
8.3 Other (please specify)	-	-
8.4 Include below a description of each facility above, including the lender, interest rate and whether it is secured or unsecured. If any additional facilities have been entered into or are proposed to be entered into after quarter end, include details of those facilities as well.		

The loan facility relates to an unsecured Bridge Facility from Resource Capital Fund VI L.P.

The Company completed a \$5 million repayment of the loan facility during the December 2016 quarter by issuing 15,384,614 shares at \$0.26 per share to convert part of the loan facility into equity. At 31 December 2016 the Company had a remaining loan facility of \$10 million.

On 24 January 2017 shareholders approved the issue of 38,461,539 shares at \$0.26 per share to convert the remaining loan facility into equity. As a consequence, the loan facility was fully repaid on 24 January 2017.

Interest on the loan facility is calculated at a rate of 15% per annum, with 4% payable quarterly and 11% deferred for payment until 31 March 2018. However, the deferred interest amounts at 31 March 2018 do not become payable if, up to 31 March 2018 all the following circumstances have occurred:

- RCF VI is granted a participation opportunity on all equity issues,
- The Company completes the project financing for the Mulga Rock Project,
- There is no event of default, and
- The Company had repaid all loans.

9. Estimated cash outflows for next quarter	\$A'000
9.1 Exploration and evaluation	(5,700)
9.2 Development	(300)
9.3 Production	-
9.4 Staff costs	(1,000)
9.5 Administration and corporate costs	(800)
9.6 Other (provide details if material)	-
9.7 Total estimated cash outflows	(7,800)

The Company finalised lodgement of the 2016 Income Tax Return in December 2016, which included a R&D Tax Incentive claim of \$3,973,698 which is forecast to be received in the March 2017 quarter.

The Mulga Rock Project Definitive Feasibility Study is on track to be completed at the end of the March 2017 quarter, with a commensurate reduction in cash outflows.

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10.	Changes in tenements (items 2.1(b) and 2.2(b) above)	Tenement reference and location	Nature of interest	Interest at beginning of quarter	Interest at end of quarter
10.1	Interests in mining tenements and petroleum tenements lapsed, relinquished or reduced	M39/1080	Conditional Surrender	100%	0%
		M39/1081	Conditional Surrender	100%	0%
10.2	Interests in mining tenements and petroleum tenements acquired or increased	M39/1104	Application Approved	0%	100%
		M39/1105	Application Approved	0%	100%

Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.



Sign here:

Date: 31 / 1 / 2017

Company Secretary

Print name: Ron Chamberlain

Notes

1. The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity that wishes to disclose additional information is encouraged to do so, in a note or notes included in or attached to this report.
2. If this quarterly report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, AASB 6: Exploration for and Evaluation of Mineral Resources and AASB 107: Statement of Cash Flows apply to this report. If this quarterly report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.