

VHM Limited

World class rare earths and mineral sands projects, including downstream processing in Victoria.

Board of Directors

Non-Executive Chairman
Don Runge

Managing Director
Graham Howard

Executive Director
Michael Allen

Non-Executive Director
Gamini Colless

Company Secretary
Ian Hobson

Registered Office

Suite 8, 110 Hay Street
Subiaco WA 6008

Share Registry

Automic Pty Ltd
Level 2/267 St Georges Terrace
Perth WA 6000

Capital Structure

Ordinary Shares: 203,101,902
Options: 7,097,343

Market Capitalisation

A\$123.89M

Investor Relations

Carly O'Regan
M: 61 431 068 814
carly.oregan@vhmltd.com.au

Ian Hobson
M: 61 407 421 185
ian.hobson@vhmltd.com.au

Quarterly Activities Report

For the period ended 30 June 2023

Highlights:

- Environment Effects Statement (EES) for Goschen has completed Adequacy Review by the Department of Transport & Planning (DTP).
- Market leading Rare Earth Mineral recoveries expected in commercial process plant based on ANSTO Pilot Hydromet Plant converting the Rare Earth Mineral Concentrate (REMC) to a high purity Mixed Rare Earth Carbonate (MREC) Product¹:
 - **97%** for critical light rare earth Nd/Pr.
 - **92% and 94%** for critical heavy rare earths Dy and Tb respectively.
 - The MREC product contains exceptionally low uranium and thorium content.
 - The product meets criteria for potential European, North American, and Asian offtake partners and physical samples enable discussions to advance.
- Release of Maiden Cannie Project Resource²:
 - **192 million tonnes (Mt)** of new Mineral Resource Estimate (MRE), lifting the Company's resource inventory tonnage by 30% to **820Mt**.
 - Cannie's exceptional grade lifts the Company's Total Rare Earth Oxide (TREO) + Yttrium resource inventory by 43% to **589,000 tonnes**.
 - Cannie also provides a material lift to the Company's zircon and titanium mineral inventory, zircon **5.1Mt**, (additional 1.4Mt zircon) rutile **2.7Mt** (additional 0.9Mt rutile) and leucoxene **2.9Mt** (additional 1.4Mt leucoxene).
 - The discovery **confirms a new 55km critical mineral province** along the western flank of the Lake Boga Granite in Northern Victoria.
- Detailed Design Engineering for Goschen Phase 1 reached 30% completion.
- Final land acquisition agreement secures 100% of the proposed Goschen Project mine footprint area.
Completion date extended for MOU with Shenghe for offtake of REMC and HMC product.

¹ See ASX release dated 6 June 2023

² See ASX release dated 16 May 2023

Approvals and Licence Updates

Permitting Update

The Victorian DTP has completed the adequacy review of the Goschen final environmental and social technical reports and the associated EES chapters, against the scoping requirements.

The Victorian EES process is accredited to assess potential impacts on Matters of National Environmental Significance (MNES) for the purpose of the Environment Protection and Biodiversity Conservation (EPBC) Act, under the bilateral assessment agreement between the Commonwealth and the State of Victoria.

The completion of adequacy review and the approval by the Government to release the EES documentation for Public Exhibition is a key milestone to advance the Goschen Project.

Figure 1: Next steps in the EES Process



Goschen Rare Earths and Mineral Sands Project

Pilot Hydromet Plant (Phase 1A) Results

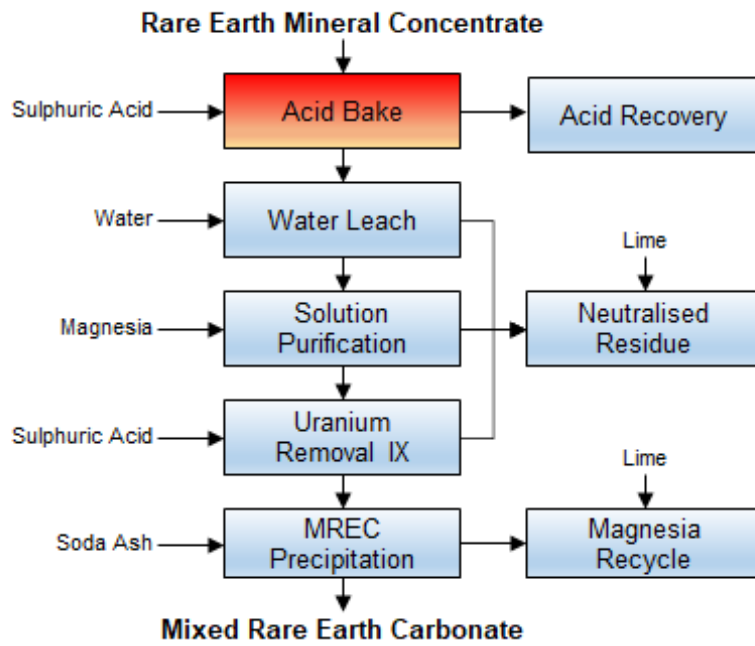
Successful results from the Pilot Hydromet Plant (Pilot Plant) and the production of high quality MREC for the Goschen Project confirmed results predicted by leading rare earth researcher and test facility operator, Australian Nuclear Science and Technology Organisation (ANSTO).

The Pilot Plant at the ANSTO test facility confirmed that the REMC is highly amenable to conventional Sulphate Bake processing to produce a MREC product (Figure 2 and Figure 3). World leading recoveries were demonstrated to be achievable using the processing pathway including:

- 97% for critical light rare earths Neodymium (Nd) and Praseodymium (Pr); and
- 92% for Dysprosium (Dy) and 94% for Terbium (Tb), critical heavy rare earths.

The test facility was designed to emulate the reagent consumptions and recoveries expected from a scaled up commercial operation.

Figure 2: Process flowsheet for the Pilot Hydromet Plant to convert REMC to MREC



Overall, the objectives for the pilot program were achieved and validated the flowsheet developed and documented during the pre-pilot bench scale testwork released in January 2023.

The final MREC product produced from the Hydromet process is shown below.

Figure 3: Final MREC product produced from ANSTO's Pilot Hydromet Plant



Impurities in the final MREC product are low, at 2.5% – 3.0% total impurities. This specification will offer advantages to downstream separation refineries. In addition, measurements of the final content of uranium or thorium were exceptionally low.

The data from this trial will be used to inform the Front End Engineering Design (FEED) work for the commercial scale Hydromet Plant.

Samples of the MREC product meets criteria for potential domestic, European, North American, and Asian offtake partners for specification testing to advance discussions regarding commercial offtake.

Detailed Design Engineer Appointed for Phase 1

During the quarter, Mineral Technologies (Downer Group) commenced investigation of Detailed Design for Phase 1 of the Goschen Project in advance of Final Investment Decision (FID).

Land Access Agreements

During the reporting period, the Company completed a fourth Land Acquisition Agreement for the final freehold land parcel required within the proposed Goschen Project operations footprint, with settlement expected prior to FID.

All land purchase arrangements satisfy regulatory requirements to enter into access agreements with affected landowners and address operational requirements during the construction and operational phases, as set out in the Company's Prospectus.

Cannie Critical Minerals Project

The first exploration results for the Cannie Critical Minerals Project were reported in April 2023 (ASX Announcement 4 April 2023) and identified high-grade rare earth, titania, and rutile ore body. Early results indicated high-grade Total Heavy Mineral (THM) content near surface.

Dry mineral assemblage results of heavy mineral demonstrate a range between 24% to 35% zircon and 2.8% to 4.2% Total Rare Earth Oxide (TREO) + Yttrium Oxide (+Y₂O₃).

The maiden Mineral Resource Estimate for the Cannie Critical Minerals Project (Cannie) confirmed a new Inferred Mineral Resource of 192 Mt @ 3.1% THM grade resulting in an additional 5.9Mt of Heavy Mineral Sands (HMS) insitu (see ASX release dated 16 May 2023).

The Company has identified more than 176,000 tonnes of TREO in the Cannie Project increasing the Company's total inventory of TREO from 413,000 tonnes to 589,000 tonnes (Table 1), and adding 1.4Mt of zircon, 0.9Mt of rutile and 1.4Mt of leucoxene to the Company's mineral inventory.

The grades of the rare earth minerals, zircon, rutile, and leucoxene within the Cannie Mineral Resource are higher than most of those reported in the Company's Goschen Project Mineral Resource (Table 2).

Further resource work and additional drill hole assays results are expected to provide a Cannie Project resource update in H2 2023.

Figure 4: Cannie Project map

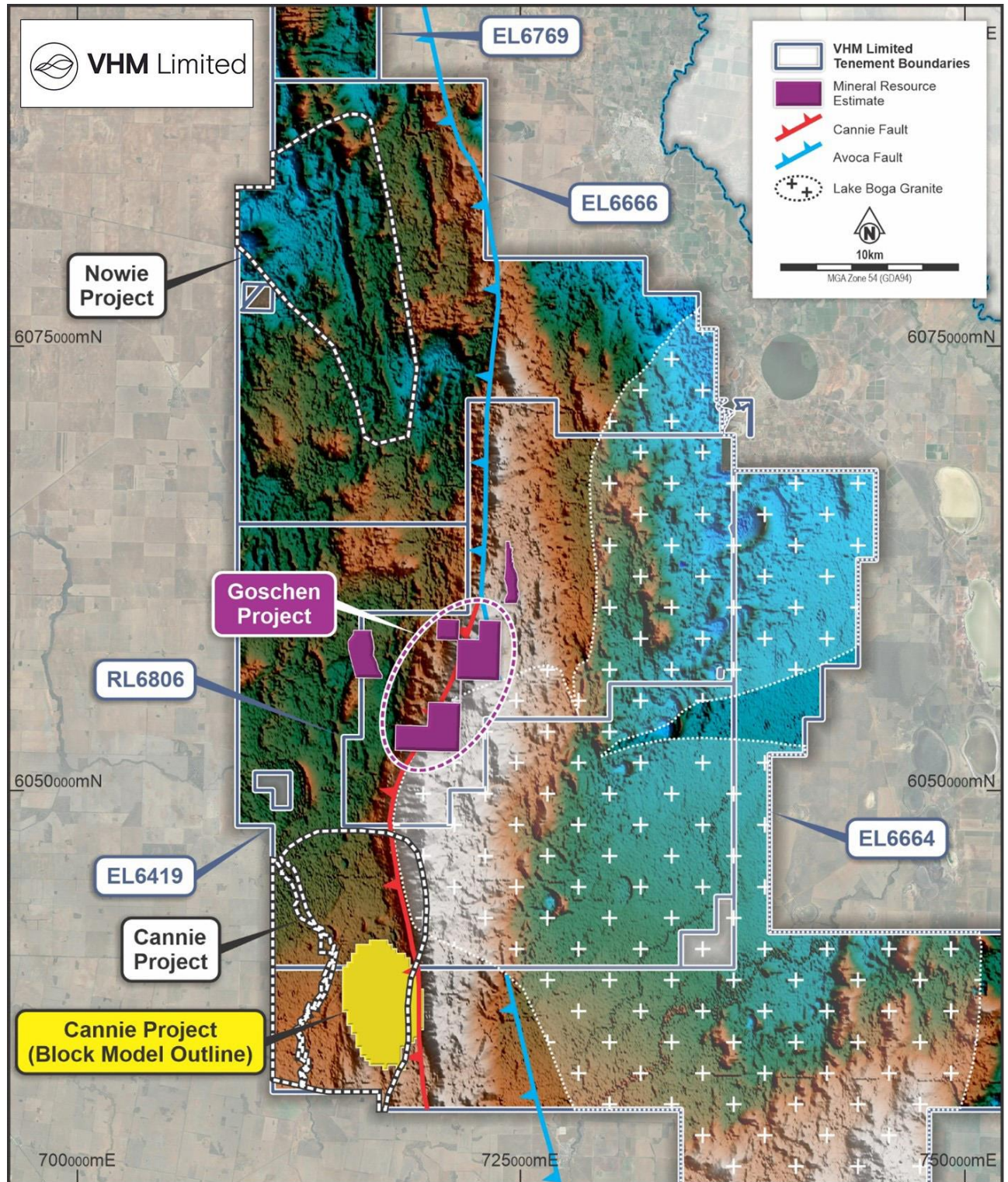


Table 1: Company Total Rare Earth Oxides inventory

Project ⁽¹⁾	Mineral Resource Category	Material	In Situ THM	Total Heavy Mineral (THM)	TREO + Y ₂ O ₃	In Situ TREO Grade ⁽³⁾	In-Situ TREO
		(Mt)	(Mt)	(%)	(%)	(%)	
Goschen	Measured	30.7	1.8	5.72	2.72	0.16	48,000
Goschen	Indicated	310.3	9.8	3.19	2.27	0.07	225,000
Goschen	Inferred	287.7	6.7	2.32	2.10	0.05	140,000
Cannie	Inferred	192.0	5.9	3.05	3.00	0.09	176,000
Grand Total	Measured	30.7	1.8	5.72	2.72	0.16	48,000
	Indicated	310.3	9.8	3.19	2.10	0.07	225,000
	Inferred ⁽²⁾	479.4	12.5	2.61	2.52	0.07	316,000
	Total ⁽²⁾	820.4	24.2	2.95	2.43	0.07	589,000

Notes: Any discrepancies in totals are a function of rounding

1 Mineral Resources reported at a grade of 1.0% THM for Goschen and 1.75% THM for Cannie

2 Mineral resources reported at a combined cut-off grade of 1.0% THM and 1.75% THM

3 In-Situ TREO Grade is calculated by THM Grade (2.95%) multiplied by TREO Grade (2.43%)

Table 2: Cannie Mineral Resource composite next to Goschen Mineral Resource grades

Mineral	Cannie MRE Grade (Inferred)	Goschen MRE Grade (Measured, Indicated, and Inferred)
Total Heavy Mineral	3.1%	2.9%
TREO + Y ₂ O ₃	3.0%	2.3%
THM Assemblage	Monazite	3.3%
	Xenotime	0.6%
	Zircon	20.2%
	Rutile	9.6%
	Leucoxene	8.2%
	Ilmenite	24.1%

* Mineral assemblage via QEMScan particle analysis is reported as a percentage of in situ THM content.

The Cannie Mineral Estimate and Reporting Criteria report and Sampling Techniques and Data was provided in ASX Announcement released on 16 May 2023, in accordance with JORC Code, 2012 Edition.

Exploration Activities

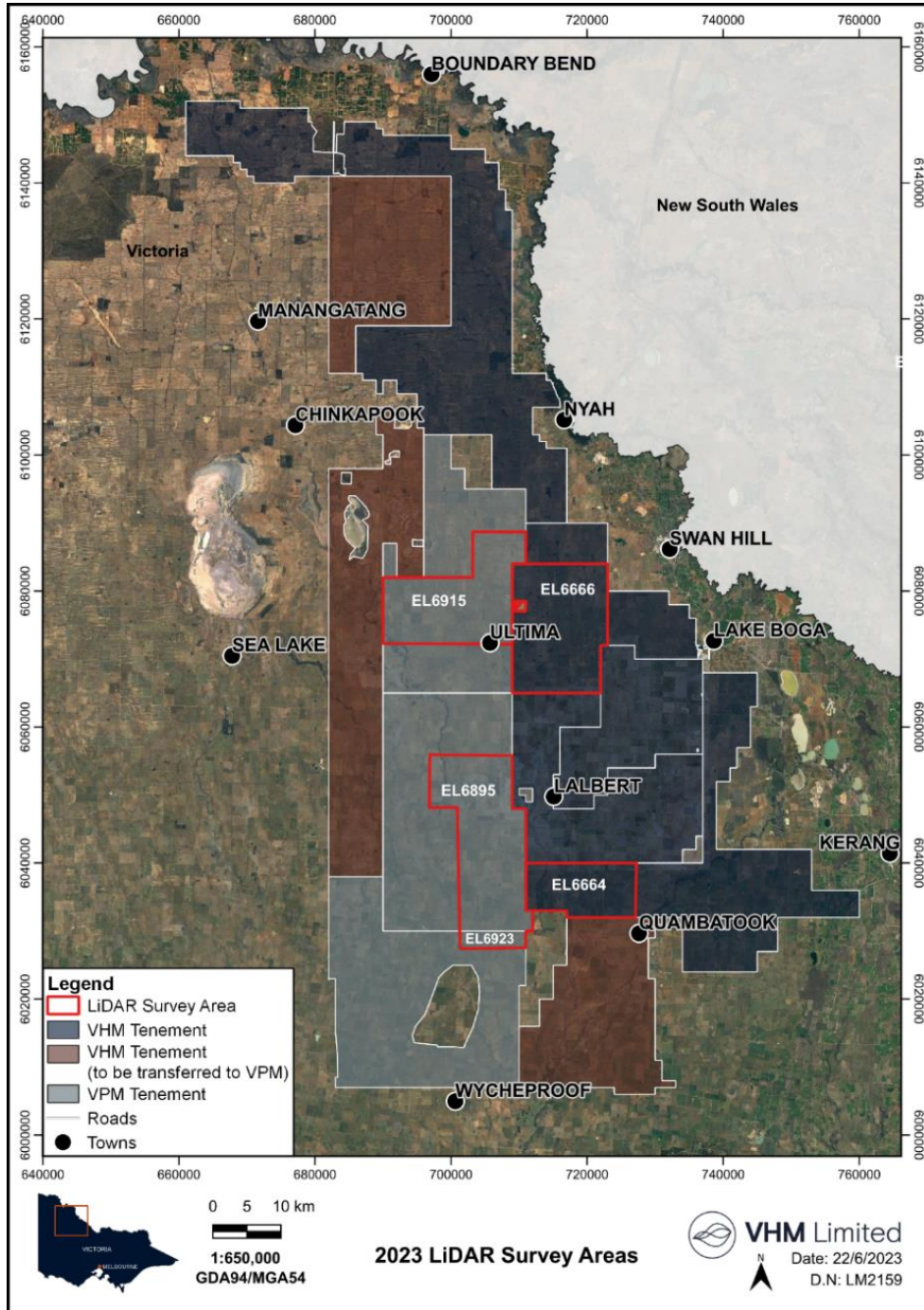
Airborne LiDAR Survey

As part of its regional exploration activities and tenement expenditure requirements VHM commissioned AAM Pty Limited to complete an Airborne LiDAR Survey in April 2023.

The LiDAR aerial laser scanning survey was conducted within Exploration Licence (EL) areas EL 6664 and EL 6666 (Figure 5), an area totalling approximately 380km².

By calibrating the survey data against existing GPS survey data, the Company will be able to plan future drill programs more effectively. This survey data along with the 2018 LiDAR data has now allowed the Company to survey more than 50% of its tenement packages.

Figure 5: LiDAR Survey Area



Corporate Update

Shenghe MOU Offtake Agreement Update

As advised in the Prospectus, the Company had agreed to a Memorandum of Understanding (MOU) with Shenghe with respect to take or-pay offtake arrangements for the Goschen Project Phase 1 products (REMC and HMC).

VHM advises that the parties continue detailed contract negotiations and accordingly, as contemplated in the original MOU, have agreed to extend the date the formal agreement is to be finalised to 31 December 2023 with a target completion date of 30 September 2023.

Other Offtake activity

VHM has not yet committed to any offtake arrangements with respect to the high quality MREC product that was successfully produced from the pilot Hydromet Plant. The world leading recoveries and high-quality of this product has led to multiple inbound enquires from potential offtake partners from European, North American, and Asian nations.

The Company will utilise the high-grade MREC product from the pilot-scale Hydromet Circuit to supply verification samples for potential offtake partners.

Mining Tenements held by VHM Limited

Table 3: Tenement table

Licence Number	Location	Registered Holder	Project	Status	Area (km ²)	Grant date	Expiry Date
RL6806	North West Victoria	VHM Ltd	Goschen	Current	311	10/01/2020	9/01/2027
EL 6419	North West Victoria	VHM Ltd	Cannie	Current	443	18/05/2018	17/05/2023
EL 6664	North West Victoria	VHM Ltd	Cannie	Current	618	18/06/2018	17/06/2023
EL 6666	North West Victoria	VHM Ltd	Nowie	Current	447	18/06/2018	17/06/2023
EL 6769	North West Victoria	VHM Ltd	Exploration	Current	1041	27/08/2018	26/08/2023
<i>Total Km²</i>					2,860		
Tenements pending transfer to VPM¹							
EL 7827	North West Victoria	VHM Ltd	Exploration	Current	335	15/08/2022	14/08/2027
EL 7807	North West Victoria	VHM Ltd	Exploration	Current	421	15/08/2022	14/08/2027
EL 7810	North West Victoria	VHM Ltd	Exploration	Current	424	15/09/2022	14/9/2027
EL 7803	North West Victoria	VHM Ltd	Exploration	Current	609	11/10/2022	10/10/2027
<i>Total Km²</i>					1,789		

Note 1: These tenements are to be transferred to VP Minerals 12 months after the grant date of all licenses pursuant to the Demerger Asset Sale Agreement i.e. 11 October 2023.

Finance Update

At quarter end the Company held approximately A\$20.6 million. The Company's detailed unaudited quarterly cash flow report is disclosed in Appendix 5B. Note that owing to the periodic expense capitalisation process conducted in the current quarter, there may be variances in certain categories compared to the previous quarter.

Use of Funds

VHM Limited provides the following disclosures required by ASX Listing Rule 5.3.4 regarding a comparison of its actual expenditure as of 30 June 2023 against the Use of Funds in the Company's prospectus from October 2022 to June 2023.

Note the Exploration & Appraisal section below relates specifically to drilling activities whereas exploration costs per the cash flow covers all Exploration and Evaluation expenditure which would also include the Goschen Project pre development expenditure.

The expenditure to date is generally consistent with that anticipated at the time of preparation of the Company's prospectus.

Table 4: Use of funds

Source and uses of funds	Funds allocated under Prospectus	Actual to 30 June	Balance Remaining
Goschen Project			
- Metallurgical and hydromet circuit testwork	4,700,000	3,400,000	1,300,000
- Front end engineering and design	5,700,000	3,000,000	2,700,000
- Approvals	7,700,000	2,400,000	5,300,000
Land acquisition and community	11,300,000	6,500,000	4,800,000
Exploration & appraisal			
- Cannie Project	2,300,000	1,700,000	600,000
- Nowie Project	1,100,000	600,000	500,000
- Licence fees / other exploration	800,000	500,000	300,000
Corporate (net General & Administrative)	2,200,000	1,600,000	600,000
Interest costs and costs of offer	4,300,000	4,200,000	100,000
Working capital and liquidity buffer	1,000,000	-	1,000,000
Total	41,100,000	23,900,000	17,200,000

Investor Briefing

A live online briefing is being held with VHM Managing Director Graham Howard where he will discuss this announcement and provide a wider company update.

Date: Wednesday, 2 August 2023

Time: 12.00 pm AEST

Register here: <https://vhmlimited.investorportal.com.au/shareholder-briefing>

ENDS

This announcement has been approved by the Board of VHM.

The Company provides the following information pursuant to ASX Listing Rule requirements:

1. ASX Listing Rule 5.3.1: Exploration and Evaluation Expenditure spend during the quarter was \$3.2 million materially comprising drilling, assay and metallurgical expenses as set out in this report.
2. ASX Listing Rule 5.3.2: There were no substantive mining production and development activities during the quarter.
3. ASX Listing Rule 5.3.3: The exploration licences are set out in Table 3. There was no change to the Company's 100% interest in the licences since the last quarter.
4. ASX Listing Rule 5.3.4: the progress towards spending the funds relative to the proposed use of funds and any material variance between anticipated expenditure and actual expenditure is set out in Table 4.
5. ASX Listing Rule 5.3.5: Payment to related parties of the Company and their associates during the quarter as set out in Section 6.1 of the attached Appendix 5B relate to director salaries and fees in the quarter.

Compliance Statement

Mineral Resources, Ore Reserves and Exploration Target

The information in this announcement regarding the Mineral Resource estimate, the Ore Reserve estimate, and Exploration Target for the Goschen Project was set out in the Prospectus dated 21 November 2022 and ASX Announcement dated 28 March 2023. The information in this announcement regarding the Mineral Resource estimate for the Cannie Project was reported in the ASX release dated 16 May 2023. The Company confirms that it is not aware of any new information or data that materially affects the information in the Prospectus or ASX releases and that all material assumptions and technical parameters underpinning the Mineral Resource estimates continue to apply and have not materially changed.

Forward Looking Statements

This document may contain certain forward-looking statements concerning VHM Limited. Forward-looking statements are not statements of historical fact and actual events and results may differ materially from those described in the forward-looking statements as a result of a variety of risks, uncertainties, and other factors. Forward-looking statements are inherently subject to business, economic, competitive, political, and social uncertainties, and contingencies. Many factors could cause the Company's actual results to differ materially from those expressed or implied in any forward-looking information provided by the Company, or on behalf of, the Company. Such factors include, among other things, risks relating to additional funding requirements, metal prices, exploration, development and operating risks, competition, production risks, regulatory restrictions, including environmental regulation and liability and potential title disputes.

Forward-looking statements in this document are based on the company's beliefs, opinions, and estimates of VHM Limited as of the dates the forward-looking statements are made, and no obligation is assumed to update forward looking statements if these beliefs, opinions, and estimates should change or to reflect other future developments.

Further Information

Carly O'Regan
Executive General Manager
M: +61 431 068 814
E: carly.oregan@vhmltd.com.au

Ian Hobson
Company Secretary
M: +61 407 421 185
E: ian.hobson@vhmltd.com.au

Media

James Strong
Citadel-MAGNUS
M: +61 448 881 174
E: jstrong@citadelmagnus.com

Appendix 1: Company Mineral Estimate and JORC Ore Reserves

Table 1: Company Mineral Resource Estimate

Area	Mineral Resource Category	Material	In Situ THM	Bulk Density	Total Heavy Mineral (THM)	Slimes	Oversize material >2mm	THM Assemblage ⁽³⁾						Rare Earth Oxides																
								Zircon	Rutile	Leucosine	Ilmenite	Monazite	Xenotime	La ₂ O ₃	CoO ₂	Pr ₂ O ₁₁	Nd ₂ O ₃	Sm ₂ O ₃	Eu ₂ O ₃	Gd ₂ O ₃	Tb ₂ O ₃	Dy ₂ O ₃	Ho ₂ O ₃	Er ₂ O ₃	Tm ₂ O ₃	Yb ₂ O ₃	Lu ₂ O ₃	Y ₂ O ₃	TREO + Y ₂ O ₃	
								(%)	(%)	(%)	(%)	(%)	(%)	(%)	(%)	(%)	(%)	(%)	(%)	(%)	(%)	(%)	(%)	(%)	(%)	(%)	(%)	(%)	(%)	(%)
Area 1	Measured	30.7	1.8	1.76	5.72	15	5	29.9	10.8	9.0	24.7	4.3	0.8	0.48	0.96	0.11	0.38	0.07	0.004	0.06	0.01	0.07			0.05	0.01	0.05		0.47	2.72
	Indicated	62.2	1.4	1.72	2.31	18	2	26.6	11.5	9.2	25.0	4.6	0.9	0.53	1.11	0.12	0.46	0.08	0.004	0.07	0.02	0.07			0.05	0.01	0.05		0.48	3.04
	Total⁽¹⁾	92.9	3.2	1.73	3.44	17	3	27.7	11.2	9.1	24.9	4.5	0.8	0.51	1.06	0.12	0.43	0.08	0.004	0.07	0.02	0.07			0.05	0.01	0.05		0.48	2.94
Area 2 West	Indicated	26.0	0.7	1.72	2.80	20	8	22.0	16.0	12.0	25.0	3.0	1.0	0.31	0.66	0.07	0.28	0.05	0.003	0.05	0.01	0.06			0.04	0.01	0.04		0.39	1.97
	Total⁽¹⁾	26.0	0.7	1.72	2.80	20	8	22.0	16.0	12.0	25.0	3.0	1.0	0.31	0.66	0.07	0.28	0.05	0.003	0.05	0.01	0.06			0.04	0.01	0.04		0.39	1.97
Area 3	Indicated	204.1	6.9	1.73	3.38	19	3	19.2	9.0	8.0	25.0	3.2	0.6	0.36	0.78	0.09	0.33	0.06	0.003	0.05	0.01	0.05			0.04	0.01	0.04		0.37	2.19
	Inferred	287.7	6.7	1.72	2.32	18	3	17.2	8.7	7.5	22.7	2.9	0.5	0.35	0.76	0.08	0.31	0.06	0.003	0.05	0.01	0.05			0.03	0.01	0.03		0.36	2.10
	Total⁽¹⁾	491.8	13.6	1.73	2.76	18	3	18.2	8.9	7.7	23.9	3.0	0.6	0.36	0.77	0.09	0.32	0.06	0.003	0.05	0.01	0.05			0.03	0.01	0.04		0.36	2.14
Area 4	Indicated	18.0	0.8	1.74	4.60	20	5	19.0	11.0	10.0	24.0	3.0	1.0	0.32	0.67	0.07	0.28	0.05	0.002	0.05	0.01	0.05			0.03	0.01	0.04		0.33	1.90
	Total⁽¹⁾	18.0	0.8	1.74	4.60	20	5	19.0	11.0	10.0	24.0	3.0	1.0	0.32	0.67	0.07	0.28	0.05	0.002	0.05	0.01	0.05			0.03	0.01	0.04		0.33	1.90
Cannie	Inferred	191.7	5.9	1.70	3.1	19	6	24.5	15.5	24.3	2.1	4.1	0.8	0.49	1.06	0.12	0.45	0.08	0.004	0.07	0.01	0.07	0.02		0.05	0.01	0.05	0.01	0.49	3.00
	Total⁽²⁾	191.7	5.9	1.70	3.1	19	6	24.5	15.5	24.3	2.1	4.1	0.8	0.49	1.06	0.12	0.45	0.08	0.004	0.07	0.01	0.07	0.02		0.05	0.01	0.05	0.01	0.49	3.00
Grand Total	Measured	30.7	1.8	1.76	5.72	15	5	29.9	10.8	9.0	24.7	4.3	0.8	0.48	0.96	0.11	0.38	0.07	0.004	0.06	0.01	0.07			0.05	0.01	0.05		0.47	2.72
	Indicated	310.3	9.8	1.73	3.19	19	3	20.5	10.1	8.6	24.9	3.4	0.7	0.38	0.81	0.09	0.34	0.06	0.003	0.05	0.01	0.05			0.04	0.01	0.04		0.38	2.27
	Inferred	479.4	12.5	1.71	2.61	18	4	20.6	11.8	15.4	13.1	3.4	0.7	0.42	0.90	0.10	0.37	0.07	0.003	0.06	0.01	0.06	0.008		0.04	0.01	0.04	0.004	0.42	2.52
	TOTAL	820.4	24.1	1.72	2.95	18	4	21.2	11.0	12.1	18.8	3.5	0.7	0.41	0.87	0.10	0.36	0.07	0.003	0.06	0.01	0.06	0.004		0.04	0.01	0.04	0.002	0.41	2.43

	Material	In-Situ TREO + Y ₂ O ₃ Grade ⁽⁴⁾	In-Situ TREO + Y ₂ O ₃
	(t)	(%)	(t)
Area 1, Area 2 West, Area 3, Area 4, Cannie	820,364,884	0.07	588,355

Notes:

- Any discrepancies in totals are a function of rounding
- Mineral resources reported at a cut-off grade of 1.0% THM
- Mineral resources reported at a cut-off grade of 1.75% THM
- Mineral assemblage, via QEMScan Particle Analysis, is reported as a percentage of in situ THM content
- In-Situ TREO Grade is calculated by THM Grade (2.95%) multiplied by TREO Grade (2.43%)

Table 2: Company JORC Ore Reserves

Area	Date	Classification	Ore	THM	Zircon	Rutile	Leucoxene	Ilmenite	Monazite	Xenotime
			(Mt)	(%)	(%)	(%)	(%)	(%)	(%)	(%)
Area 1	Mar-21	Proved	24.5	5.4	29.9	10.8	9.0	24.7	4.3	0.8
Area 1	Mar-21	Probable	14.6	3.2	29.2	11.7	9.2	25.5	4.5	0.9
Area 3	Feb-21	Probable	159.6	3.5	20.3	9.4	8.1	25.8	3.4	0.6
Total		Proved	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
Grand Total			198.7	3.7	21.7	9.7	8.2	25.7	3.5	0.6

Area	Date	Classification	CeO ₂	Dy ₂ O ₃	Er ₂ O ₃	Eu ₂ O ₃	Gd ₂ O ₃	La ₂ O ₃	Nd ₂ O ₃	Pr ₆ O ₁₁	Sm ₂ O ₃	Tb ₄ O ₇	Tm ₂ O ₃	Y ₂ O ₃	Yb ₂ O ₃	TREO
			(%)	(%)	(%)	(%)	(%)	(%)	(%)	(%)	(%)	(%)	(%)	(%)	(%)	(%)
Area 1	Mar-21	Proved	0.960	0.070	0.050	0.004	0.060	0.480	0.380	0.110	0.070	0.012	0.008	0.470	0.050	2.720
Area 1	Mar-21	Probable	0.971	0.067	0.047	0.004	0.060	0.468	0.400	0.108	0.072	0.011	0.007	0.458	0.050	2.721
Area 3	Feb-21	Probable	0.805	0.057	0.039	0.003	0.056	0.378	0.339	0.093	0.064	0.009	0.006	0.386	0.040	2.297
Total		Proved	0.960	0.070	0.050	0.004	0.060	0.480	0.380	0.110	0.070	0.012	0.008	0.470	0.050	2.720
		Probable	0.817	0.058	0.039	0.003	0.056	0.385	0.344	0.094	0.065	0.009	0.006	0.391	0.041	2.328
Grand Total			0.844	0.060	0.041	0.003	0.057	0.402	0.351	0.097	0.066	0.010	0.006	0.406	0.043	2.401

The Ore Reserve was prepared and first disclosed under the JORC Code (2012) in the Prospectus dated 21 November 2022 as supplemented by the supplementary prospectus dated 5 December 2022, lodged with ASX on 5 January 2023.

Appendix 2: Cannie Critical Mineral Project Maiden Mineral Resource estimates

Table 1: Cannie Project Mineral Resource estimate (Inferred)

ROUNDED

Area	Project	Mineral Resource Category	Material (Mt)	In Situ THM (Mt)	Bulk Density (g/cm ³)	Total Heavy Mineral (THM) (%)	Slimes (%)	Oversize material >1mm (%)	THM Assemblage					
									Zircon (%)	Rutile (%)	Leucoxene (%)	Ilmenite (%)	Monazite (%)	Xenotime (%)
									Cannie	Inferred	192	5.9	1.7	3.1
Total ⁽¹⁾	192	5.9	1.7	3.1	19	6	24.5	15.5		24.3	2.1	4.1	0.8	

Area	Project	Mineral Resource Category	Rare Earth Oxides															
			La ₂ O ₃	CeO ₂	Pr ₂ O ₃	Nd ₂ O ₃	Sm ₂ O ₃	Eu ₂ O ₃	Gd ₂ O ₃	Tb ₄ O ₇	Dy ₂ O ₃	Ho ₂ O ₃	Er ₂ O ₃	Tm ₂ O ₃	Yb ₂ O ₃	Lu ₂ O ₃	Y ₂ O ₃	TREO + Y ₂ O ₃
			(%)	(%)	(%)	(%)	(%)	(%)	(%)	(%)	(%)	(%)	(%)	(%)	(%)	(%)	(%)	(%)
Cannie	Inferred	0.5	1.1	0.1	0.4	0.08	0.004	0.07	0.01	0.07	0.02	0.05	0.01	0.05	0.01	0.5	3.0	
	Total ⁽¹⁾	0.5	1.1	0.1	0.4	0.08	0.004	0.07	0.01	0.07	0.02	0.05	0.01	0.05	0.01	0.5	3.0	

Cannie		Material (t)	In-Situ TREO Grade ⁽³⁾ (%)	In-Situ TREO (t)
Mineral Resource (Inf)		192,000,000	0.09	176,000

Notes:

Any discrepancies in totals are a function of rounding

1 Mineral resources reported at a cut-off grade of 1.75% THM

2 Mineral assemblage, via QEMScan Particle Analysis, is reported as a percentage of in situ THM content.

3 In-Situ TREO Grade is calculated by THM Grade (3.05%) multiplied by TREO Grade (3.00%)

Appendix 5B: Quarterly Cashflow Report

Name of entity

VHM Limited

ABN

ABN 58 601 004 102

Quarter ended ("current quarter")

30 June 2023

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (12 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	24	24
1.2 Payments for evaluation		
(a) exploration and evaluation	-	-
(b) development	-	-
(c) production	-	-
(d) staff costs	(893)	(3,327)
(e) administration and corporate costs	(390)	(7,584)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	111	185
1.5 Interest and other costs of finance paid	(194)	(3,297)
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	-	4,441
1.8 Other (provide details if material)	-	-
1.9 Net cash from / (used in) operating activities	(1,342)	(9,558)

2. Cash flows from investing activities		
2.1 Payments to acquire or for:		
(a) entities	-	-
(b) tenements	(145)	(335)
(c) property, plant and equipment	(1,712)	(3,825)
(d) exploration & evaluation	(3,190)	(17,187)
(e) investments	-	-
(f) other non-current assets	8	(55)
2.2 Proceeds from the disposal of:		
(a) entities	-	-
(b) tenements	-	-

	(c) property, plant and equipment	-	-
	(d) investments	-	-
	(e) other non-current assets	-	-
2.3	Cash flows from loans to other entities	(649)	(1,073)
2.4	Dividends received (see note 3)	-	-
2.5	Other (provide details if material)	-	-
2.6	Net cash from / (used in) investing activities	(5,688)	(22,475)

3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	-	30,000
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	-	189
3.4	Transaction costs related to issues of equity securities or convertible debt securities	-	(1,873)
3.5	Proceeds from borrowings	-	3,480
3.6	Repayment of borrowings	-	(3,480)
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	-	-
3.10	Net cash from / (used in) financing activities	-	28,316

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	27,679	24,366
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(1,342)	(9,558)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(5,688)	(22,475)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	-	28,316
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of period	20,649	20,649

5. Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1 Bank balances	4,921	2,939
5.2 Call deposits	15,726	24,738
5.3 Bank overdrafts	-	-
5.4 Other (Petty cash)	2	2
5.5 Cash and cash equivalents at end of quarter (should equal item 4.6 above)	20,649	27,679

6. Payments to related parties of the entity and their associates	Current quarter \$A'000
6.1 Aggregate amount of payments to related parties and their associates included in item 1	280
6.2 Aggregate amount of payments to related parties and their associates included in item 2	-

Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments.

7. Financing facilities <i>Note: the term 'facility' includes all forms of financing arrangements available to the entity.</i> <i>Add notes as necessary for an understanding of the sources of finance available to the entity.</i>	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
7.1 Loan facilities	-	-
7.2 Credit standby arrangements	-	-
7.3 Other (please specify)	-	-
7.4 Total financing facilities	-	-
7.5 Unused financing facilities available at quarter end		-
7.6 Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.		

8. Estimated cash available for future operating activities	\$A'000
8.1 Net cash from / (used in) operating activities (item 1.9)	(1,342)
8.2 (Payments for exploration & evaluation classified as investing activities) (item 2.1(d))	(3,190)
8.3 Total relevant outgoings (item 8.1 + item 8.2)	(4,532)
8.4 Cash and cash equivalents at quarter end (item 4.6)	20,649

8.5	Unused finance facilities available at quarter end (item 7.5)	-
8.6	Total available funding (item 8.4 + item 8.5)	20,649
8.7	Estimated quarters of funding available (item 8.6 divided by item 8.3)	4.56
	<i>Note: if the entity has reported positive relevant outgoings (i.e. a net cash inflow) in item 8.3, answer item 8.7 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.7.</i>	
8.8	If item 8.7 is less than 2 quarters, please provide answers to the following questions:	
	8.8.1 Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?	
	Answer: N/A	
	8.8.2 Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?	
	Answer: N/A	
	8.8.3 Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?	
	Answer: N/A	
	<i>Note: where item 8.7 is less than 2 quarters, all of questions 8.8.1, 8.8.2 and 8.8.3 above must be answered.</i>	

Compliance statement

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

Date:26 July 2023.....

Authorised by: VHM Limited Board of Directors.....
(Name of body or officer authorising release – see note 4)

Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 6: Exploration for and Evaluation of Mineral Resources* and *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [name of board committee – e.g. Audit and Risk Committee]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively