VHM Limited

Annual financial report

FOR THE YEAR ENDED 30 JUNE 2022

ACN 601 004 102

Directors	Donald Runge (Non-Executive Chairman) Graham Howard (Managing Director) Michael Allen (Executive Director) Gamini Colless (Non-Executive Director)
Company Secretary	Ian Hobson
Principal and registered office	Suite 8, 110 Hay Street Subiaco WA 6008
Auditors	HLB Mann Judd (WA) Partnership Level 4, 130 Stirling Street Perth, Western Australia 6000
Share registry	Automic Pty Ltd Level 2, 267 St Georges Terrace Perth, Western Australia 6000
Lawyers	HWL Ebsworth Level 21/91 King William St Adelaide SA 5000
Bankers	Westpac Level 2, 267 St Georges Terrace Perth, Western Australia 6000
Website	www.vhmltd.com.au

Company Information

The Company is domiciled in Australia.

The directors of VHM Limited (the "Company") and its controlled entities ("Consolidated Entity" or "Group") submit herewith the financial report for the financial year ended 30 June 2022, and the auditor's report thereon. In order to comply with the provisions of the Corporations Act 2001, the directors report as follows:

Directors

The names and particulars of the directors of the Group during or since the end of the financial period are as follows. Directors were in office for the entire period unless otherwise stated.

Donald Runge	Non-Executive Chairman
Graham Howard	Managing Director
Michael Allen	Executive Director
Gamini Colless	Non-Executive Director - appointed 23 July 2021
Tim Lehany	Non-Executive Chairman - resigned 26 July 2021
Ayten Saridas	Non-Executive Director - appointed 23 July 2021, resigned 24 February 2022
Samantha Tough	Non-Executive Director - resigned 29 July 2021
Dr. Mark Bennett	Non-Executive Director - resigned 19 July 2021

Company Secretary

Susmit Shah (resigned 29 April 2022)
Ian Hobson (appointed 29 April 2022)

Principal activities

During the financial year, the principal continuing activities of the consolidated entity consisted of exploration and pre-development activity in respect of the consolidated entity's exploration and retention licences situated in Victoria, Australia.

Results and review of operations

The results of the Group for the financial year ended 30 June 2022 was a loss after tax of $9.1 million (2021: $6.6 million). The loss for the financial year was driven largely by finance costs (fees and interest) in respect of the convertible notes issued, non-capitalised corporate and employee expenditure and non-cash share based payment expenses. No dividends were paid during the year and the directors do not recommend payment of a dividend.

During the period, the Company's activities were focused on its substantial acreage under retention and exploration licences in North Western Victoria which contain the Company's material Ore Reserves and Mineral Resources.

The Company delivered the milestone Goschen Project Definitive Feasibility Study, commenced the FEED Optimisation Study and large diameter drilling program for product to support the FEED Optimisation level metallurgical testwork, offtake samples and piloting testwork for the hydrometallurgy facility.

Consistent with the Company's Environment, Social and Governance (ESG) focus, over 60 percent of the leadership roles in VHM are held by females, the mine footprint has been restricted to avoid intersection with groundwater and significant areas of remnant native vegetation. The design of water supply, power supply and transport logistics have been completed, with project approvals currently at the Environment Effect Statement preparation stage and public exhibition planned for January 2023.

Goschen Licensing and Approvals
VHM submitted a referral for environment assessment under the Environment Effects Act 1978 (EE Act) to the Victorian Department of Environment, Land, Water and Planning (DELWP) on 31 August 2018. On 10 October 2018, the Victorian Minister for Planning confirmed that an EES would be required, with Scoping Requirements to inform the preparation of the EES issued in May 2019

The major approvals process under the Commonwealth Environmental Protection Biodiversity Conservation Act 1999 (EPBC Act) and the Environment Effects Act 1978 (Victoria) for the Goschen Project was materially advanced in the financial year. All major environmental and social impact assessments (Table 1) needed to obtain major development approvals are at final stage of completion. VHM plans to complete all assessments to allow public exhibition of the EES in January 2023.

Table 1: Environmental and Social Impact Assessments

Environment and social assessment for EES
Flora and vegetation assessment
Arboriculture assessment
Fauna assessment
Air quality and emissions assessment
Noise and vibrations assessment
Landscape and visual impact assessment
Socioeconomic assessment
Aquatic fauna assessment
Radiation assessment
Agriculture assessment
Cultural heritage assessment
Groundwater assessment
Surface water assessment
Traffic and transport assessment
Historic heritage assessment
Land use assessment

Since the Scoping Requirements were released in 2019 the Goschen Project has been refined to provide clearer definition of the on-site operations and to avoid/minimise a range of potential environmental and social impacts. Several key refinements include:

- availability of surface water supply from Goulbourn Murray Water (GMW)
- all mining to take place above the water table therefore no dewatering or drawdown impacts
- no material risk to groundwater dependent ecosystems (GDEs) /RAMSAR wetlands
- no aboriginal cultural heritage places or native title claims in project footprint

Earth Resources Regulation (ERR) Compliance
No reportable incidents, either environmental or exploration, occurred during the reporting period. No regulatory audits were undertaken. The Annual Technical Report and Expenditure Reports were prepared and submitted for all licences in accordance with regulatory requirements. All tenements remain in good standing with financial commitments met.

Goschen Community

VHM is committed to seeking and maintaining a social licence to operate through all stages of the project. VHM has maintained an active presence in the community during the current approval process and will continue to actively engage with all landowners that will be impacted directly and indirectly by the project. Having undertaken a necessarily modified engagement approach during the Covid-19 pandemic, the Company implemented an updated consultation program in the financial year to maintain the constructive and positive engagement that has been undertaken since the Goschen Project was first introduced in 2018.

The Company continues to engage effectively with key regional stakeholders including Gannawarra and Swan Hill Shire Councils, first nation people of the Wamba Wamba, the rural water authority and catchment management authority.

Ore Reserves and Mineral Resources 2022

Ore Reserves
The Company's total Ore Reserves during the reporting period remained unchanged at 198.7Mt (Proven and Probable) (Table 2). Work undertaken during the period focused on development of a subset of this total Ore Reserves to underpin the Goschen Project DFS, and to align with the Goschen Project footprint for obtaining development approval. The Goschen Project DFS Ore Reserves totals 98.8Mt (Proven and Probable) (Table 3), which supports a 20 year mine life with a process plant throughput rate of 5Mtpa.

Table 2: Company Ore Reserves as at 30 June 2022

Reserve Classification	Ore Tonnes (Mt)	THM %	THM Assemblage					
			ZIR %	RUT %	LX %	ILM %	MON %	XEN %
Proven	24.5	5.4	29.9	10.8	9.0	24.7	4.3	0.8
Probable	174.2	3.5	21.0	9.6	8.2	25.8	3.5	0.6
Total	**198.7**	**3.7**	**21.7**	**9.7**	**8.2**	**25.7**	**3.5**	**0.6**

Table 3: Goschen Project DFS Ore Reserves as at 30 June 2022 (subset of Global Company Ore Reserves)

Reserve Classification	Ore Tonnes (Mt)	THM %	THM Assemblage					
			ZIR %	RUT %	LX %	ILM %	MON %	XEN %
Proven	25.5	5.6	29.6	10.8	9.1	24.7	4.3	0.8
Probable	73.3	3.4	20.2	9.3	8.1	25.4	3.4	0.6
Total	**98.8**	**4.0**	**23.6**	**9.9**	**8.5**	**25.1**	**3.7**	**0.7**

Mineral Resources
In the final quarter of the 2022 financial year, the Company completed a review of the 2017 Mineral Resource Estimate (MRE). Comparison of the Area 2 West MRE, which covered part of the 2017 Goschen North MRE, indicated materially higher grades for THM, VHM and REM assemblages compared to the earlier estimate. The review resulted in a change in the mineral resource inventory between 2021 to 2022 and release of the Goschen Exploration Target (Table 5).

Mineral Resources as at 30 June 2022
During the reporting period, the Company undertook a review of the 2017 Goschen North Inferred Mineral Resource Estimate. Based on this review work, the Company made the decision to reclassify the Inferred classification to an Exploration Target, now known as the Goschen Exploration Target (GET) 2022. As a result, there was a reduction compared in the Company's Mineral Resources inventory from 1.1Bt as reported in the prior period to 628.7Mt (Table 4).

Table 4: Company's Mineral Resources as at 30 June 2022

Mineral Resource Category	Material	Total Heavy Mineral (THM)	THM Assemblage					
			Zircon	Rutile	Leucoxene	Ilmenite	Monazite	Xenotime
	(Mt)	(%)	(%)	(%)	(%)	(%)	(%)	(%)
Measured	30.7	5.72	29.9	10.8	9.0	24.7	4.3	0.8
Indicated	310.3	3.19	20.5	10.1	8.6	24.9	3.5	0.7
Inferred	287.7	2.32	17.2	8.7	7.5	22.7	2.9	0.5
Total	**628.7**	**2.92**	**20.2**	**9.6**	**8.2**	**24.1**	**3.3**	**0.6**

Both the Mineral Resources and Ore Reserves have been independently reviewed as part of the preparation of the independent technical assessment report.

A total of 1,465 drillholes were used to inform the Goschen Exploration Target (GET 2022); 572 historical drillholes and 893 drilled by VHML. In areas covered by AC holes drilled by VHML, the sheet horizons were defined at a 0.8% THM cut-off grade and also used downhole gamma logging to assist in the definition of contacts. The sheet horizons are laterally extensive and can be traced over several kilometres in both north-south and east-west directions. Depending on location, the Goschen deposit hosts between three to five spatially extensive horizons. Localised strandline deposits have been intersected by close-spaced AC drilling (200 m x 25 m and 200 m x 50 m).

The Company completed airborne geophysical surveys at a flying height of 25 m above surface, and 100 m line spacing in 2021. This work improved the definition of the strike extent of the strandline deposits associated with the Goschen deposit and confirmed trends observed in the analysis of both Company and third-party exploration drillhole data. VHML has now included several additional strand deposits in the GET 2022 based on the 2021 geophysical survey data and evaluation of Company and third-party drilling data. The 2022 geological interpretation now includes a group of strandlines associated with the Cygnus strandlines, located on the eastern tenement margin.

The interpretation of the mineralisation horizons in the GET 2022 now includes four sheet-style and eight strandline mineralisation horizons. Implicit modelling was completed for sheet-style mineralisation horizons and explicit modelling was completed for strandline mineralisation horizons. Mineralised horizons were defined by a 0.8% THM cut-off grade. Existing interpretations within the Area 1, Area 2 West, Area 3 Extended and Area 4 which utilised downhole gamma logging were used to estimate the north-south and east-west extents of the interpreted Exploration Target.
The strandlines are typically finer particle diameter to the west of the Goschen deposit and become coarser towards the east. The inclusion of additional Company exploration data and that of the verified pre-VHML historical exploration data has enabled a significant extension of the sheet style system to the north, south and west of the previous 2017 MRE. The mineral assemblage in the GET 2022 is limited to VHM and monazite and xenotime.

The proportion of historical analytical data which includes information for monazite and xenotime within the mineralised horizons is less than 8%. This had a direct bearing on the estimate of monazite and xenotime in GET 2022 and as a consequence to determine a range of outcomes the Company has also considered the outcomes of resource estimation in Areas 1 to 4.

The interpretation was completed on drill sections stepping through the project area at 100 m intervals, with a 200 m section width stepping north-south. Data was viewed with a vertical exaggeration of 50:1 to assist in visually determining continuity across east-west drill spacing and along north-south sections.

VHML elected to use Ordinary Kriging to estimate a base block model, which was then factored to derive the lower and upper ranges of tonnes and grades in the GET 2022. The previous 2017 estimate provides sufficient certainty to support the use of a block model approach to derive a base case for the GET.

Table 5 ; Goschen Exploration Target (GET 2022)

Tonnage		THM grade		In situ THM	
Low Case	**Upper Case**	**Low Case**	**Upper Case**	**Low Case**	**Upper Case**
2,622 Mt	4,071 Mt	2.05%	2.16%	54 Mt	88 Mt
In situ THM		**Zircon grade**		**In situ zircon**	
Low Case	**Upper Case**	**Low Case**	**Upper Case**	**Low Case**	**Upper Case**
54 Mt	88 Mt	5.31%	6.03%	3 Mt	5 Mt
In situ THM		**Rutile grade**		**In situ rutile**	
Low Case	**Upper Case**	**Low Case**	**Upper Case**	**Low Case**	**Upper Case**
54 Mt	88 Mt	2.03%	2.34%	1 Mt	2 Mt
In situ THM		**Leucoxene grade**		**In situ leucoxene**	
Low Case	**Upper Case**	**Low Case**	**Upper Case**	**Low Case**	**Upper Case**
54 Mt	88 Mt	3.08%	3.46%	2 Mt	3 Mt
In situ THM		**Ilmenite grade**		**In situ ilmenite**	
Low Case	**Upper Case**	**Low Case**	**Upper Case**	**Low Case**	**Upper Case**
54 Mt	88 Mt	7.13%	8.2%	4 Mt	7 Mt
In situ THM		**Monazite grade**		**In situ monazite**	
Low Case	**Upper Case**	**Low Case**	**Upper Case**	**Low Case**	**Upper Case**
54 Mt	88 Mt	0.68%	0.76%	0.4 Mt	0.7 Mt
In situ THM		**Xenotime grade**		**In situ xenotime**	
Low Case	**Upper Case**	**Low Case**	**Upper Case**	**Low Case**	**Upper Case**
54 Mt	88 Mt	0.07%	0.07%	0.04 Mt	0.06 Mt

Competent person's statement – Mineral Resources

The information in this Annual Report that relates to the Company's Mineral Resources is based on information collated and evaluated by, and fairly represents information and supporting documentation compiled:

- in respect of Areas 1 and 3 Extended by Mr Graham Howard who is a Fellow of the Australasian Institute of Mining and Metallurgy and has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he has undertaken to qualify as a Competent Person a defined in the JORC Code. Mr Howard is a full-time employee of the Company. Mr Howard consents to the inclusion in this Annual Report of the matters based on his information in the form and context in which it appears; and
- in respect of Areas 2 W and 4 by Mr Greg Jones is a geologist who is a member of the Australasian Institute of Mining and Metallurgy and has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he has undertaken to qualify as a Competent Person a defined in the JORC Code. Mr Jones is a full-time employee of IHC Robbins. Mr Jones has consented to the inclusion in this Annual Report of the matters based on his information in the form and context in which it appears.

Competent person's statement – Exploration Target

The information in this Annual Report that relates to the Company's Exploration Targets and Exploration Results is based on information compiled by Ms Emily Henry who is a member of the Australasian Institute of Mining and Metallurgy, under the direction and supervision of Mr Graham Howard who is a Fellow of the Australasian Institute of Mining and Metallurgy.

Mr Howard was a full-time employee of VHML at the time of the Exploration Target estimation. Ms Emily Henry is a full-time employee of Right Solutions Australia Pty Ltd and works for VHML on a contract basis. Both Ms Henry and Mr Howard have sufficient experience relevant to the style of mineralisation and type of deposit under consideration to qualify as Competent Persons as defined in the JORC Code. Ms Henry and Mr Howard consent to the disclosure of information in this report in the form and context in which it appears.

Significant changes in the state of affairs

The Company raised gross proceeds of $31.8 million on the issue of convertible notes in the second half of the financial year. The offer was oversubscribed with strong support from existing shareholders and new professional and sophisticated investors. Canaccord Genuity and Reach Markets acted as joint lead managers for the convertible note issue. The convertible notes have a face value of $10,000, carry an interest rate of 10% p.a. and convert to equity on the public listing of the Company at a conversion ratio of 75% of the initial public offering (IPO) price where the IPO occurs after 30 June 2022 but prior to 31 December 2022 (70% of the IPO price if the IPO occurs after 31 December 2022). The maturity date for the convertible notes is 31 January 2024, if not otherwise converted.

The net proceeds of the convertible note issue of approximately $30.0 million have been applied to progress activities in respect of the Company's proposed Goschen Rare Earth and Minerals Sands Project. Material activities which have been, and continue to be, undertaken include front end engineering design (FEED), FEED optimisation studies, engineering studies on the rare earth hydrometallurgical circuit, metallurgical testwork and bulk sample acquisition drilling programs, advancement of environmental approvals and exploration activities in accordance with licence commitments.

Matters subsequent to the end of the financial year

In July 2022, the Company entered into a purchase agreement to acquire for $1.2 million, the freehold interest in the warehouse and laydown area in Kerang, Victoria which had been leased by the Company for approximately five years. The warehouse and laydown area will continue to be a key operational centre for the Company's proposed development and regional exploration activities.

In August 2022, having received requisite regulatory approval for the transfer of certain exploration licence interests to its subsidiary VP Minerals Limited, the Company carried out the demerger of VP Minerals Limited. The demerger was affected by way of a capital reduction and distribution *in specie* by the Company to its shareholders of the shares in VP Minerals Limited. As set out in the notice for the general meeting at which shareholders approved the demerger, the Company's convertible bond holders and option holders received options to acquire shares in VP Minerals, equivalent to the number of shares to which they were (or would be) entitled in VHM Limited.

The Company entered into an agreement on 1 September 2022 under which a landowner adjacent to the proposed Goschen Project agreed to vacate his residential premises during the operational period of the mine. The initial consideration under the agreement of $2.0 million was agreed to enable the landowner's family to acquire appropriate alternative premises. Further payments of approximately $0.375 million per annum will be made during the period of mining operation to compensate the landowner for restricted capacity to operate his farming property.

Apart from the above, there are no matters or circumstances that have arisen since 30 June 2022 that have or may significantly affect the operations, results, or state of affairs of the consolidated entity in future financial periods.

Likely developments and expected results of operations

The consolidated entity intends to continue its exploration and pre-development activities on its existing projects. The Company is progressing corporate activities which are intended to lead to the public listing of the Company on the Australian Securities Exchange in the 2023 financial year.

Environmental regulations

The consolidated entity is subject to and is compliant with all aspects of environmental regulation of its exploration and pre-development activities. The directors are not aware of any environmental law in respect of which the Company is not in compliance.

Health and Safety

During the 2022 Financial Year there were no reportable injuries or high potential significant incidents. The Lost Time Injury Frequency Rate (LTIFR) for the full year 2022 remained at zero. This compares with the National Benchmark LTIFR of 1.5 and Worksafe Mineral Specifications - Heavy Mineral Sands LTIFR 0.5.

Information on directors and company secretary

The names and details of the Company's directors who were in office during or since the end of the financial year are as set out below. All directors were in office for this entire period unless otherwise stated.

Donald Runge Non-Executive Chairman
Qualifications: *B.E. Mining, MAusIMM*
Experience: Mr Runge has over 40 years operational and project experience including industrial minerals where he managed the development of the Uley Graphite Project in South Australia. He has previously held Executive Management positions for Newcrest Mining Limited, including Manager for Ridgeway Underground Project Development and General Manager of Cracow Gold Mine. He has also managed a team of expats advising Philix Mining Corporation on development of their Silangan Au/Cu Project.
Other current directorships: None
Former directorships (last 3 years): None
Special responsibilities: Chairman of the Operations, Safety and ESG Committee
Interests in shares: 4,498,287 ordinary shares
Interests in options: 500,000 options over unissued shares with an exercise price of $1.00
Contractual rights to shares: None

Graham Howard Managing Director
Qualifications: *BAppSc (Geology), FAusIMM*
Experience: Mr Howard has significant corporate experience as Chief Executive Officer and Managing Director of ASX listed gold companies with major project experience including Telfer, Boddington (Newcrest) and Silangan Au/Cu Project (Philex/Silangan). Mr Howard has managed the development of VHM Limited since September 2016.
Other current directorships: None
Former directorships (last 3 years): None
Special responsibilities: Member of the Operations, Safety and ESG Committee/ Member of the Finance, Audit and Risk Committee
Interests in shares: 4,515,515 ordinary shares
Interests in options: 2,156,230 employee options
Contractual rights to shares: None

Michael Allen	Executive Director
Qualifications:	*BA Accounting, CA*
Experience:	Mr Allen is a Chartered Accountant and experienced Chief Financial Officer with more than 30 years' experience in businesses such as KPMG, Walt Disney International, Opportunity International and Engineers Australia.
Other current directorships:	None
Former directorships (last 3 years):	None
Special responsibilities:	None
Interests in shares:	736,000 ordinary shares
Interests in options:	1,519,102 employee options
Contractual rights to shares:	None

Gamini Colless	Non-Executive Director
Qualifications:	*BA, LLB*
Experience:	Mr Colless has been practising as a solicitor for over 30 years and is highly experienced in the key areas of corporate finance, project finance, structured finance, major property and infrastructure projects. Mr Colless was appointed a director on 23 July 2021
Other current directorships:	Partner, HWL Ebsworth Lawyers
Former directorships (last 3 years):	None
Special responsibilities:	Chairman of the Nomination and Remuneration Committee/ Member of the Finance, Audit and Risk Committee
Interests in shares:	918,831 ordinary shares
Interests in options:	500,000 options over unissued shares with an exercise price of $1.00
Contractual rights to shares:	None

Tim Lehany	Former Non-Executive Director (resigned 26 July 2021)
Qualifications:	*BE (Mining), MBA, MAusIMM*
Experience:	Mr Lehany has substantial international resource company executive experience including Executive General Manager Operations of Newcrest Mining Ltd and Chief Executive Officer of St Barbara Ltd. Mr Lehany has managed a number of major resource projects and operations including Newcrest's flagship Cadia Valley Operations.
Other current directorships:	None
Former directorships (last 3 years):	None
Special responsibilities:	None
Interests in shares:	Not applicable as no longer a director
Interests in options:	Not applicable as no longer a director
Contractual rights to shares:	Not applicable as no longer a director

Ayten Saridas	Former Non-Executive Director (Resigned on 24 February 2022)
Qualifications:	*BComm, Master of Applied Finance*
Experience:	Ms Saridas, a senior finance executive, has over 30 years of international experience across a broad range of ASX listed companies, involved in oil and gas, mining, retail, infrastructure, consumer goods and property.
Other current directorships:	None
Former directorships (last 3 years):	None
Special responsibilities:	Chairman of the Finance, Audit and Risk Committee / Member of the Nomination and Remuneration Committee
Interests in shares:	Not applicable as no longer a director
Interests in options:	Not applicable as no longer a director
Contractual rights to shares:	Not applicable as no longer a director

Samantha Tough	Former Non-Executive Director (resigned 29 July 2021)
Qualifications:	*LLB, JD, FAICD*
Experience:	Ms Tough has a distinguished career in the energy and resources industries Western Australia, with a 20 plus year career serving on boards.
Other current directorships:	Pro Vice Chancellor UWA Engagement and Company Director of The University of Western Australia (since July 2019) Chair of National Energy Selection Commission (since January 2018) Director of Fluence Corporation (since June 2021) Chair of Horizon Power (since November 2019) Director of Clean Energy Finance Corporation (since August 2017)
Former directorships (last 3 years):	All positions are current as above
Special responsibilities:	None
Interests in shares:	Not applicable as no longer a director
Interests in options:	Not applicable as no longer a director
Contractual rights to shares:	Not applicable as no longer a director

Dr. Mark Bennett	Former Non-Executive Director (resigned 19 July 2021)
Qualifications:	*BSc(Mining Geology), PhD, MAusIMM, FAIG*
Experience:	Dr. Bennett is a geologist with over 30 years' experience in various technical. Operational, executive and board roles in Australia, West Africa, the USA, Canada and Scandinavia. He is very experienced in corporate affairs, equity capital markets, investor relations and community engagement.
Other current directorships:	Chairman of Falcon Metals (since September 2021)
Former directorships (last 3 years):	Non-Executive Director of Todd River Resources (since November 2018)
Special responsibilities:	None
Interests in shares:	Not applicable as no longer a director
Interests in options:	Not applicable as no longer a director
Contractual rights to shares:	Not applicable as no longer a director

'Other current directorships' quoted above are current directorships for listed entities only and excludes directorships of all other types of entities, unless otherwise stated.

'Former directorships (last 3 years)' quoted above are directorships held in the last 3 years for listed entities only and excludes directorships of all other types of entities, unless otherwise stated.

Company Secretary

Ian Hobson	Company Secretary
Qualifications	*B.Bus FCA ACIS MAICD*
Experience	Mr Ian Hobson is a fellow chartered accountant and chartered secretary with 37 years' experience who acts as independent director and company secretary to ASX listed companies. Prior to commencing his own practice, Mr Hobson held senior positions with large international chartered accounting firms together with commercial experience in Australia, UK and Canada.

Meetings of directors

The number of meetings of the company's Board of Directors ('the Board') held during the year ended 30 June 2022, and the number of meetings attended by each director were:

Director	Number Eligible to Attend	Meetings Attended
Don Runge	19	19
Gamini Colless	16	14
Graham Howard	19	17
Michael Allen	19	19
Ayten Saridas	11	11
Tim Lehany	3	3
Mark Bennett	2	2
Samantha Tough	3	2

Remuneration Report

The remuneration report details the key management personnel remuneration arrangements for the consolidated entity, in accordance with the requirements of the Corporations Act 2001 and its Regulations.

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including all directors.

The remuneration report is set out under the following main headings:

- Principles used to determine the nature and amount of remuneration
- Details of remuneration
- Service agreements
- Share-based compensation
- Additional information
- Additional disclosures relating to key management personnel

Principles used to determine the nature and amount of remuneration

The objective of the consolidated entity's executive reward framework is to ensure reward for performance is competitive and appropriate for the results delivered. The framework aligns executive reward with the achievement of strategic objectives and the creation of value for shareholders, and it is considered to conform to the market best practice for the delivery of reward. The Board of Directors ('the Board') ensures that executive reward satisfies the following key criteria for good reward governance practices:

- competitiveness and reasonableness
- acceptability to shareholders
- performance linkage / alignment of executive compensation
- transparency

The Nomination and Remuneration Committee is responsible for determining and reviewing remuneration arrangements for its directors and executives. The performance of the consolidated entity depends on the quality of its directors and executives. The remuneration philosophy is to attract, motivate and retain high performance and high quality personnel.

In consultation with external remuneration consultants (refer to the section 'Use of remuneration consultants' below), the Nomination and Remuneration Committee has structured an executive remuneration framework that is market competitive and complementary to the reward strategy of the consolidated entity. In view of the Company's intended progression to listed status, the Board is revising the short and long term incentive plans that have been applicable during the Company's unlisted phase. Such revised short and long term incentive plans will be implemented in the 2023 financial year and the legacy plans phased out.

The reward framework is designed to align executive reward to shareholders' interests. The Board have considered that it should seek to enhance shareholders' interests by:

- having economic profit as a core component of plan design while incorporating alternative criteria appropriately reflecting the Company's near term objectives during the exploration and development phases of the Company's life cycle
- focusing on sustained growth in shareholder wealth, consisting of project implementation, ore reserve replacement and growth, dividends (when appropriate) and growth in share price, and delivering constant or increasing return on assets as well as focusing the executive on key non-financial drivers of value
- attracting and retaining high calibre executives

Additionally, the reward framework should seek to enhance executives' interests by:
rewarding capability and experience

- reflecting competitive reward for contribution to growth in shareholder wealth
- providing a clear structure for earning rewards

In accordance with best practice corporate governance, the structure of non-executive director and executive director remuneration is separate.

Non-Executive Directors' Remuneration

Fees and payments to non-executive directors reflect the demands and responsibilities of their role. Non-executive directors' fees and payments are reviewed annually by the Nomination and Remuneration Committee. The Nomination and Remuneration Committee may, from time to time, receive advice from independent remuneration consultants to ensure non-executive directors' fees and payments are appropriate and in line with the market. The chairman's fees are determined independently to the fees of other non-executive directors based on comparative roles in the external market. The chairman is not present at any discussions relating to the determination of his own remuneration. Non-executive directors do not generally receive share options or other incentives. However, in certain circumstances, share options may be considered as additional remuneration, where warranted for the assumption of activities in addition to those generally undertaken by non-executive directors. The grant of such options is subject to shareholder approval, as was the case in the 2022 financial year.

ASX listing rules require the aggregate non-executive directors' remuneration be determined periodically by a general meeting. The latest determination was at a general meeting of the Company on 27 March 2018 when shareholders approved aggregate remuneration of $450,000 per year.

Executive Remuneration

The consolidated entity aims to reward executives based on their position and responsibility, with a level and mix of remuneration which has both fixed and variable components.

The executive remuneration and reward framework has four components:

- base pay and non-monetary benefits
- short-term performance incentives
- share-based payments
- other remuneration such as superannuation and long service leave

The combination of these comprises the executive's total remuneration.

Fixed remuneration, consisting of base salary, superannuation and non-monetary benefits, are reviewed annually by the Nomination and Remuneration Committee based on individual and business unit performance, the overall performance of the consolidated entity and comparable market remuneration.

Executives may receive their fixed remuneration in the form of cash or other fringe benefits (for example motor vehicle benefits) where it does not create any additional costs to the consolidated entity and provides additional value to the executive.

The short-term incentives ('STI') program is designed to align the targets of the Company with the performance hurdles of executives. STI payments are granted to executives based on specific annual objectives and key performance indicators ('KPIs') being achieved. KPIs for the 2022 financial year included achievement of satisfactory HSE measures, completion of the Goschen Project definitive feasibility study, demerger of VP Minerals Limited, successful completion of the pre-IPO funding program and material progression of key milestones in the Company's path to listing.

The long-term incentives ('LTI') include share-based payments established under an Incentive Options Plan that addresses the practicalities of an unlisted entity. Options are awarded to executives with a term of 5 years and a nil exercise price. The options vest on satisfaction of a continuous service condition of three years. The vesting condition is automatically waived in certain circumstances.

The Nomination and Remuneration Committee reviewed the long-term equity-linked performance incentives specifically for executives during the year ended 30 June 2022. The review recognised the importance of transition to a short and long term remuneration award structure consistent with publicly listed entities. As a consequence of this review, the Board has resolved to phase out awards under the legacy remuneration program and implement a revised program in the 2023 financial year.

Use of remuneration consultants
During the financial year ended 30 June 2022, the consolidated entity, through the Nomination and Remuneration Committee, engaged Guerdon Associates, remuneration consultants, to review its existing remuneration policies and provide recommendations on how to improve both the STI and LTI programs. Guerdon Associates was paid $122,285 for these services.

An agreed set of protocols was put in place to ensure that the remuneration recommendations would be free from undue influence from key management personnel. These protocols include requiring that the consultant not communicate with affected key management personnel without a member of the Nomination and Remuneration Committee being present, and that the consultant not provide any information relating to the outcome of the engagement with the affected key management personnel, without Board approval. The Board is also required to make inquiries of the consultant's processes at the conclusion of the engagement to ensure that they are satisfied that any recommendations made have been free from undue influence. The Board is satisfied that these protocols were followed and as such there was no undue influence.

Voting and comments made at the company's 2021 Annual General Meeting ('AGM')
The Company was an unlisted public company in the 2021 and 2022 financial years. Accordingly, a shareholder vote on remuneration was not undertaken at the 2021 annual general meeting. The company did not receive any specific feedback at the AGM regarding its remuneration practices.

Details of Remuneration

Amounts of remuneration
Details of remuneration of key management personnel of the consolidated entity are set out in the following tables.

Directors and other key management personnel of the Company consisted of the following:

Directors

- Donald Runge — Non-Executive Chairman
- Graham Howard — Managing Director
- Michael Allen — Executive Director
- Gamini Colless — Non-Executive Director (appointed 23 July 2021)

- Tim Lehany — Non-Executive Chairman (resigned 26 July 2021)
- Ayten Saridas — Non-Executive Director (appointed 23 July 2021, resigned 24 February 2022)
- Samantha Tough — Non-Executive Director (resigned 29 July 2021)
- Dr. Mark Bennett — Non-Executive Director (resigned 19 July 2021)

Other Key Management Personnel

- Michael Sheridan — Chief Financial Officer and Deputy Chief Executive Officer (appointed 6 September 2021)
- Carly O'Regan — Executive General Manager, Strategy and Corporate Relations
- Mike Reynolds — Executive General Manager, Projects (appointed 28 March 2022)

	Short-term benefits			Post-employment benefits	Long-term benefit	Share based payments		
	Cash salary and fees	**Cash Bonus**	**Non-monetary**	**Superannuation**	**Long service leave**	**Equity settled shares**	**Equity settled options**	**Total**
2022	**$**	**$**	**$**	**$**			**$**	**$**
Non-Executive Directors								
Donald Runge	115,152	-	-	11,515	-	-	5,924	132,591
Gamini Colless[1]	40,909	-	-	4,091	-	109,699	5,924	160,623
Ayten Saridas[2]	52,500	70,000	-	-	-	-	-	122,500
Tim Lehany[3]	9,848	-	-	985	-	-	-	10,833
Samantha Tough[4]	6,818	-	-	682	-	-	-	7,500
Dr Mark Bennett[5]	6,818	-	-	682	-	-	-	7,500
Executive Directors								
Graham Howard	493,099	-	-	23,568	-	-	343,416	860,083
Michael Allen	351,432	-	-	23,568	-	-	249,643	624,643
Other Key Management Personnel								
Michael Sheridan[6]	391,613	-	-	21,105	-	-	27,546	440,264
Carly O'Regan	288,333	-	-	23,149	-	-	170,371	481,853
Michael Reynolds[7]	111,243	-	-	5,892	-	-	-	117,135
Total	**1,867,765**	**70,000**	**-**	**115,237**	**-**	**109,699**	**802,824**	**2,965,525**
2021								
Directors								
Donald Runge	51,370	-	-	4,880	-	-	-	56,250
Graham Howard	478,306	74,813	-	21,694	-	-	306,819	881,632
Michael Allen	353,306	54,731	-	21,694	-	-	224,852	654,583
Tim Lehany	74,201	-	-	7,049	-	-	-	81,250
Christopher Brown	22,500	-	-	-	-	-	-	22,500
Samantha Tough	12,068	-	-	1,146	-	-	-	13,214
Dr Mark Bennett	12,068	-	-	1,146	-	-	-	13,214
Total	**1,003,819**	**129,544**	**-**	**57,609**	**-**	**-**	**531,671**	**1,722,643**

1. **Gamini Colless:** Represents remuneration from 23 July 2021 to 30 June 2022,. Mr Colless' including equity settled sign-on bonus approved by shareholders on 31 May 2022. Fees accrued for the period from January 2022 to June 2022 amounting to $45,000 were paid in July 2022
2. **Ayten Saridas:** Represents remuneration from 23 July 2021 to 24 February 2022 including sign-on bonus approved by shareholders on 6 June 2022
3. **Tim Lehany:** Represents remuneration from 1 July 2021 to 26 July 2021
4. **Samantha Tough:** Represents remuneration from 1 July 2021 to 29 July 2021
5. **Dr Mark Bennett:** Represents remuneration from 1 July 2021 to 19 July 2021
6. **Michael Sheridan:** Represents remuneration from 6 September 2021 to 30 June 2022
7. **Michael Reynolds:** Represents remuneration from 28 March 2022 to 30 June 2022

The proportion of remuneration linked to performance and the fixed proportion are as follows:

	Fixed remuneration		At risk - STI		At risk - LTI	
	2022	**2021**	**2022**	**2021**	**2022**	**2021**
Non-Executive Directors						
Donald Runge	96%	100%	-	-	4%	-
Gamini Colless	28%	-	-	-	72%	-
Ayten Saridas	43%	-	57%	-	-	-
Tim Lehany	100%	100%	-	-	-	-
Samantha Tough	100%	100%	-	-	-	-
Dr Mark Bennett	100%	100%	-	-	-	-
Christopher Brown	-	100%	-	-	-	-
Executive Directors						
Graham Howard	60%	54%	-	8%	40%	38%
Michael Allen	60%	54%	-	8%	40%	38%
Other Key Management Personnel						
Michael Sheridan	94%	-	-	-	6%	-
Carly O'Regan	65%	-	-	-	35%	-
Michael Reynolds	100%	-	-	-	-	-

The proportion of cash bonus paid/ payable or forfeited is as follows:

	Cash bonus paid/ payable		Cash bonus forfeited	
	2022	**2021**	**2022**	**2021**
Graham Howard	-	65%	100%	35%
Michael Allen	-	69%	100%	31%
Gamini Colless[1]	-	n/a	-	n/a
Ayten Saridas	100%	n/a	-	n/a
Michael Sheridan	-	n/a	100%	n/a
Michael Reynolds	-	n/a	100%	n/a
Carly O'Regan	-	n/a	100%	n/a

Note: Bonus disclosed as n/a for 2021 is for the KMP who commenced employment with the Company in the 2022 financial year and in the case of Ms O'Regan, became a KMP in the 2022 financial year.

[1.] *Mr Colless received an equity settled sign-on bonus of $70,000 not included in the table above.*

Service agreements

Remuneration and other terms of employment for key management personnel are formalised in service agreements. Details of these agreements are as follows:

Name:	Graham Howard
Title	Managing Director
Agreement commencement	1 March 2018
Terms of agreement	Indefinite
Details	Base salary for the year ending 30 June 2022 is $525,000 inclusive of superannuation, to be reviewed annually by the Nomination and Remuneration Committee. Six months termination notice by either party. Employee entitled to participate in the Company's short and long term incentive programs.

Name:	Michael Allen
Title	Executive Director
Agreement commencement	1 February 2018
Terms of agreement	Indefinite
Details	Base salary for the year ending 30 June 2022 of $375,000 inclusive of superannuation, to be reviewed annually by the Nomination and Remuneration Committee. Four months termination notice by either party. Employee entitled to participate in the Company's short and long term incentive programs.

Name:	Michael Sheridan
Title	Chief Financial Officer and Deputy Chief Executive Officer
Agreement commencement	6 September 2021
Terms of agreement	Indefinite
Details	Base salary for the year ending 30 June 2022 of $500,000 inclusive of superannuation, to be reviewed annually by the Nomination and Remuneration Committee. Six months termination notice by either party. Employee entitled to participate in the Company's short and long term incentive programs.

Name:	Carly O'Regan
Title	Executive General Manager, Strategy and Corporate Relations
Agreement commencement	22 January 2018
Terms of agreement	Indefinite
Details	Base salary for the year ending 30 June 2022 of $375,000 plus superannuation, to be reviewed annually by the Nomination and Remuneration Committee. Six months termination notice by either party. Employee entitled to participate in the Company's short and long term incentive programs.

Name:	Mike Reynolds
Title	Executive General Manager, Projects
Agreement commencement	28 March 2022
Terms of agreement	Indefinite
Details	Base salary for the year ending 30 June 2022 of $426,432 plus superannuation, to be reviewed annually by the Nomination and Remuneration Committee. Three months termination notice by either party, cash bonus of 100% as per Nomination and Remuneration Committee approval and KPI achievement.

Key management personnel have no entitlement to termination payments in the event of removal for misconduct.

Share-Based Compensation

Issue of shares
Details of shares issued to directors and other key management personnel as part of compensation during the year ended 30 June 2022 are set out below:

Name	Date	Shares	Issue price $	$
Gamini Colless (fees)	7 June 2022	66,164	0.60	39,698
Gamini Colless (sign-on bonus)	7 June 2022	116,667	0.60	70,000

Mr Colless was issued 182,831 shares in lieu of director's fees for the period from 23 July 2021 to 31 December 2021 and the sign-on bonus. The sign-on bonus and the issue of shares in the Company in lieu of director's fees and the sign-on bonus were approved by shareholders at a general meeting on 31 May 2022 and by convertible noteholders at meetings on 1 June 2022.

Options
The terms and conditions of each grant of options over ordinary shares affecting remuneration of directors and other key management personnel in this financial year or future reporting years are as follows:

Name	Number of options granted	Grant date	Vesting date and exercisable date	Expiry date	Exercise price ($)	Fair Value per option at grant date ($)
2022						
Special exertion options						
Donald Runge	500,000	31 May 2022	31 May 2025	31 July 2025	1.00	0.2251
Gamini Colless	500,000	31 May 2022	31 May 2025	31 July 2025	1.00	0.2251
Employee options (KMPs)						
Graham Howard	1,097,917	19 May 2022	19 May 2025	19 May 2027	Nil	0.60
Michael Allen	743,750	19 May 2022	19 May 2025	19 May 2027	Nil	0.60
Michael Sheridan	826,389	19 May 2022	19 May 2025	19 May 2027	Nil	0.60
Carly O'Regan	529,344	19 May 2022	19 May 2025	19 May 2027	Nil	0.60
2021						
Employee options (KMPs)						
Graham Howard	423,938	24 March 2021	30 June 2023	24 March 2026	Nil	0.60
Michael Allen	310,144	24 March 2021	30 June 2023	24 March 2026	Nil	0.60

Options granted carry no dividend or voting rights.

Donald Runge and Gamini Colless were each issued 500,000 Special Exertion Options at an exercise price of $1.00 and an expiry date of 31 July 2025. The options vest on the earlier of:

a. the date on which the Company's Board of Directors makes a positive Financial Investment Decision (FID) to proceed with the development of the Goschen Project; or
b. the date of a change in control* of the Company; or
c. 31 December 2023

Once exercised, shares will rank equally with other VHM shares. The issue of Special Exertion Options to Messrs Runge and Colless was approved by shareholders at a general meeting on 31 May 2022 and by convertible noteholders at meetings on 1 June 2022.

All options were granted over unissued fully paid ordinary shares in the company. The number of options granted was determined taking into account reasonable compensation for the material additional activities to be undertaken by Messrs Runge and Colless in the period to final investment decision in respect of the Goschen Project and an independent valuation of the options. As set out in the notice of general meeting of 31 May 2022, the non-executive directors were required to undertake significant additional duties and workload to ensure corporate objectives could be achieved. Core amongst these objectives were expedited delivery of a DFS for the Goschen Project and progression of activities in respect of Company' listing.

Options vest based on the provision of service over the vesting period whereby the executive becomes beneficially entitled to the option on vesting date. Options are exercisable by the holder as from the vesting date. There has not been any alteration to the terms or conditions of the grant since the grant date. There are no amounts paid or payable by the recipient in relation to the granting of such options other than on their potential exercise.

The value of options over ordinary shares granted, exercised and lapsed for directors and other key management personnel as part of compensation during the year ended 30 June 2022 are set out below:

	Value of options granted during the year	Value of options exercised during the year	Value of options lapsed during the year	Remuneration consisting of options for the year
	$	$	$	%
Donald Runge	112,550	-	-	4%
Graham Howard	658,750	144,000	-	40%
Michael Allen	446,250	132,000	-	40%
Gamini Colless	112,550	-	-	5%
Michael Sheridan	495,833	-	-	6%
Carly O'Regan	317,606	108,000	-	35%

Fair value of options granted

The fair value at grant date of options issued was determined by an independent corporate valuations expert using a binomial option pricing model that takes into account factors including the exercise price, the term of the options 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 options. The binomial model is applied on the basis that the options are not subject to any market based vesting conditions given the vesting of the options is not dependent on the future market price of VHM's ordinary shares and the options are exercisable at any time prior to the Expiry Date. The model inputs for options granted are disclosed in note 22 of the financial statements.

Additional disclosures relating to key management personnel

Shareholdings
The numbers of shares in the Company held during the financial years ended 30 June 2022 and 2021 by Key Management Personnel, including shares held by entities they control, are set out below:

	Opening balance	Options exercised	Other movements	Balance on commencement or cessation of office	Closing balance
2022					
Donald Runge	4,498,287	-	-	-	4,498,287
Graham Howard	4,131,515	384,000	-	-	4,515,515
Michael Allen	384,000	352,000	-	-	736,000
Gamini Colless	-	-	918,831	-	918,831
Carly O'Regan	-	288,000	-	-	288,000
Dr Mark Bennett	480,000	-	-	(480,000)	-
Tim Lehany	2,176,000	-	-	(2,176,000)	-
2021					
Donald Runge	3,712,000	-	786,287	-	4,498,287
Graham Howard	4,128,000	-	3,515	-	4,131,515
Michael Allen	384,000	-	-	-	384,000
Dr Mark Bennett	-	-	-	480,000	480,000
Tim Lehany	2,176,000	-	-	-	2,176,000
Chris Brown	1,184,000	-	30,000	(1,214,000)	-

Option holdings
The number of options over ordinary shares in the Company held during year ended 30 June 2022 by Key Management Personnel, including options over ordinary shares held by entities they control, are set out below:

	Opening balance	Granted	Exercised	Expired/ forfeited	Closing balance
Donald Runge	-	500,000	-	-	500,000
Graham Howard	1,442,313	1,097,917	(384,000)	-	2,156,230
Michael Allen	1,127,352	743,750	(352,000)	-	1,519,102
Gamini Colless	-	500,000	-	-	500,000
Michael Sheridan	-	826,389	-	-	826,389
Carly O'Regan	789,650	529,344	(288,000)	-	1,030,994

Other Transactions with Key Management Personnel

HWL Ebsworth Lawyers, a law firm of which Mr Colless is a partner, has provided legal services to the Company, including advice on matters relating to the initial public offering of VHM Limited, material service and land purchase contracts, remuneration and employment agreements, corporate restructure and taxation. Total fees of $739,489 were paid or were payable to HWL Ebsworth for the financial year ended 30 June 2022. An amount of $79,092 was incurred prior to 30 June 2022 and paid after financial year end. Transactions between HWL Ebsworth and the Company are on normal commercial terms and conditions unless otherwise stated.

Loans to Directors and Executives
During the financial year ended 30 June 2022, no loans were provided to Directors or Executives (30 June 2021: Nil).

This concludes the remuneration report which has been audited.

Indemnity and insurance of officers
The company has indemnified the directors and executives of the company for costs incurred, in their capacity as a director or executive, for which they may be held personally liable, except where there is a lack of good faith.

During the financial year, the company paid a premium in respect of a contract to insure the directors and executives of the company against a liability to the extent permitted by the Corporations Act 2001. The contract of insurance prohibits disclosure of the nature of the liability and the amount of the premium.

Indemnity and insurance of auditor
The company has not, during or since the end of the financial year, indemnified or agreed to indemnify the auditor of the company or any related entity against a liability incurred by the auditor.

During the financial year, the company has not paid a premium in respect of a contract to insure the auditor of the company or any related entity.

Non-audit services
There have been no non-audit services provided by the Group's auditor during the year.

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 immediately after this directors' report.

Proceeding on behalf of the company
No person has applied for leave of the Court to bring proceedings on behalf of the Company or 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 any part of those proceedings. The Company was not a party to any such proceedings during the year.

Auditor
HLB Mann Judd continues in office in accordance with section 327 of the Corporations Act 2001.

This report is made in accordance with a resolution of the directors made pursuant to s 298(2)(a) of the Corporations Act 2001.

On behalf of the Directors.

Graham Howard
Managing Director

23 September 2022
Perth, Western Australia

AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the audit of the consolidated financial report of VHM Limited for the year ended 30 June 2022, I declare that to the best of my knowledge and belief, there have been no contraventions of:

a) the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and

b) any applicable code of professional conduct in relation to the audit.

Perth, Western Australia
23 September 2022

L Di Giallonardo
Partner

hlb.com.au

HLB Mann Judd (WA Partnership) ABN 22 193 232 714
Level 4, 130 Stirling Street, Perth WA 6000 / PO Box 8124 Perth BC WA 6849
T: +61 (0)8 9227 7500 **E:** mailbox@hlbwa.com.au

	Notes	Consolidated 2022 $	2021 $
Revenue			
Interest income		**4,173**	1,373
Other income		**2,380**	166,490
	2	**6,553**	167,864
Expenditure			
Corporate and administrative expenses		**(3,764,631)**	(2,786,200)
Depreciation expenses		**(125,754)**	(153,586)
Employee expenses		**(1,787,736)**	(1,717,056)
Share based payment expenses		**(1,046,797)**	(829,879)
Finance costs	4	**(2,431,215)**	(1,271,150)
		(9,156,133)	(6,757,871)
Loss before income tax		**(9,149,580)**	(6,590,007)
Income tax expense	6	**-**	-
Loss after income tax		**(9,149,580)**	(6,590,007)
Other comprehensive income/(loss)			
Items that may be reclassified to profit or loss:		**-**	-
Total comprehensive (loss) for the year		**(9,149,580)**	(6,590,007)
Loss per Share			
Basic loss per share (dollar per share)	5	**(0.07)**	(0.05)
Diluted loss per share (dollar per share)	5	**(0.07)**	(0.05)

The above Consolidated Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the accompanying notes.

		Consolidated	
		2022	2021
	Notes	**$**	$
ASSETS			
Current assets			
Cash and cash equivalents	7	**24,366,059**	10,874,526
Other receivables	8	**938,760**	504,294
Total current assets		**25,304,819**	11,378,820
Non-current assets			
Deferred exploration expenditure	9	**27,216,532**	17,024,238
Property, plant and equipment	10	**10,733,311**	10,520,843
Right-of-use assets	11	**5,150**	66,953
Total non-current assets		**37,954,993**	27,612,034
Total assets		**63,259,812**	38,990,854
LIABILITIES			
Current liabilities			
Trade and other payables	12	**3,635,380**	1,851,476
Land acquisition liabilities	17	**1,046,273**	910,628
Borrowings	13	**-**	550,891
Convertible Notes liability	14	**349,339**	-
Lease liabilities	15	**-**	69,964
Provisions	16	**394,666**	370,333
Total current liabilities		**5,425,658**	3,753,292
Non-current liabilities			
Convertible Notes liability	14	**34,072,760**	3,532,124
Lease liabilities	15	**-**	5,888
Land acquisition liabilities	17	**6,416,278**	7,415,603
Total non-current liabilities		**40,489,038**	10,953,615
Total liabilities		**45,914,696**	14,706,907
Net assets		**17,345,116**	24,283,947
EQUITY			
Issued capital	18	**41,287,027**	40,193,238
Share based payment reserves	19	**5,638,150**	4,939,923
Accumulated losses	20	**(29,580,061)**	(20,849,214)
Total equity		**17,345,116**	24,283,947

The above Consolidated Statement of Financial Position should be read in conjunction with the accompanying notes.

Consolidated	**Issued capital**	**Share based payment reserve**	**Accumulated losses**	**Total**
	$	**$**	**$**	**$**
Balance at 1 July 2020	23,867,997	3,384,065	(14,259,207)	12,992,855
Loss for the period	-	-	(6,590,007)	(6,590,007)
Total comprehensive loss for the period	-	-	(6,590,007)	(6,590,007)
Shares issued during the period	16,325,241	-	-	16,325,241
Share based payments recognised	-	1,555,858	-	1,555,858
Balance at 30 June 2021	40,193,238	4,939,923	(20,849,214)	24,283,947

Consolidated	**Issued capital**	**Share based payment reserve**	**Accumulated losses**	**Total**
	$	**$**	**$**	**$**
Balance at 1 July 2021	**40,193,238**	**4,939,923**	**(20,849,214)**	**24,283,947**
Loss for the period	**-**	**-**	**(9,149,580)**	**(9,149,580)**
Total comprehensive loss for the period	**-**	**-**	**(9,149,580)**	**(9,149,580)**
Shares issued during the period	**984,090**	**(984,090)**	**-**	**-**
Transfer from reserves	**-**	**(418,733)**	**418,733**	**-**
Share based payments recognised	**109,699**	**2,101,050**	**-**	**2,210,749**
Balance at 30 June 2022	**41,287,027**	**5,638,150**	**(29,580,061)**	**17,345,116**

The above Consolidated Statement of Changes in Equity should be read in conjunction with the accompanying notes.

		Consolidated	
		2022	2021
	Notes	**$**	$
Cash flows from operating activities			
Interest received		**4,173**	1,373
Government grant received		**-**	150,000
Payments to suppliers and employees		**(3,993,221)**	(4,491,373)
Net cash outflows from operating activities	23	**(3,989,048)**	(4,340,000)
Cash flows from investing activities			
Payments for exploration expenditure		**(12,181,824)**	(4,580,126)
Purchase of property, plant and equipment		**(359,114)**	(117,093)
Proceeds from sale of property, plant and equipment		**9,395**	2,860
Repayments of land acquisition liabilities		**(910,628)**	(508,014)
Research and development tax offset		**3,043,787**	3,068,190
Net cash outflows from investing activities		**(10,398,384)**	(2,134,183)
Cash flows from financing activities			
Proceeds from share issue		**-**	16,764,798
Share issue costs		**-**	(514,810)
Repayment of lease liabilities		**(80,000)**	(135,177)
Proceeds from convertible notes issue		**31,840,000**	3,690,000
Convertible notes issue costs		**(1,948,044)**	(230,805)
Proceeds from borrowings		**99,435**	519,250
Repayment of borrowings		**(650,326)**	(1,742,000)
Repayment of convertible notes		**-**	(42,077)
Interest and finance cost paid		**(1,382,100)**	(1,293,011)
Net cash inflows from financing activities		**27,878,965**	17,016,168
Net increase in cash and cash equivalents		**13,491,533**	10,541,985
Cash and cash equivalents at the beginning of financial year		**10,874,526**	332,541
Cash and cash equivalents at the end of financial year	7	**24,366,059**	10,874,526

The above Consolidated Statement of Cash Flows should be read in conjunction with the accompanying notes.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) General information

VHM Limited (the Company) is a company limited by shares incorporated and domiciled in Australia, and which was incorporated on 31 July 2014. The financial statements are for the Consolidated Entity (or "Group") consisting of VHM Limited and its subsidiaries. The financial year covers the period from 1 July 2021 to 30 June 2022.

During the financial year, the principal continuing activities of the consolidated entity consisted of exploration and pre-development activity in respect of the Consolidated Entity's exploration and retention licences situated in Victoria, Australia.

(b) Basis of preparation

This financial report is a general purpose financial report that has been prepared in accordance with mandatory Australian Accounting Standards, other authoritative pronouncements of the Australian Accounting Standards Board, the Corporations Act 2001 and other requirements of the law and Australian equivalents to International Financial Reporting Standards ("AIFRS").

The financial report of the Group was authorised for issue in accordance with a resolution of Directors on 23 September 2022.

Historical cost convention

This financial report has been prepared on an accruals basis under the historical cost convention. Cost is based on the fair values of the consideration given in exchange for assets. All amounts are presented in Australian dollars, unless otherwise noted.

Going concern

The financial statements have been prepared on a going concern basis which assumes the commercial realisation of the future potential of the Group's assets and discharge of its liabilities in the normal course of business.

The Group recorded a loss of $9,149,580 (2021: $6,590,007) for the year. At balance date, the Group had net assets of $17,345,116 which included cash and cash equivalents of $24,366,059 (2021: $10,874,526) and a working capital surplus of $19,879,161 (2021: $7,625,528).

Based on the working capital surplus at balance date and, for the following reasons, the Directors believe that the assumption of going concern is valid in the preparation of these financial statements:

- The directors have a track record of successfully raising equity capital and in January 2022, the Company commenced activities in preparation for the Company's planned 2022 IPO having appointed Canaccord as lead broker in December 2021. The Company is at the final stage of initial offer of securities to the public ('IPO') expected to be completed before the end of December 2022; and
- The Company also has the capacity to reduce discretionary expenditure in line with available funding.

Should the Group be unable to raise sufficient capital within the next 12 months as planned, there is a material uncertainty that may cast significant doubt whether the Group will be able to continue as a going concern and therefore, whether it will be able to realise its assets and discharge its liabilities in the normal course of business.

Significant accounting judgements, estimates and assumptions

The application of accounting policies requires the use of judgements, estimates and assumptions about carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis.

Revisions are recognised in the period in which the estimate is revised if it affects only that period or in the period of the revision and future periods if the revision affects both current and future periods. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are:

Refundable research and development tax offset

To the extent that research and development costs are eligible activities under the “Research and development tax incentive” programme, a refundable tax offset is available for companies with annual turnover of less than $20 million. The Group recognises refundable tax offsets received in the financial year directly against capitalised exploration expenditure, in the statement of financial position, resulting from the monetisation of available tax losses that otherwise would have been carried forward. These amounts are recognised at their fair value only to the extent that there is reasonable assurance that the incentive will be received.

Exploration and evaluation expenditure

The Board of Directors determines when an area of interest should be abandoned. When a decision is made that an area of interest is not commercially viable, all costs that have been capitalised in respect of that area of interest are written off. The Directors’ decision is made after considering the likelihood of finding commercially viable reserves.

Share-based payment expense

The Company measures the cost of equity-settled transactions with employees and consultants by reference to the fair value of the equity instruments at the date at which they are granted. The fair value of these equity instruments is determined using a Black-Scholes model, using various assumptions detailed in the notes to the financial statements.

(c) Deferred exploration expenditure

Exploration and evaluation expenditures in relation to each separate area of interest are recognised as an exploration and evaluation asset in the year in which they are incurred where the following conditions are satisfied:

(i) the rights to tenure of the area of interest are current; and

(ii) at least one of the following conditions is also met:

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

(b) exploration and evaluation activities in the area of interest have not at the reporting date reached a stage which permits a reasonable assessment of the existence or otherwise of economically recoverable reserves, and active and significant operations in, or in relation to, the area of interest are continuing.

Exploration and evaluation assets are initially measured at cost and include acquisition of rights to explore, studies, exploratory drilling, trenching and sampling and associated activities and an allocation of depreciation and amortisation of assets used in exploration and evaluation activities. General and administrative costs are only included in the measurement of exploration and evaluation costs where they are related directly to operational activities in a particular area of interest.

Exploration and evaluation assets are assessed for impairment when facts and circumstances suggest that the carrying amount of an exploration and evaluation asset may exceed its recoverable amount. The recoverable amount of the exploration and evaluation asset (for the cash generating unit(s) to which it has been allocated being no larger than the relevant area of interest) is estimated to determine the extent of the impairment loss (if any). Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but only to the extent that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in previous years.

(d) Revenue and other income

Revenue is recognised to the extent that it is probable that the Group will collect the consideration to which it will be entitled in exchange for the goods or services that will be transferred to the customer.

Interest income is recognised on a proportional basis taking into account the interest rates applicable to the financial assets.

(e) Cash and cash equivalents

Cash reserves in the statement of financial position comprise cash at bank and in hand.

(f) 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 of the net asset or 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 component of cash flows arising from investing or financing activities which are recoverable from, or payable to, the taxation authority, are presented as operating cash flows.

(g) Trade and other payables

Trade and other payables are carried at cost and represent liabilities for goods and services provided to the Group prior to the end of the financial year that are unpaid and arise when the Group becomes obliged to make future payments in respect of the purchase of these goods and services.

(h) Borrowings

Recognition and measurement

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortised cost using the effective interest rate method. Any difference between the proceeds and the redemption value is recognised in the Consolidated Statement of Profit or Loss and Other Comprehensive Income over the period of borrowings using the effective interest rate.

The component of the convertible notes that exhibits characteristics of a liability is recognised as a liability in the statement of financial position, net of transaction costs.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the end of the reporting period.

(i) Trade and other receivables

Trade receivables, which generally have 30-90 day terms, are recognised and carried at original invoice amount less an allowance for any uncollectible amounts. An allowance for expected credit losses is made when collection of the full amount is no longer probable. Bad debts are written off when identified.

(j) Contributed equity

Ordinary shares and options are classified as contributed equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

(k) Share based payment expense

The Group measures the cost of equity settled transactions with employees and consultants by reference to the fair value of the equity instruments at the date at which they are granted. The fair value of options is determined using a binomial model, using the assumptions detailed in Note 22.

(l) Income tax

Deferred income tax is provided for on all temporary differences at balance date between the tax base of assets and liabilities and their carrying amounts for financial reporting purposes.

No deferred income tax will be recognised from the initial recognition of an asset or liability, excluding a business combination, where there is no effect on accounting or taxable profit or loss.

Deferred tax is calculated at the tax rates that are expected to apply to the period when the asset is realised or liability is settled. Deferred tax is credited in the statement of comprehensive income except where it relates to items that may be credited directly to equity, in which case the deferred tax is adjusted directly against equity.

Deferred income tax assets are recognised to the extent that it is probable that future tax profits will be available against which deductible temporary differences can be utilised.

The amount of benefits brought to account or which may be realised in the future is based on the assumption that no adverse change will occur in income taxation legislation and the anticipation that the Group will derive sufficient future assessable income to enable the benefit to be realised and comply with the conditions of deductibility imposed by the law. The carrying amount of deferred tax assets is reviewed at each balance date and only recognised to the extent that sufficient future assessable income is expected to be obtained.

Deferred tax assets and deferred tax liabilities are offset only if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred tax assets and liabilities relate to the same taxable entity and the same taxation authority.

(m) Property, plant and equipment

Items of property, plant and equipment are carried at cost less accumulated depreciation and impairment losses (see accounting policy “Impairment”).

Land

Land is initially recognised at cost. After initial recognition at cost, the Group will continue to carry the land, which is acquired primarily for its mineral resources, at its cost less any accumulated impairment losses.

Plant and equipment

Plant and equipment, including fixture and fittings acquired are initially recorded at their cost of acquisition at the date of acquisition, being the fair value of the consideration provided plus incidental costs directly attributable to the acquisition.

Motor Vehicles

Motor vehicles are recorded at cost of acquisition at the date of acquisition, being the fair value of the consideration provided plus incidental costs directly attributable to the acquisition.

Subsequent costs are included in the asset’s carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the statement of comprehensive income during the financial period in which they are incurred.

(m) Property, plant and equipment (continued)

Depreciation

All assets have limited useful lives and are depreciated using the straight line method over their estimated useful lives commencing from the time the asset is held ready for use.

Depreciation and amortisation rates and methods are reviewed annually for appropriateness. When changes are made, adjustments are reflected prospectively in current and future periods only. The estimated useful lives used in the calculation of depreciation for plant and equipment for the current and corresponding period is three years.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains and losses are included in the statement of comprehensive income. When revalued assets are sold, amounts included in the revaluation reserve relating to that asset are transferred to accumulated losses.

(n) Impairment

The carrying amount of the Group's assets, other than deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. Where such an indication exists, a formal assessment of recoverable amount is then made and where this is in excess of carrying amount, the asset is written down to its recoverable amount.

Recoverable amount is the greater of fair value less costs to sell and value in use. Value in use is the present value of the future cash flows expected to be derived from the asset or cash generating unit. In estimating value in use, a pre-tax discount rate is used which reflects current market assessments of the time value of money and the risks specific to the asset. Any resulting impairment loss is recognised immediately in the statement of comprehensive income.

Impairment losses are reversed when there is an indication that the impairment loss may no longer exist and there has been a change in the estimate used to determine the recoverable amount. An impairment loss is reversed only to the extent that the carrying amount of the asset(s) does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

(o) Employee benefits

Wages, salaries and annual leave

Liabilities for wages and salaries, including non-monetary benefits and annual leave expected to be settled wholly within 12 months of the reporting date are recognised in provisions in respect of employees' services up to the reporting date. They are measured at the (undiscounted) amounts expected to be paid when the liabilities are settled.

Contributions are made by the Group to superannuation funds as stipulated by statutory requirements and are charged as expenses when incurred.

(p) Earnings/ loss per share

Basic earnings/ loss per share are determined by dividing the net result attributable to members, adjusted to exclude costs of servicing equity (other than dividends), by the weighted average number of ordinary shares, adjusted for any bonus element.

Diluted earnings/ loss per share are determined by dividing the net result attributable to members, adjusted to exclude costs of servicing equity (other than dividends) and any expenses associated with dividends and interest of dilutive potential ordinary shares, by the weighted average number of ordinary shares (both issued and potentially dilutive) adjusted for any bonus element.

(q) Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Board of Directors of VHM Ltd.

(r) Financial instruments

Financial instruments, incorporating financial assets and liabilities, are recognised when the entity becomes a party to the contractual provisions of the instrument. Trade data accounting is adopted for financial assets that are delivered within timeframes established by marketplace convention.

Financial instruments are initially recognised at fair value plus transaction costs where the instrument is not classified at fair value through profit and loss. Transaction costs related to instruments classified as at fair value through profit and loss are expensed to profit and loss immediately. Financial instruments are classified and measured as set out below.

Derecognition

Financial assets are derecognised where the contractual rights to receipt of cash flows expires or the asset is transferred to another party whereby the entity no longer has any significant continuing involvement in the risks and benefits associated with the asset. Financial liabilities are derecognised where the related obligations are either discharged, cancelled or expire. The difference between the carrying value of the financial liability extinguished or transferred to another party and their fair value of consideration paid, including the transfer of non-cash assets or liabilities assumed, is recognised in profit or loss.

Classification and subsequent measurement

Loans and receivables
Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are subsequently measured at amortised cost using the effective interest rate method.

Financial liabilities
Non-derivative financial liabilities (excluding financial guarantees) are subsequently measured at amortised cost using the effective interest rate method.

Impairment of financial assets
The consolidated entity assesses at the end of each reporting period whether there is any objective evidence that a financial asset or group of financial assets is impaired. Objective evidence includes significant financial difficulty of the issuer or obligor; a breach of contract such as default or delinquency in payments; the lender granting to a borrower concessions due to economic or legal reasons that the lender would not otherwise do; it becomes probable that the borrower will enter bankruptcy or other financial reorganisation; the disappearance of an active market for the financial asset; or observable data indicating that there is a measurable decrease in estimated future cash flows.

The amount of the impairment allowance for financial assets carried at cost is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the current market rate of return for similar financial assets.

Fair value
When an asset or liability, financial or non-financial, is measured at fair value for recognition or disclosure purposes, the fair value is based on the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date; and assumes that the transaction will take place either: in the principle market; or in the absence of a principal market, in the most advantageous market.

Fair value is measured using the assumptions that market participants would use when pricing the asset or liability, assuming they act in their economic best interest. For non-financial assets, the fair value measurement is based on its highest and best use. Valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, are used, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

(r) Financial instruments (continued)

Classification and subsequent measurement (continued)

Fair value (continued)

Assets and liabilities measured at fair value are classified, into three levels, using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. Classifications are reviewed each reporting date and transfers between levels are determined based on a reassessment of the lowest level input that is significant to the fair value measurement.

For recurring and non-recurring fair value measurements, external valuers may be used when internal expertise is either not available or when the valuation is deemed to be significant. External valuers are selected based on market knowledge and reputation. Where there is a significant change in fair value of an asset or liability from one period to another, an analysis is undertaken, which includes a verification of the major inputs applied in the latest valuation and a comparison, where applicable, with external sources of data.

(s) Parent entity financial information

The financial information for the parent entity, disclosed in Note 26 has been prepared on the same basis as the consolidated financial statements, except for investment in subsidiaries, which are accounted for at cost in the financial statements.

New standards and interpretations in issue not yet adopted

For the year ended 30 June 2022, the Directors have reviewed all of the new and revised Standards and Interpretations issued by the AASB that are relevant to the Group and effective for the current reporting period. It has been determined by the Directors that there is no material impact of the new and revised Standards and Interpretations on the Company and, therefore, no change is necessary to Group accounting policies.

The Directors have also reviewed all new Standards and Interpretations that have been issued but are not yet effective for the year ended 30 June 2022. Any new or amended Accounting Standards or Interpretations that are not mandatory have not been early adopted.

NOTE 2: OTHER REVENUE

	Consolidated	
	2022	2021
	$	$
Interest - other parties	**4,173**	1,373
Government grants (JobKeeper and cashflow boost)	**-**	167,500
Profit/ (loss) on disposal of assets	**2,380**	(1,010)
	6,553	167,864

NOTE 3: AUDITOR'S REMUNERATION

	Consolidated	
	2022	2021
	$	$
Auditors – HLB Mann Judd (WA) Partnership - audit and review of financial reports	**31,210**	27,499
	31,210	27,499

NOTE 4: FINANCE COSTS

	Consolidated	
	2022	2021
	$	**$**
Interest on convertible notes	**1,051,215**	159,575
Convertible notes issue costs	**369,132**	33,953
Interest on land acquisitions	**972,257**	866,606
Interest on other borrowings	**34,462**	182,392
Interest on lease liabilities	**4,149**	28,624
	2,431,215	1,271,150

NOTE 5: LOSS PER SHARE

	Consolidated	
	2022	2021
	$	$
Basic loss per share	**(0.07)**	(0.05)
Loss after tax for the year	**(9,149,580)**	(6,590,007)
Weighted average number of ordinary shares used in the calculation of basic loss per share	**138,321,007**	120,389,017

NOTE 6: INCOME TAX EXPENSE

	Consolidated	
	2022	2021
	$	$
Income tax benefit The major components of tax expense are: The prima facie income tax benefit on pre-tax accounting result from operations reconciles to the income tax expense in the financial statements as follows:		
Accounting loss before tax from continuing operations	**(9,149,580)**	(6,590,007)
Income tax (benefit) calculated at 30% (2021 - 26%)	**(2,744,874)**	(1,713,402)
Non-deductible expenses	**314,726**	215,898
Other deferred tax assets and tax liabilities not recognised	**2,430,148**	1,497,504
Income tax benefit reported in the statement of comprehensive income	**-**	-

Unrecognised deferred tax balances

Potential deferred tax assets attributable to tax losses carried forward of $9,131,859 (2021: $5,542,397) have not been brought to account at 30 June 2022 because the directors do not believe it is appropriate to regard realisation of the deferred tax assets as probable at this point in time.

NOTE 7: CASH AND CASH EQUIVALENTS

	Consolidated	
	2022	2021
	$	$
Current		
Cash at bank	**24,364,636**	10,873,483
Petty cash	**1,423**	1,043
	24,366,059	10,874,526

NOTE 8: OTHER RECEIVABLES

	Consolidated	
	2022	2021
	$	$
Current		
GST receivable	**531,645**	107,836
Prepayment	**74,286**	320,430
Rental bonds	**29,257**	28,248
Cash collateralised bank guarantee - office lease	**1,950**	47,780
Prepaid IPO costs	**301,622**	-
	938,760	504,294

NOTE 9: DEFERRED EXPLORATION AND EVALUATION EXPENDITURE

	Consolidated	
	2022	2021
	$	$
Costs carried forward in respect of areas of interest in the following phases:		
Exploration and evaluation phase – at cost	**27,216,532**	17,024,238
	27,216,532	17,024,238
Movement in carrying amounts		
Opening balance	**17,024,238**	14,515,505
Exploration expenditure incurred	**13,236,081**	5,676,923
Eligible exploration expenditure R&D tax offset rebate	**(3,043,787)**	(3,068,190)
	27,216,532	17,024,238

The recoupment of costs carried forward in relation to the exploration and evaluation phase activities on the Group's retention and exploration licences is dependent upon the successful development and commercial exploitation or sale of the respective tenement(s).

Expenditure incurred includes employee expenses related to share-based payments of $1,054,253 (2021: $725,979) for options issued to employees directly engaged in exploration activities.

NOTE 10: PROPERTY, PLANT AND EQUIPMENT

	Consolidated	
	2022	2021
	$	$
Land Acquisition Under Contract		
At cost	**10,306,716**	10,306,716
	10,306,716	10,306,716
Plant & Equipment		
At cost	**299,450**	166,176
Less accumulated depreciation	**(142,097)**	(123,300)
	157,353	42,876
Fixture and fittings		
At cost	**25,147**	117,204
Less accumulated depreciation	**(22,627)**	(42,626)
	2,520	74,578
Motor Vehicle		
At cost	**290,939**	100,000
Less accumulated depreciation	**(24,217)**	(3,327)
	266,722	96,673
	10,733,311	10,520,843
Reconciliation		
Balance at the beginning of the year	**10,520,843**	8,719,221
Purchase price adjustment	**-**	1,740,216
Purchases	**359,113**	117,093
Write-off	**(82,694)**	(3,871)
Depreciation	**(63,951)**	(51,816)
	10,733,311	10,520,843

NOTE 11: RIGHT-OF-USE ASSETS

	Consolidated	
	2022	2021
	$	$
Carrying value:		
Cost	**270,493**	270,493
Accumulated depreciation	**(265,343)**	(203,540)
	5,150	66,953
Reconciliation:		
Opening balance	**66,953**	168,723
Depreciation	**(61,803)**	(101,770)
	5,150	66,953

The Group's Right-of-Use assets comprise leases for office premises.

NOTE 12: TRADE AND OTHER PAYABLES

	Consolidated	
	2022	2021
	$	$
Trade creditors	**2,785,207**	1,039,365
Accruals	**494,777**	547,180
Others	**355,396**	264,931
	3,635,380	1,851,476

Trade and other payables amount represent liabilities for goods and services provided to the Group prior to the end of the financial period which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition.

NOTE 13: BORROWINGS

	Consolidated	
	2022	2021
	$	$
Principal amount	**-**	519,245
Interest capitalised	**-**	31,646
	-	550,891
Reconciliation		
Opening balance	**550,891**	1,844,587
Borrowings	**99,435**	519,250
Repayments	**(650,326)**	(1,812,946)
	-	550,891

NOTE 13: BORROWINGS (continued)

In January 2021, the Group entered into a debt facility to finance eligible R&D expenditure (expenditure on research and development activities that are eligible for a notional tax deduction or offset under applicable law and regulation at the time that it is incurred including under the Applicable Tax Legislation). The amount of $519,245 was borrowed against the eligible R&D expenditure incurred for the first five months of the 2021 financial year.

The loan secured by the future anticipated R&D tax offset and a featherweight floating charge, was subject to interest rate of 14% per annum and was repayable on receipt of the anticipated R&D tax offset or 31 December 2021, whichever first occurred.

The Group entered into a short term insurance premium funding facility in November 2021. The facility was repaid and retired prior to 30 June 2022.

During the 2022 financial year, the Group repaid the total amount borrowed in the prior year, together with accrued interest.

NOTE 14: CONVERTIBLE NOTES LIABILITY

	Consolidated	
	2022	2021
	$	$
Current		
Convertible notes– face value	**350,000**	-
Interest capitalised	**8,726**	-
Convertible notes- issue costs	**(9,387)**	-
Carrying value at period end	**349,339**	-
	2022	2021
	$	$
Non-Current		
Convertible notes– face value	**35,180,000**	3,690,000
Interest capitalised	**693,090**	72,929
Convertible notes- issue costs	**(1,800,330)**	(230,805)
Carrying value at period end	**34,072,760**	3,532,124

Total transactions costs were $2,212,802 (2021: $264,757) at the date of issue and unamortised transaction costs of $1,809,717 (2021: $230,804) have been offset against the convertible notes payable liability. The convertible notes are unsecured.

In March 2022 and May 2022, the Company issued 3,184 convertible notes (2022 convertible notes), each with a face value of $10,000, interest payable at 10% per annum and a maturity date of 31 January 2024. Proceeds from the convertible note issue of $31.84 million (before fees) have provided the capital to fund the Group's activities. The notes are converted to fully paid shares of the Company at prescribed conversion ratios on the receipt of notice that the Company will be admitted to the official list of the Australian Security Exchange.

NOTE 14: CONVERTIBLE NOTES LIABILITY (continued)

Further, noteholders of the convertible notes issued in the prior year (2021 convertible notes) were entitled to subscribe for the abovementioned 2022 convertible notes by exchanging their 2021 convertible notes). 334 of the 2021 convertible notes were exchanged for 2022 convertible notes. The table below provides summary of all the convertible notes:

Security Class	2021 Convertible Notes	2022 Convertible Notes T1	2023 Convertible Notes T2
Number of securities	35	1,839	1,679
Face value ($)	10,000	10,000	10,000
Issue date	29/03/2021	15/03/2022	12/05/2022
Maturity Date	31/03/2023	31/01/2024	31/01/2024
Conversion right	convertible at the election of the issuer	convertible at the election of the issuer	convertible at the election of the issuer
Conversion price	20% discount to the Offer Price	20% discount to the Offer Price if Conversion occurred prior to 30 June 2022; 25% discount to the Offer Price if Conversion occurs prior to 31 December 2022, otherwise 30% discount if Conversion occurs prior to Maturity Date	20% discount to the Offer Price if Conversion occurred prior to 30 June 2022; 25% discount to the Offer Price if Conversion occurs prior to 31 December 2022, otherwise 30% discount if Conversion occurs prior to Maturity Date
Redemption at maturity	In the event conversion does not occur prior to Maturity Date, 110% of the face value of the notes	In the event conversion does not occur prior to Maturity Date, 110% of the face value of the notes	In the event conversion does not occur prior to Maturity Date, 110% of the face value of the notes

NOTE 15: LEASE LIABILITIES

	Consolidated	
	2022	2021
	$	$
Current liabilities	**-**	69,964
Non-current liabilities	**-**	5,888
	-	75,852
Reconciliation		
Opening Balance	**75,852**	182,405
Interest	**4,148**	28,624
Principal repayments	**(80,000)**	(135,177)
Closing balance	**-**	75,852

NOTE 16: PROVISIONS

	Consolidated	
	2022	2021
	$	$
Employee benefits (annual leave)	**394,666**	370,333
	394,666	370,333

NOTE 17: LAND ACQUISITION LIABILITY

	Consolidated	
	2022	2021
	$	$
Carrying value:		
Current liabilities	**1,046,273**	910,628
Non-current liabilities	**6,416,278**	7,415,603
	7,462,551	8,326,231
Reconciliation		
Opening balance	**8,326,231**	7,146,500
Purchase price adjustment	**-**	1,478,225
Plus: Stamp Duty	**-**	209,220
Plus: Interest expense	**972,257**	456,569
Less: Repayments (principal plus interest)	**(1,835,938)**	(964,283)
Closing balance at the end of the year	**7,462,551**	8,326,231

Key terms of the acquisition contracts are detailed in the below table:

Contract	**No.1**	**No.2**	**No.3**
Purchase Price	$6,550,000	$2,819,229	$1,416,403
Deposit paid	$550,000	$510,000	$260,000
Balance	$6,000,000	$2,309,229	$1,156,403
Terms	Monthly instalment commencing January 2021 and ending December 2025	Monthly instalment commencing December 2020 and ending December 2030	Monthly instalment commencing December 2020 and ending December 2030
Total cash instalments over period of purchase contract	$6,000,000	$4,774,152	$2,390,773
Discount rate per annum[2]	12%	12%	12%
Tenure	5 years	10 years	10 years
Notes	(a), (b)	(c), (d), (e)	(c), (d), (f)

[2]The discount rate has been used to estimate liabilities on a net present value basis.

NOTE 17: LAND ACQUISITION LIABILITY (continued)

Other key terms and conditions of the new contracts:

(a) If within 3 years after settlement GPB Land Holdings Pty Ltd acquires land from a third party within 10km of the land under Contract No.1 above a specified threshold amount, it must pay the contract No.1 vendor a price differential.

(b) If GPB Land Holdings Pty Ltd determines to dispose the land under contract No.1 after settlement, it must first offer it back to the vendor for the nominal amount of $1.

(c) GPF Land Holdings Pty Ltd can effect early settlement by giving 9 months notice, but in that case a minimum of $3,394,301 (inclusive of all preceding monthly instalments) is payable at settlement with that settlement amount rising to $4,774,152 (inclusive of all preceding monthly instalments) as settlement gets closer to December 2030.

(d) A one-off adjustment payment will be payable by GPF Land Holdings Pty Ltd to reflect movement in land values from the initial date of the rescinded contract to February 2023 with such movement to be calculated by an independent valuer.

(e) GPF Land Holdings Pty Ltd can effect early settlement by giving 9 months notice, but in that case a minimum of $1,699,779 (inclusive of all preceding monthly instalments) is payable at settlement with that settlement amount rising to $2,390,773 (inclusive of all preceding monthly instalments) as settlement approaches December 2030.

NOTE 18: ISSUED CAPITAL

(a) Issued capital

Fully paid ordinary shares carry one vote per share and carry the right to dividends.

(b) Ordinary Shares

	Consolidated		Consolidated	
	2022	2021	**2022**	2021
	Number	Number	**$**	$
Ordinary shares - fully paid	**139,141,273**	137,107,627	**41,287,027**	40,193,238

2022: Movement in ordinary shares

	Date	**Shares**	**Issue Price ($)**	**$**
Balance	**1 July 2021**	**137,107,627**		**40,193,238**
Shares upon exercise of options	**23 August 2021**	**432,440**	**1.05**	**454,061**
Shares upon exercise of options	**23 August 2021**	**1,344,000**	**0.38**	**503,999**
Shares upon exercise of options	**23 August 2021**	**74,375**	**0.35**	**26,030**
Shares issued in lieu of salary	**7 June 2022**	**182,831**	**0.60**	**109,699**
		139,141,273		**41,287,027**

2021: Movement in ordinary shares

	Date	Shares	Issue Price ($)	$
Balance	1 July 2020	100,673,583		23,867,997
Ordinary shares issued	9 July 2020	15,981,941	0.35	5,593,679
Ordinary shares issued	29 March 2021	6,519,294	0.60	3,911,576
Ordinary shares issued	30 April 2021	13,157,991	0.60	7,894,795
Ordinary shares issued	30 April 2021	774,818	0.60	464,891
Share issue costs				(1,539,700)
		137,107,627		40,193,238

NOTE 18: ISSUED CAPITAL (continued)

(c) Options

2022	**Opening balance**	**Issued**	**Exercised**	**(Lapsed)/ reinstated**	**Closing balance**
Employee options	**7,932,806**	**5,159,141**	**(1,850,815)**	**164,678**	**11,405,810**
Adviser options	**640,000**	**-**	**-**	**-**	**640,000**
	8,572,806	**5,159,141**	**(1,850,815)**	**164,678**	**12,045,810**

2021	Opening balance	Issued	Exercised	(Lapsed)/ reinstated	Closing balance
Employee options	5,588,795	2,508,689	-	(164,678)	7,932,806
Adviser options	640,000	-	-	-	640,000
	6,228,795	2,508,689	-	(164,678)	8,572,806

NOTE 19: SHARE BASED PAYMENT RESERVE

	Consolidated	
	2022	2021
	$	$
Balance at beginning of year	**4,939,923**	3,384,065
Value of share based payments capitalised to Deferred Exploration and Evaluation Expenditure	**1,054,253**	725,979
Value of share based payments expensed	**1,046,797**	829,879
Transfer to accumulated losses	**(418,733)**	-
Transfer to issued capital (options exercised during current year)	**(984,090)**	-
	5,638,150	4,939,923

NOTE 20: ACCUMULATED LOSSES

	Consolidated	
	2022	2021
	$	$
Accumulated losses at the beginning of the year	**(20,849,214)**	(14,259,207)
Loss for the year	**(9,149,580)**	(6,590,007)
Transfer from share based payment reserve	**418,733**	-
	(29,580,061)	(20,849,214)

NOTE 21: CONTROLLED ENTITIES

Name	Date of incorporation	Principal place of business/ country of incorporation	Ownership interest 2022	2021
			%	%
Parent entity				
VHM Limited (Previous Name: VHM Exploration Limited)	31 July 2014	Australia	-	-
Controlled entities				
GP Land Holdings Pty Ltd	5 February 2018	Australia	100%	100%
GPB Land Holdings Pty Ltd	3 July 2020	Australia	100%	100%
GPF Land Holdings Pty Ltd	3 July 2020	Australia	100%	100%
VP Minerals Limited	26 November 2021	Australia	100%	n/a

NOTE 22: SHARE BASED PAYMENTS

Incentive Option Plan

The Company adopted an Incentive Option Plan (“IOP”) in 2019 as a way to provide incentives, assist with recruitment, reward and retain employees and provide opportunities for employees (both present and future) to participate directly in the equity of the Company.

Other share based payments

The Group makes share based payments to Directors, consultants and/or service providers from time to time, not under any specific plan.

Share based payment expenses are recognised in the Consolidated Statement of Profit or Loss and other Comprehensive Income and, where appropriate, capitalised under exploration expenditure in the Consolidated Statement of Financial Position.

The share based payment expense for the reporting period is $2,210,749 (30 June 2021: $1,555,858) and relates to options over unissued shares. The expense has been recorded as follows:

	Consolidated 2022	2021
	$	$
Expensed in Consolidated Statement of Profit or Loss and Other Comprehensive Income including shares issued in lieu of fees	**1,156,496**	829,879
Capitalised to Deferred Exploration and Evaluation Expenditure (Note 9)	**1,054,253**	725,979
	2,210,749	1,555,858

NOTE 22: SHARE BASED PAYMENTS (*continued*)

Other share based payments (continued)

The following table illustrates the number and weighted average exercise prices of and movements in share options issued during the year under the Incentive Option Plan and in accordance with shareholder approval of the Special Exertion Options issued to Non-Executive Directors:

	2022	
	Number of Options	**Weighted average exercise price ($)**
Outstanding at the beginning of the period	**8,572,806**	**0.0219**
Granted during the period	**5,159,141**	**0.1938**
Exercised during the period	**(1,850,815)**	**-**
Reinstated during the period	**164,678**	**-**
Outstanding at the end of the period	**12,045,810**	**0.0988**

	2021	
	Number of Options	Weighted average exercise price ($)
Outstanding at the beginning of the period	6,228,795	0.0301
Granted during the period	2,508,689	-
Lapsed during the period	(164,678)	-
Outstanding at the end of the period	8,572,806	0.0219

164,678 options which were incorrectly characterised as lapsed during 2021 were reinstated during the year.

During the year ended 30 June 2022, the following options were issued:

(a) **Employee options:** 4,159,142 employee options were issued to eligible employees in accordance with the Incentive Option Plan. The options have a 5 year term and a nil exercise price. The options vest on 30 June 2025 provided the employee holds continuous employment with the Company until that date. The option vesting conditions will be waived should a Liquidity Event occur before the vesting date. A Liquidity Event means:
   - (i) the Company is admitted to the official list of a stock exchange and its shares are admitted to quotation on that stock exchange;
   - (ii) change of control occurs; or
   - (iii) the Company sells or otherwise disposes of its interest in all or substantially all of its assets or business.

(b) **Special exertion options:** 1,000,000 options were issued to non-executive directors. The options expire on 31 July 2025 and have an exercise price of $1.00. The special exertion options are subject to vesting conditions and will vest on the earlier of:
   - (i) the date on which the Board makes a positive Financial Investment Decision to proceed with the development of the Goschen Project;
   - (ii) the date of a change in control of VHM; or
   - (iii) 31 December 2023.

NOTE 22: SHARE BASED PAYMENTS (*continued*)

Other share based payments (continued)

The following table lists the inputs to the binomial valuation model used for the employee options and special exertion options:

	Employee options	**Special exertion options**
Number	4,159,142	1,000,000
Grant date	19 May 2022	31 May 2022
Expiry date	25 March 2027	31 July 2025
Market vesting conditions	Nil	Nil
Share price	$0.60	$0.60
Exercise price	$0.00	$1.00
Risk free rate	2.49%	2.46%
Early exercise multiple	2.5x	2.5x
Expected share price volatility	69.1%	76.0%
Dividend yield	Nil	Nil
Fair value per option	$0.60	$0.2251

NOTE 23: CASHFLOW INFORMATION

Reconciliation of cash flows from operating activities with loss from ordinary activities after income tax:

	Consolidated	
	2022	2021
	$	$
Loss for the year	**(9,149,580)**	(6,590,007)
Add back non-cash items:		
Depreciation	**125,754**	153,586
Surrender of lease expense	**75,680**	-
Shares issued in lieu of fees	**109,699**	-
Share based payment expense	**1,046,797**	829,879
Loss on disposal of property, plant and equipment	**(2,380)**	1,010
Borrowing and interest expense (financing outflow)	**2,431,215**	1,271,150
Changes in assets and liabilities:		
(Increase)/Decrease in operating receivables	**(680,614)**	33,143
Decrease/ (increase) in prepayments	**246,144**	(314,021)
Increase in annual leave liability	**24,333**	173,863
Increase in operating payables	**1,783,904**	101,397
Net cash outflows from operating activities	**(3,989,048)**	(4,340,000)

NOTE 24: SEGMENT INFORMATION

The Group has identified its operating segments based on the internal reports that are reviewed and used by the board of directors in assessing performance and determining the allocation of resources. Reportable segments disclosed are based on aggregating operating segments, where the segments have similar characteristics.

The reportable segment is represented by the primary statements forming these financial statements.

NOTE 25: KEY MANAGEMENT PERSONNEL DISCLOSURES

Compensation
The aggregate compensation made to directors and other members of key management personnel of the consolidated entity is set out below:

	Consolidated	
	2022	2021
	$	$
Short-term employee benefits	**1,937,765**	1,133,363
Post-employment benefits	**115,237**	57,609
Share-based payments	**912,523**	531,671
	2,965,525	1,722,643

NOTE 26: PARENT ENTITY DISCLOSURES

	2022	2021
	$	$
Balance sheet		
Current assets	**25,304,819**	11,378,820
Non-Current assets	**37,954,993**	27,612,034
Total assets	**63,259,812**	38,990,855
Current liabilities	**5,425,658**	3,753,292
Non-Current liabilities	**40,489,038**	10,953,615
Total liabilities	**45,914,696**	14,706,907
Net assets	**17,345,116**	24,283,948
Equity		
Issued capital	**41,287,027**	40,193,238
Reserves	**5,638,150**	4,939,923
Accumulated losses	**(29,580,061)**	(20,849,214)
	17,345,116	24,283,947
Loss after income tax from continuing operations	**(9,149,580)**	(6,590,007)
Total comprehensive loss for the year	**(9,149,580)**	(6,590,007)

NOTE 27: COMMITMENTS AND CONTINGENCIES

Exploration commitments:

Under the terms of mineral tenement licences held by the Group, minimum annual expenditure obligations are required to be expended during the forthcoming financial year in order for the tenements to maintain a status of good standing.

This expenditure may be subject to variation from time to time in accordance with the relevant state department's regulations. The Group may at any time relinquish tenements and as such avoid the requirement to meet applicable expenditure requirement or may seek exemptions from the relevant authority. Expenditure commitments at the reporting date but not recognised as liabilities are as follows:

	2022	2021
	$	$
Within one year	2,348,750	4,952,280
Later than a year but not later than five years	3,586,880	5,935,630
Later than five years	-	-
Total	**5,935,630**	**10,887,910**

Contingent liabilities

A liability for payroll tax will arise in respect of certain of the Company's employee options issued in prior financial years on the exercise of those employee options. The Company's present estimate of the potential liability is approximately $350,000. The extent and timing of any liability will be dependent on the Company's share price as at the time of exercise of the employee options.

NOTE 28: FINANCIAL RISK MANAGEMENT AND FINANCIAL INSTRUMENTS

The activities of the Group expose it to a variety of financial risks, including market risk, credit risk and liquidity risks. The Group's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the business. The Group employs different methods to measure different types of risk to which it is exposed. These methods include sensitivity analysis in the case of interest rate, and other price risks and ageing analysis for credit risk.

This note presents information about the Group's exposure to each of the above risks, their objectives, policies and processes for measuring and managing risk, and the management of capital.

The Board of Directors has overall responsibility for the establishment and oversight of the risk management framework. Management monitors and manages the financial risks relating to the operations of the Group through regular reviews of the risks.

(a) Market Risk

Interest Rate Risk

The Group may be exposed to interest rate risk through financial assets and liabilities. The risk is measured using sensitivity analysis and cash flow forecasting.

At 30 June 2022, if interest rates had increased/decreased by 100 basis points from the weighted average effective rate for the year, with other variables constant, the (loss)/profit for the year would have been $121,802 lower (June 2021: $53,108)/ $121,802 higher (June 2021: $53,108).

NOTE 28: FINANCIAL RISK MANAGEMENT AND FINANCIAL INSTRUMENTS (continued)

(a) Market Risk (continued)

Interest Rate Risk (continued)

None of the financial assets and financial liabilities are readily traded on organised markets in standardised form. The carrying amounts of financial assets and financial liabilities are materially in line with their fair values.

The Group manages its capital to ensure that entities in the Group will be able to continue as a going concern while maximising the return to stakeholders through the optimisation of the debt and equity balance.

The Group's overall strategy remains unchanged from 2021.

The capital structure of the Group consists of cash and cash equivalents, and equity attributable to equity holders of the parent, comprising issued capital, reserves and retained earnings.

None of the Group's entities are subject to externally imposed capital requirements.

Operating cash flows are used to maintain and expand operations, as well as to make routine expenditures such as tax, dividends and general administrative outgoings.

NOTE 28: FINANCIAL RISK MANAGEMENT AND FINANCIAL INSTRUMENTS (continued)

(a) Market Risk (continued)

Interest Rate Risk (continued)

The following table summarises interest rate risk for the Group, together with effective interest rates as at balance date.

			Fixed interest rate maturing in:			
2022	**Weighted average effective interest rate**	**Floating interest rate**	**1 year or less**	**Over 1 year**	**Non-interest bearing**	**Total**
Financial Assets		**$**	**$**	**$**	**$**	**$**
Cash and cash equivalents	**0.03%**	**24,250,934**	**-**	**-**	**115,125**	**24,366,059**
Other receivables		**-**	**-**	**-**	**562,853**	**562,853**
Total Financial Assets		**24,250,934**	**-**	**-**	**677,978**	**24,928,912**
Financial Liabilities						
Trade and other payables		**-**	**-**	**-**	**3,635,381**	**3,635,381**
Convertible Notes		**-**	**349,339**	**34,072,760**	**-**	**34,422,099**
Land acquisition liability		**-**	**-**	**7,206,382**	**256,169**	**7,462,551**
Total Financial Liabilities		**-**	**349,339**	**41,279,142**	**3,891,550**	**45,520,031**

			Fixed interest rate maturing in:			
2021	Weighted average effective interest rate	Floating interest rate	1 year or less	Over 1 year	Non-interest bearing	Total
Financial Assets		$	$	$	$	$
Cash and cash equivalents	0.03%	10,741,087	-	-	133,513	10,874,600
Other receivables		-	-	-	183,864	183,864
Total Financial Assets		10,741,087	-	-	317,377	11,058,464
Financial Liabilities						
Trade and other payables		-	-	-	1,851,476	1,851,476
Borrowings		-	589,770	-	-	589,770
Convertible Notes		-	-	4,150,487	-	4,150,487
Lease liabilities		-	75,852	-	-	75,852
Land acquisition liability		-		8,117,010	209,220	8,326,230
Total Financial Liabilities		-	665,622	12,267,497	2,060,696	14,993,815

NOTE 28: FINANCIAL RISK MANAGEMENT AND FINANCIAL INSTRUMENTS (continued)

(b) Credit Risk Exposures

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Group is exposed to credit risk from its operating activities and from its financing activities, including deposits with banks and financial institutions, foreign exchange transactions and financial instruments.

As the Group is exclusively involved in exploration rather than trading there is currently very little credit risk. For banks and financial institutions, only reputable institutions with sound financial positions are dealt with.

(c) Liquidity and Capital Risk

The Group's total capital is defined as the shareholders' net equity plus any net debt. The objective when managing the Group's capital is to safeguard the business as a going concern, to maximise returns to shareholders and to maintain an optimal capital structure in order to reduce the cost of capital.

The Group does not have a target debt/equity ratio but has a policy of maintaining a flexible financing structure so as to be able to take advantage of investment opportunities when they arise. There are no externally imposed capital requirements. Whilst the Group is in an exploration phase, it is unlikely to operate with debt capital, although this may change as projects become more advanced.

There have been no changes in the strategy adopted by management to control the capital of the Group since the prior year.

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

The risk is measured using sensitivity analysis and cash flow forecasting. The Group manages liquidity risk by maintaining adequate reserves by continuously monitoring its forecasted and actual cash flows.

If the Group anticipates a need to raise additional capital in the next 12 months to meet forecast operational activities, then the decision on how the Group will raise future capital will depend on market conditions existing at that time.

Typically, the Group ensures that it has sufficient cash on demand to meet expected operational expenses for a period of 60 days, including the servicing of financial obligations; this excludes the potential impact of extreme circumstances that cannot reasonably be predicted, such as natural disasters.

(d) Fair Value Estimation

The Directors consider that the carrying amount of financial assets and financial liabilities, as recorded in the financial statements, represent or approximate their respective fair values. The Group's financial assets and liabilities are measured at amortised cost. Therefore, the disclosures required by *AASB13: Fair Value Measurement,* of the fair value measurement hierarchy have not been made.

NOTE 29: EVENTS SUBSEQUENT TO BALANCE DATE

In July 2022, the Company entered into a purchase agreement to acquire for $1.2 million, the freehold interest in the warehouse and laydown area in Kerang, Victoria which had been leased by the Company for approximately five years. The warehouse and laydown area will continue to be a key operational centre for the Company's proposed development and regional exploration activities.

In August 2022, having received requisite regulatory approval for the transfer of certain exploration licence interests to its subsidiary VP Minerals Limited, the Company carried out the demerger of VP Minerals Limited. The demerger was affected by way of a capital reduction and distribution *in specie* by the Company to its shareholders of the shares in VP Minerals Limited. As set out in the notice for the general meeting at which shareholders approved the demerger, the Company's convertible bond holders and option holders received options to acquire shares in VP Minerals, equivalent to the number of shares to which they were (or would be) entitled in VHM Limited.

The Company entered into an agreement on 1 September 2022 under which a landowner adjacent to the proposed Goschen Project agreed to vacate his residential premises during the operational period of the mine. The initial consideration under the agreement of $2.0 million was agreed to enable the landowner's family to acquire appropriate alternative premises. Further payments of approximately $0.375 million per annum will be made during the period of mining operation to compensate the landowner for restricted capacity to operate his farming property.

Apart from the above, there are no matters or circumstances that have arisen since 30 June 2022 that have or may significantly affect the operations, results, or state of affairs of the consolidated entity in future financial periods.

DIRECTORS' DECLARATION

In accordance with a resolution of the directors of VHM Limited, I state that:

In the opinion of the directors:

(a) the financial statements and notes of VHM Limited for the financial year ended 30 June 2022 are in accordance with the Corporations Act 2001, including:

  (i) giving a true and fair view of the Group's financial position as at 30 June 2022 and of its performance for the year ended on that date;

  (ii) complying with Accounting Standards and the Corporations Regulations 2001; and

  (iii) complying with International Financial Reporting Standards

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

On behalf of the Board.

Graham Howard
Managing Director

23 September 2022
Perth, Western Australia

INDEPENDENT AUDITOR'S REPORT
To the Members of VHM Limited

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of VHM Limited ("the Company") and its controlled entities ("the Group"), which comprises the consolidated statement of financial position as at 30 June 2022, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

In our opinion, the accompanying financial report of the Group is in accordance with the *Corporations Act 2001*, including:

(a) giving a true and fair view of the Group's financial position as at 30 June 2022 and of its financial performance for the year then ended; and

(b) complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* ("the Code") that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

Material Uncertainty Regarding Going Concern

We draw attention to Note 1(b) in the financial report, which indicates that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

hlb.com.au

HLB Mann Judd (WA Partnership) ABN 22 193 232 714
Level 4, 130 Stirling Street, Perth WA 6000 / PO Box 8124 Perth BC WA 6849
T: +61 (0)8 9227 7500 **E:** mailbox@hlbwa.com.au

Information Other than the Financial Report and Auditor's Report Thereon

The directors are responsible for the other information. The other information comprises the information included in the Group's annual report for the year ended 30 June 2022, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report, or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors 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* and for 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.
In preparing the financial report, the directors are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

HLB MANN JUDD
ADVISORY AND ACCOUNTING

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial report of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

HLB Mann Judd

HLB Mann Judd
Chartered Accountants

L Di Giallonardo
Partner

Perth, Western Australia
23 September 2022

VHM Limited

Suite 8
110 Hay Street
Subiaco
Western Australia 6008

Telephone: +61 8 9388 8290