



**VHM** Limited

# Supplementary Prospectus

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**VHM Limited**  
ACN 601 004 102

*This Supplementary Prospectus is intended to be read with the original Prospectus dated 21 November 2022 issued by VHM Limited (ACN 601 004 102).*

**cg/Canaccord  
Genuity**

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## Important Information

This is a supplementary prospectus (**Supplementary Prospectus**) which supplements and is intended to be read with the prospectus dated 21 November 2022 (**Prospectus**) issued by VHM Limited (ACN 601 004 102) (**Company**).

This Supplementary Prospectus is dated 5 December 2022 and was lodged with ASIC on that date.

ASIC, the ASX and their respective officers take no responsibility for the contents of this Supplementary Prospectus.

This Supplementary Prospectus should be read together with the Prospectus. Other than as set out below, all details in relation to the Prospectus remain unchanged. Terms and abbreviations defined in the Prospectus have the same meaning in this Supplementary Prospectus. If there is a conflict between the Prospectus and this Supplementary Prospectus, this Supplementary Prospectus will prevail.

This Supplementary Prospectus will be issued with the Prospectus as an electronic prospectus, copies of which can be downloaded from the website of the Company at [www.vhmltd.com.au/prospectus/](http://www.vhmltd.com.au/prospectus/).

This is an important document and should be read in its entirety. If you do not understand it, you should consult your professional advisers without delay.

### 1. Purpose of this Supplementary Prospectus

The purpose of this Supplementary Prospectus is to provide additional information to investors (as set out in Sections 3 to 9 below) following feedback from ASIC.

### 2. No investor action required

The Directors believe that the changes in this Supplementary Prospectus are not materially adverse from the point of view of an investor. Further, no Application Forms have been available prior to release of this Supplementary Prospectus and no applications have been received or processed by the Company. Accordingly, no additional investor action is required. An investor may lodge an Application Form in the manner set out in Sections 1.12 of the Prospectus.

### 3. Updates to the Prospectus

#### 3.1 Corrections

##### (a) Priority Offer

Section 1.1(b)(ii) of the Prospectus erroneously refers to the Priority Offer as an allocation of no more than 2,614,379 Shares to raise \$4.5 million (before costs).

By way of correction (and consistent with all other references to the Priority Offer throughout the Prospectus), this should read:

"The Priority Offer consists of an allocation of no more than 1,481,481 Shares to raise \$2 million (before costs)."

##### (b) FID

Section 1.9 of the Prospectus states "As the Company has no operating revenue, the Company will require further financing in the future, including to reach FID". The words "including to reach FID" are deleted.

As clearly stated elsewhere throughout the Prospectus, the IPO Offer will provide the Company with sufficient funds to reach the point of FID in respect of Phase 1 of the Goschen Project.

##### (c) Canaccord fee

The Investment Overview Section of the Prospectus contains the following row, to which the underlined sentence is now added:

What fees are payable to the Lead Manager?	The Company will pay the Lead Manager (or its nominees) a management fee of 5.0% of the gross amount raised under the IPO Offer (Gross Proceeds).  The Company estimates total fees net of GST (cash) payable to the Lead Manager are likely to be approximately \$1,000,000 if the Minimum Subscription is raised and up to \$1,500,000 if the full oversubscription amount of \$10 million is raised.  <u>Additionally, an incentive fee of up to 0.5% of the proceeds raised pursuant to the IPO Offer, to be determined at the Company's absolute discretion.</u>  Any fees payable to the Co-Manager are payable by the Lead Manager, and not by the Company.	Sections 1.10, 7.11, 7.13 and 8.9
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##### (d) Section 2.3 - Correct number of rare earths

The third bullet point under the heading "Strategic asset in a stable established mining jurisdiction" is deleted and replaced with the following:

"The Goschen Project will produce "critical minerals" (rare earth minerals, zircon, and titanium minerals). VHM's top four REM are listed in the 2022 USA critical mineral list and are important to the green energy transition."

**(e) Section 2.6(g)**

The second paragraph is deleted and replaced with the following, which deletes the word "2022" after "4 - 6 weeks":

"VHM group companies have entered into three land acquisition agreements (with a fourth expected in the next 4 - 6 weeks) with a number of regional landowners, to purchase the freehold title to all, or the majority of, freehold land within the operational footprint of the Goschen Project. No further land is required or intended for the Goschen Project as the mine footprint will be 100% secured under land purchase agreements."

**(f) Table 8.1 - Key Terms of Options**

The total number of Options shown in the total row in Table 8.1 is deleted and replaced with "11,405,811".

**(g) Section 8.7(e) - ITAR reference**

The first sentence in Section 8.7(e) is deleted and replaced with the following (to remove an incorrect reference to the Independent Technical Assessment Report being incorporated by reference):

"CSA Global Pty Ltd (ACN 077 165 532) has acted as the Independent Technical Expert and has prepared the Independent Technical Assessment Report which is included in Annexure F of this Prospectus."

### **3.2 VPM Demerger**

Sections 2.2 and 7.2 of the Prospectus discuss the demerger of VP Mineral Limited (VPM).

The Company discloses the following additional information in respect of the VPM Demerger.

**(a) Rationale**

As set out in Sections 2.2 and 7.2 of the Prospectus, the demerger of VPM from the VHM group of companies was completed in August 2022.

The following is deleted from Section 2.2 of Prospectus under the heading of 'VPM Demerger':

'The rationale for the VPM Demerger was to enable the Company to focus on its key projects (including the Goschen Project) and provide an alternative avenue for the further development and value-realisation of the gold projects.'

In its place, the following text is inserted in Section 2.2 of Prospectus under the heading of 'VPM Demerger':

'The principal rationale behind the demerger of VPM is to separate the commodity targets being explored for by each of VHM and VPM. The Company's flagship project is the Goschen Project, which is a rare earths and mineral sands project.'

The Company was able to determine in 2021 that gold hosted basement geology existed on certain parts of its tenements. This was determined using an airborne geophysical survey conducted by the Company in 2021, separate evaluation of State and Federal geophysical surveys, and the Geoscience Australia electromagnetic survey data set released in 2021.

The Board of the Company considered that the substantially different commodity targets of gold on the one hand and rare earths and mineral sands on the other, warranted the demerger of those tenements prospective for gold, to ensure that Company's Board and management were able to stay focused on their core task of delivering the Goschen Project and advancing exploration on the other rare earth mineral exploration targets. The VPM Demerger also enables the Company to present itself to the market and its investors as a rare earths and mineral sands development company.'

**(b) Governance Arrangements between the Company and VPM**

Following the VPM Demerger, the boards of each of the Company and VPM presently have the same composition. As public companies, each recognise the importance of having strong governance arrangements, and the capacity for conflicts to arise in future. VPM is therefore presently seeking candidates to join its board, with the intention being that two of the current directors (who are also Directors of the Company) will resign, with two additional non-associated non-executive directors to join the VPM board in the short term.

Until such time as this occurs, the Company does not intend to enter into any new negotiations or arrangements with VPM.

The appointment of the non-associated directors to VPM's board will be given priority, with a view to this occurring in the first quarter of the 2023 calendar year.

The Directors of the Company do have some minor shareholding interests in VPM, however the Board considers that their interests are not 'material' personal interests which would require the Directors to abstain from voting on matters involving VPM.

**(c) VPM Post-Merger Capital Raising**

It is anticipated that VPM will conduct a capital raising in the first quarter of the 2023 calendar year, targeting approximately \$4 million. The Company advises that as at the date of the Prospectus, there has been no draw down on the VPM Loan Facility.

Whilst it is understood that VPM intends to minimise its draw down of the facility, and its budget disclosed to the Board of the Company is consistent with this intention, it may be necessary to draw down for items of critical importance before that capital raising occurs. Any funds drawn down will be funded from the 'Working capital and liquidity buffer' line item shown in the use of funds table at Section 1.7 of the Prospectus (see also Section 3.3 below).

Under the terms of the Loan Facility Agreement, the facility is to be fully repaid in priority to all other VPM creditors, by the proceeds of the proposed capital raising.

As the Loan Facility Agreement has not yet been drawn down and is expected to be repaid in the first quarter of the 2023 calendar year, it is not factored into the Pro Forma Statement of Historical Financial Position as at 30 June 2022 (which is shown at Section 5.5 of the Prospectus and re-stated below at Section 5.1 of this Supplementary Prospectus).

**(d) Obligations under the ASA with respect to EL 6664 and 6419**

Section 7.2 of the Prospectus discusses the Asset Sale Agreement (ASA) between the Company and VPM to facilitate the demerger.

Certain tenements were transferred to VPM under the ASA; whereas EL 6664 and EL 6419 will remain with the Company, but be subject to ongoing obligations on the Company.

These obligations reflect that the Company is in the business of exploring for rare earths; whereas VPM is interested in exploring for gold.

The obligations (which are discussed in Section 7.2(e) of the Prospectus) provide that if, within the 10 year period from the transfer of the Existing Licences (ELs 6895, 6915, 6923 and 6926) VHM discovers gold deposits within ELs 6664 or 6419 and, should VHM propose to dispose of such interests in the gold deposits, it will notify VPM and afford it a right to make an offer and a conditional last right of refusal.

The provisions are the reciprocal arrangement (in the ASA) in respect of rare earth deposits discovered by VPM in the licences transferred to it by the Company.

The last paragraph of Section 7.2(a)(ii) also contained an error, and is deleted and replaced with the following:

"It is noted that four New Licences (EL 7807, EL 7810, EL 7803 and EL 7827) have since been granted, however, due to legal restrictions cannot be transferred to VPM until August 2023 (being 12 months after their grant date)."

### 3.3 Use of Funds

The Company takes this opportunity to further clarify its use of funds as set out in Section 1.7 of the Prospectus by deleting and replacing Section 1.7 in its entirety with the following:

The following table shows the intended use of funds in the 12 month period following Admission for the Minimum Subscription amount of \$20 million, and oversubscription scenarios of \$25 million and \$30 million:

Source and uses of funds	A\$20M	%	A\$25M	%	A\$30M	%
<b>Cash on hand at 1 October 2022</b>	11,100,000		11,100,000		11,100,000	
<b>IPO proceeds</b>	20,000,000		25,000,000		30,000,000	
<b>Total</b>	<b>31,100,000</b>		<b>36,100,000</b>		<b>41,100,000</b>	
<b>Goschen Project<sup>1</sup></b>						
– Metallurgical and hydromet circuit testwork <sup>2</sup>	1,400,000	5	3,600,000	10	4,700,000	11%
– Front end engineering and design <sup>3</sup>	1,800,000	6	3,500,000	10	5,700,000	14%
– Approvals	7,700,000	25	7,700,000	21	7,700,000	19%
<b>Land acquisition and community<sup>4</sup></b>	11,300,000	36	11,300,000	31	11,300,000	27
<b>Exploration &amp; appraisal<sup>5</sup></b>						
– Cannie Project <sup>6</sup>	800,000	3	1,600,000	4	2,300,000	6
– Nowie Project <sup>7</sup>	300,000	1	300,000	1	1,100,000	3
– Licence fees / other exploration <sup>8</sup>	800,000	3	800,000	2	800,000	2
<b>Corporate (net General &amp; Administrative)<sup>9</sup></b>	2,200,000	7	2,200,000	6	2,200,000	5
<b>Interest costs and costs of offer<sup>10</sup></b>	3,800,000	12	4,100,000	11	4,300,000	10
<b>Working capital and liquidity buffer<sup>11</sup></b>	1,000,000	3	1,000,000	3	1,000,000	2
<b>Total</b>	<b>31,100,000</b>	<b>100%</b>	<b>36,100,000</b>	<b>100%</b>	<b>41,100,000</b>	<b>100%</b>

Notes:

- See Section 2.6 and 2.7 of the Prospectus for further detail on the Goschen Project and Proposed Operation.
- Expenditure increases under the \$25M scenario as the Company will undertake a full pilot testwork program for the Hydromet Circuit. Under the \$30M scenario and in addition to the full pilot testwork program the Company will conduct further testwork on characterisation and variability verification.
- Expenditure increases under the \$25M scenario as the Company will undertake further process plant studies. Under the \$30M scenario and in addition to the process plant studies the Company will conduct further Non Process Infrastructure studies.
- Land acquisition and community payments include the consideration payable in the relevant period by the Company by way of instalments under the Land Acquisition Agreements described in Section 7.5 and the Property Purchase Agreement described in Section 7.6, approximately \$9.0 million in aggregate plus \$2.3 million of community payments.
- See Sections 2.14 to 2.16 for further details in relation to the proposed exploration activities.
- Expenditure increases under the \$25M and \$30M scenario as the Company will undertake a greater drill program in the Cannie area.
- Expenditure increases under the \$30M scenario as the Company will undertake drilling activities in the Nowie area.
- Refer to Section 2.14 of the Prospectus (Exploration Upside Adjacent to Mining Area) which covers EL6769.
- See also Section 6.7 of the Prospectus (repeated at Section 6 below of this Supplementary Prospectus) for details of the Director's remuneration which forms part of this line item together with corporate and overhead costs including directors' and annual listing fees, employees' remuneration and on-costs, financial and legal advisory costs, rent, insurance, IT and communications, stakeholder engagement, travel and accommodation.
- Comprises Costs of the Offer (see Section 8.9) and interest payable on the Convertible Notes up to date of conversion.
- Working capital also includes surplus funds. The Company has access to additional liquidity of \$4 million under a debt facility secured via the Company's anticipated cash reimbursement by way of a R&D tax offset scheme.

In Section 7.9, the Company notes it presently has \$27 million committed over the next 12 months, which includes land access and compensation agreements, land acquisitions, tenement expenditure and exploration programs and payments to consultants and design and engineering companies. The total use of funds set out above includes this committed expenditure of \$27 million (split across the relevant line items) and, in the base Minimum Subscription case, \$4.1 million of expected but not as yet committed expenditure.'

## 4. Material Contracts and Related Expenditure

### (a) Property Purchase Agreement (Kerang Warehouse)

Section 7.6 of the Prospectus discloses a recent agreement for the acquisition of a warehouse in Kerang. The completion payment of \$1.1 million in respect of the acquisition of this property was paid in October 2022, within the use of funds period (which is expressed in Section 1.7 of the Prospectus to be from October 2022 to October 2023). This amount is included in the 'Land acquisition and community' line item in the use of funds table in Section 1.7.

### (b) Consulting, Design and Engineering Contracts – Goschen Project

Section 7.9 of the Prospectus outlines contractual commitments in respect of consulting, design and engineering contracts. The amount committed over the next 12 months is disclosed to be an aggregate sum of \$27 million.

These contractual commitments are subject to the completion of the Company's IPO and incorporate customary "hold and review" provisions to manage the type and level of activities to be undertaken. The use of funds table (at Section 3.3 above) represents the activities to be undertaken in the context of the proposed capital raising split into various line items.

For a \$20 million raise and including \$11.1 million cash on hand as of 1 October 2022, the total funds available post IPO is \$31.1 million, which is sufficient to cover for the \$27 million commitment.

### (c) Canaccord Pre-IPO Mandate

Section 7.12(a) of the Prospectus states that:

'The Canaccord Pre-IPO Mandate was entered into on 15 February 2022 and has now completed. It provided for a capital raising fee of 6% of the proceeds raised under the Pre-IPO Offer from funds introduced by Canaccord, which equated to approximately \$720,000.'

The following additional sentence is inserted following the above paragraph: 'By way of confirmation, the amount of \$720,000 has already been paid and does not need to be funded out of the IPO proceeds.'

### (d) Right Solutions Consultancy Agreement

Section 7.9 of the Prospectus provides disclosure in relation to a consultancy agreement with Right Solutions Australia Pty Ltd (Right Solutions).

The final paragraph of Section 7.19 which read as follows, is deleted from the Prospectus:

'The Company has extended the services provided by Right Solutions under the RS Agreement by way of a purchase order dated 19 January 2022. Pursuant to the January 2022 RS Purchase Order, Right Solutions will now also provide various resources and support services for the Goschen Project for the period from 1 January 2022 to 31 September 2022 to the value of \$3,763,240. The terms and conditions of the RS Agreement are considered standard for a commercial arrangement of this type.'

The following paragraph is inserted into the Prospectus in its place:

'The funds committed to Right Solutions over the use of funds period (until October 2023) is:

- (i) If the IPO raises \$20 million – an amount of \$1.6 million which will fund resources and support services for the Goschen and Cannie Projects; and
- (ii) If the IPO raises \$30 million – an amount of \$2.4 million which will fund increased resources and support services for the Goschen, Cannie and Nowie Projects in line with an expanded drilling program.'



## 5. Financial Information

### 5.1 Pro forma Statement of Financial Position

In order to clearly show the impacts of subsequent events on the Company, the Historical Statutory Statement of Financial Position and Pro Forma Historical Statement of Financial Position as at 30 June 2022 (Table 5.5) is deleted (from Section 5.5 of the Prospectus) and replaced with the following:

Table 5.5: Historical Statutory Statement of Financial Position and Pro Forma Historical Statement of Financial Position as at 30 June 2022

As at 30 June 2022 \$'000	Adjustment reference	VHM Audited	Minimum Pro forma	Oversubscription Pro forma
<b>Current assets</b>				
Cash and cash equivalents	3, 5, 6, 7, 10 & 11	24,366	37,538	46,982
Other receivables	6 & 11	532	729	766
Prepayments	11	376	74	74
Deposits		31	31	31
<b>Total current assets</b>		<b>25,305</b>	<b>38,372</b>	<b>47,854</b>
<b>Non current assets</b>				
Deferred exploration expenditure	4	27,217	25,798	25,798
Property, plant and equipment, net	5 & 6	10,733	14,623	14,623
ROUA		5	5	5
<b>Total non current assets</b>		<b>37,955</b>	<b>40,426</b>	<b>40,426</b>
<b>Total assets</b>		<b>63,260</b>	<b>78,798</b>	<b>88,280</b>
<b>Current liabilities</b>				
Trade and other payables		3,637	3,637	3,637
Land acquisition liabilities	5	1,046	3,467	3,467
Convertible note	1 & 8	349	-	-
Provision for AL		395	395	395
<b>Total current liabilities</b>		<b>5,427</b>	<b>7,499</b>	<b>7,499</b>
<b>Non current liabilities</b>				
Convertible notes	2 & 9	34,073	-	-
Land acquisition liabilities		6,416	6,416	6,416
<b>Total non current liabilities</b>		<b>40,489</b>	<b>6,416</b>	<b>6,416</b>
<b>Total liabilities</b>		<b>45,916</b>	<b>13,915</b>	<b>13,915</b>
<b>Net assets</b>		<b>17,344</b>	<b>64,883</b>	<b>74,365</b>

As at 30 June 2022 \$'000	Adjustment reference	VHM Audited	Minimum Pro forma	Oversubscription Pro forma
<b>Equity</b>				
Issued capital	3, 4, 8, 9, 10 & 11	41,287	94,761	104,171
Share based payment reserves		5,638	5,638	5,638
Retained losses	1, 2, 7 & 11	(29,581)	(35,516)	(35,443)
<b>Total equity</b>		<b>17,344</b>	<b>64,883</b>	<b>74,365</b>

The above table includes a new 'Adjustment reference' column which provides signposts to the relevant numbered 'Subsequent event' or 'Pro forma transactions' which appears in the Prospectus immediately prior to Table 5.6. For ease of reference, these are repeated at Section 5.3 below (without any change against the original Prospectus).

## 5.2 Pro Forma Capital Structure

In order to clearly show the impacts of subsequent events on the Company, the Pro Forma Capital Structure Table (Table 5.6) is deleted (from Section 5.5 of the Prospectus) and replaced with the following:

Table 5.6: Pro forma capital structure

\$'000	Adjustment reference	No. of shares	Issued capital	Res.	Retained losses	Net assets
<b>As at 30 June 2022</b>						
Ordinary shares		139,141,273	41,287	5,638	(29,581)	17,344
<b>Subsequent events</b>						
Advisor options exercised	3	640,000	190	-	-	190
Interest accrued on the convertible notes	1 & 2		-	-	(1,480)	(1,480)
Demerger of VP Minerals	4	-	(1,419)	-	-	(1,419)
Land compensation payment	7		-	-	(2,000)	(2,000)
<b>Pro forma transactions</b>						
Conversion of existing convertible notes	8	324,074	364	-	-	364
Conversion of convertible notes (pre IPO)	9	34,745,679	35,539	-	-	35,539
<b>Pre offer capital structure</b>		<b>174,851,026</b>	<b>75,960</b>	<b>5,638</b>	<b>(33,061)</b>	<b>48,537</b>
<b>Pro forma transactions in relation to the offer</b>						
Public offer	10	14,814,815	20,000	-	-	20,000

\$'000	Adjustment reference	No. of shares	Issued capital	Res.	Retained losses	Net assets
Offer costs	11		(1,200)	-	(2,454)	(3,654)
<b>Total (undiluted)</b>		<b>189,665,841</b>	<b>94,761</b>	<b>5,638</b>	<b>(35,516)</b>	<b>64,883</b>
<b>Incremental pro forma transactions in relation to oversubscription offer</b>						
Public offer	10	7,407,407	10,000	-	-	10,000
Offer costs	11		(590)	-	72	(518)
<b>Total (undiluted)</b>		<b>197,073,248</b>	<b>104,171</b>	<b>5,638</b>	<b>(35,443)</b>	<b>74,365</b>

The above table includes a new 'Adjustment reference' column which provides signposts to the relevant numbered 'Subsequent event' or 'Pro forma transactions' which appears in the Prospectus immediately prior to Table 5.6. For ease of reference, these are repeated at Section 5.3 below (without any change against the original Prospectus).

### 5.3 Subsequent and Pro Forma Events

#### Subsequent events:

- Interest expense accrued and capitalised on the existing convertible notes (with a face value of \$350,000) for the period from 1 July up to the lodgement date, amounting to \$15,000;
- Interest expense accrued on the pre-IPO convertible notes (with a face value of \$31.8 million) with an annual interest rate of 10% for the period from 1 July up to the lodgement date, amounting to \$1.5 million;
- A previous advisor exercised 320,000 options at an exercise price of \$0.22 and 320,000 options at an exercise price of \$0.38 prior to the IPO, with a fair value of \$190,000;
- VP Minerals was incorporated to acquire the gold exploration licences for an agreed consideration of \$1.4 million (payable in Shares), together with the aggregate amount of expenditure incurred by VHM from 1 January 2022 to the completion date and was subsequently demerged from the VHM Group by way of an in-specie distribution through an equal capital reduction. At the end of May 2022, Shareholders voted (by way of poll) in favour of the demerger of VP Minerals. On 18 July 2022, the 4 existing exploration licenses were approved for transfer and registered in the name of VP Minerals. The demerger of VP Minerals was completed in August 2022. Refer to Section 7.3 for a summary of the Demerger Asset Sale Agreement;

- An expected acquisition of new land, amounting to \$2.7 million, of which, a deposit of \$269,000 will be paid prior to the IPO and the remaining amount to be paid in two instalments within six months of the date of execution of the agreement (pending);
- Acquisition of the Kerang warehouse amounting to \$1.2 million (plus GST), completed in October 2022; and
- The compensation to be paid to a landowner in August 2022 for a new residence during the operational period, amounting to \$2 million.

#### Pro forma transactions:

- The conversion of the remaining 2021 Notes, with a face value of \$350,000 (excluding the capitalised interest) at a conversion price of \$1.08 (a 20% discount to the IPO price), into 324,074 ordinary Shares, and which is a cashless conversion. Refer to Section 7.10 for a summary of the convertible note agreements;
- The conversion of the 2022 Notes, with a face value of \$31.8 million, together with the rolled-over 2021 Notes of \$3.3 million (excluding the capitalised interest) at a conversion price of \$1.0125 (a 25% discount to the IPO price), into 34,745,679 ordinary Shares, and which is cashless conversion. Refer to Section 7.11 for a summary of the convertible note agreements;

In relation to the IPO Offer, the following transactions are expected to occur:

10. The completion of the IPO Offer, raising \$20 million (14,814,815 ordinary Shares) with an oversubscription up to \$10 million (22,222,222 ordinary Shares) at \$1.35 each; and
11. Total expenses (cash and non cash) associated with the minimum Offer are estimated to be \$3.9 million, with \$1.2 million being capitalised and \$2.6 million being expensed and a GST credit of \$77,000. Total expenses (cash and non cash) associated with the oversubscription are estimated to be \$4.4 million, with \$1.8 million being capitalised and \$2.5 million being expensed and a GST credit of \$115,000. As at 30 June 2022, \$446,000 of the Offer costs had been prepaid.

## 5.4 Liquidity and capital resources

The following additional table is also provided to assist the reading of Section 5.5.1 of the Prospectus, to follow immediately after the first paragraph:

Table 5.7: Liquidity and capital resources

\$'000	Adjustment reference	Minimum pro forma	Maximum pro forma
<b>Cash and cash equivalents as at 30 June 2022</b>		<b>24,366</b>	<b>24,366</b>
<b>Subsequent events</b>			
Advisor options exercised	3	190	190
Deposit for the acquisition of new land	5	(269)	(269)
Purchase of the Kerang warehouse	6	(1,320)	(1,320)
Land compensation paid	7	(2,000)	(2,000)
		<b>20,967</b>	<b>20,967</b>
<b>Pro forma transactions</b>			
Proceeds from shares issued under the offer	10	20,000	30,000
Offer costs remaining to be paid	11	(3,429)	(3,985)
<b>Pro forma cash and cash equivalents</b>		<b>37,538</b>	<b>46,982</b>

## 5.5 Cash Reconciliation

The Prospectus (in numerous places) refers to cash on hand of \$11.1 million as at 1 October 2022, which varies from the cash and cash equivalents (of \$24.4 million) as at 30 June 2022 as shown in Section 5.5 of the Prospectus.

A reconciliation of the cash balances is shown in the below table:

Table 5.8: Cash reconciliation

\$'000	Amount
Cash and cash equivalents at 30 June 2022	24,366
Subsequent adjustment 7 - Land compensation paid	(2,000)
Salaries and wages	(721)
Other operating related cash flow <sup>1</sup>	(10,545)
<b>Cash balance as at 1 October 2022</b>	<b>11,100</b>

Note 1: Including costs related to Goschen FEED studies, Approvals program, consultants fees, bulk sample acquisition and other corporate costs (including rent, insurances etc), licence fees, convertible note interest payments.

## 6. Directors Remuneration Table

The table showing the remuneration for the current Directors and their associates for the financial year ended 31 June 2022, and the financial year ending 31 June 2021, inclusive of directors' fees, consultancy fees, share-based payments, and superannuation, is deleted and replaced with the following, which corrects the two figures in the last column:

Director	Financial year ended 30 June 2022 (A\$)		Financial year ended 30 June 2021 (A\$)	
	Fees & Consultancy	Share based payments <sup>5</sup>	Fees & Consultancy	Share based payments
Don Runge <sup>1</sup>	126,667	5,924	56,250	-
Graham Howard <sup>2</sup>	516,667	343,416	574,813	306,819
Michael Allen <sup>3</sup>	375,000	249,643	429,731	224,852
Gamini Colless <sup>4</sup>	154,699	5,924	-	-

Notes:

1. Mr Runge was appointed Director of the Company on 14 September 2017.
2. Comprising Managing Director remuneration. Mr Howard was appointed Managing Director of the Company on 12 August 2016.
3. Comprising Executive Director remuneration. Mr Allen was appointed a Director of the Company on 7 November 2017 and an Executive Director 1 February 2018.
4. Mr Colless was appointed Director of the Company on 23 July 2021.
5. Share based payments made under the employee incentive scheme for Mr Howard and Mr Allen relate to the previous year's performance.

## 7. Gold exploration

The Company's Prospectus indicates that some of the Company's tenements are or may be prospective for gold.

The Company's primary exploration target commodity is rare earth minerals, zircon and titanium. However, the licence conditions attached to the Company's tenements also permit the Company to explore for gold, silver and copper. Additionally, ELs 6666 and 6769 also permit exploration for nickel, bismuth, tungsten, tin and molybdenum. As is customary for explorers, if the Company's planned exploration activities targeting the primary commodities flagged (and which are fully funded as set out in the use of funds disclosure at Section 3.3 above) also reveal that the tenements are prospective for gold or such other metallic minerals, then the Company may continue to adapt its planned activities accordingly.

To ensure absolute clarity, any exploration activities for gold or other metallic minerals, are therefore not separate from the exploration activities as outlined in the Prospectus.

To avoid any implication that the Company's exploration activities are designed to target gold, the first three paragraphs of Section 2.12 of the Prospectus are deleted and replaced with the following (which removes specific references to gold):

'Under the Victorian royalties regime, the holder of a mining licence must pay royalties in accordance with the rate or method of assessment and at the times specified in the licence. As such, royalties will be payable by the Company for any commodities to be produced from the Proposed Operation, noting first production is targeted in 2025.

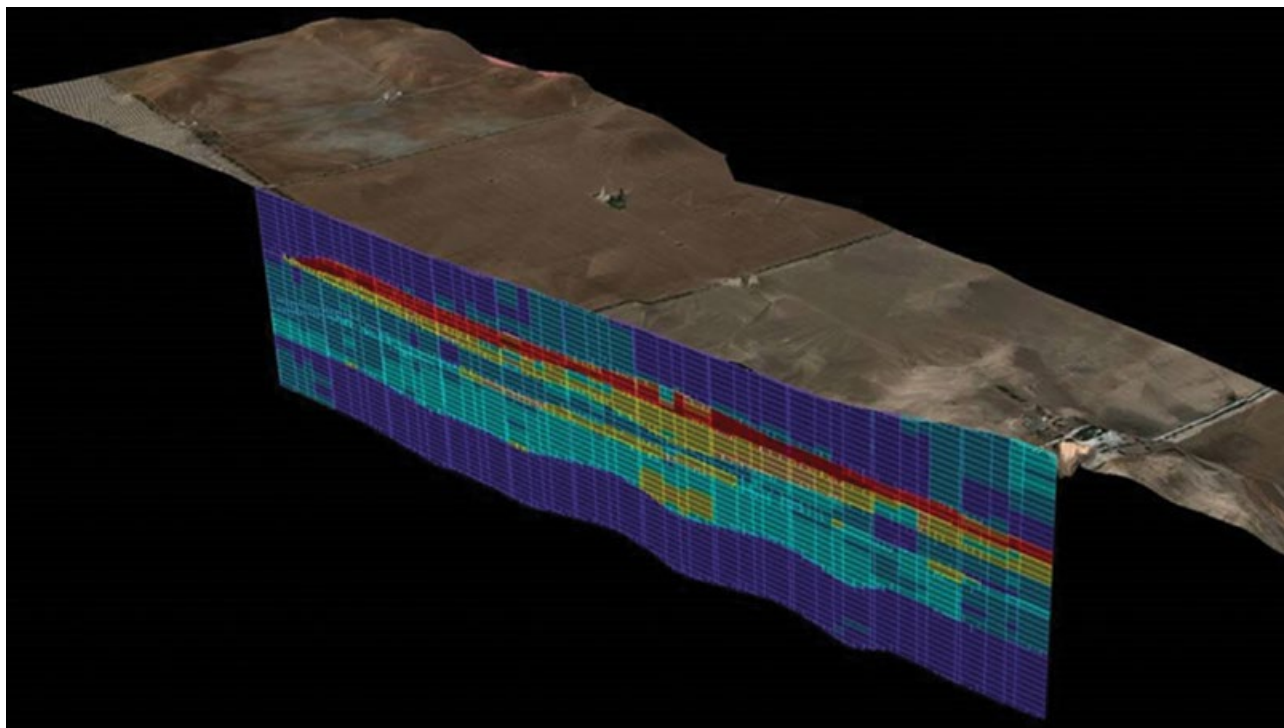
Pursuant to the *Mineral Resources (Sustainable Development) (Mineral Industries) Amendment Regulations 2019* (Regulations) as at the date of this Prospectus, royalties for any mineral (other than lignite) are payable at the rate of 2.75% of the net market value of the mineral produced under a mining licence. In addition, royalties are payable at the rate of \$1.43 per cubic metre for tailings resulting from work under a licence over Crown land disposed of by the holder of a mining licence. The royalty rates are reviewed on an ad hoc basis by the Victorian Government, with the last variation in rates introduced in January 2020.

If the Company's exploration activities are successful, the Company may be subject to royalties in the future.'

## 8. Annexure B – Mineral Resource Estimate and Ore Reserve Statement

Figure B4 titled: 'Area 4 Long section schematic over 3.5km strike length' did not print correctly in the Prospectus.

The missing Figure B4 is as follows:



## 9. Timetable

In accordance with ASIC requirements, the timetable in respect of the Offer has been amended in the manner set out below:

Indicative timetable	Original Date	New Date
Prospectus Date (Prospectus lodged with ASIC)	21 November 2021	Unchanged
ASIC exposure period end date (during which Applications cannot be accepted or processed)	21 - 28 November 2022	Extended to 5 December 2022
Opening Date for the Offers	6 December 2022	Unchanged
Closing Date for the Offers (Broker Offer, Institutional Offer, Priority Offer, Public Offer and Convertible Note Offer)	16 December 2022	Unchanged
Issue Date	Week commencing 2 January 2023	Unchanged
Despatch of holding statements	Week commencing 2 January 2023	Unchanged
Expected date for Official Quotation on ASX	Week commencing 9 January 2023	Unchanged

The above dates are indicative only and may change without notice.

The Company reserves the right to vary any and all of the above dates without notice, subject to the Corporations Act, Listing Rules and other applicable laws. In particular, the Company reserves the right to vary the Opening Date and the Closing Date without prior notice, which may have a consequential effect on the other dates. Applicants are therefore encouraged to lodge their Application Form as soon as possible after the Opening Date if they wish to invest in the Company.

The Company also reserves the right not to proceed with the Offer at any time before the issue of securities to Applicants. If the Offer is cancelled or withdrawn before settlement, all Application Monies provided under the Offer will be refunded in full (without interest) as soon as possible in accordance with the requirements of the Corporations Act.

## 10. Consents

The Company confirms that as at the date of this Supplementary Prospectus, each of the parties that have been named as having consented to being named in the Prospectus have not withdrawn that consent.

## 11. Authorisation

This Supplementary Prospectus is issued by the Company and its issue has been authorised by a resolution of the Directors.

In accordance with section 720 of the Corporations Act, each Director has consented to the lodgement of this Supplementary Prospectus with ASIC and has not withdrawn that consent.

This Supplementary Prospectus is signed for and on behalf of the Company by:



**Donald Runge**  
Non-Executive Chairman

Dated: 5 December 2022



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