

ASX Release

7 October 2024

INSTITUTIONAL INVESTMENT

VHM Limited (“VHM” or the “Company”) is pleased to announce an institutional investment by Bulk Commodity Holdings, LLC (the “Investor”) for up to \$5,000,000 in tranches as detailed below. This investment complements the recent Placement and Security Purchase Plan and will fund the activities necessary to reach Final Investment Decision for the Goschen Project. Proceeds from the investment will be used for the Company’s general corporate and working capital requirements.

The investment is comprised of up to three tranches, with each investment being made by the Investor by way of a prepayment for ordinary shares in the Company (“Shares”) to be issued by the Company (“Placement Shares”). The initial investment will raise \$1,500,000 for \$1,635,000 worth of Placement Shares and is expected to be received in the next week.

Additionally, the Investor has granted the Company the right to require the Investor to make a second investment of \$1,500,000 for Placement Shares worth \$1,635,000 within the next seven months, solely at the option of the Company, and this second investment will only occur if the Company exercises this option and minimum share price conditions are met. Finally, a further investment raising up to \$2,000,000 for Placement Shares worth an equivalent amount may occur only by mutual consent of the Investor and the Company.

The Company will have the right (but no obligation) to opt to repay the subscription amount of each investment by making a payment to the Investor equal to the market value of the Shares that would have otherwise been issued, instead of issuing Shares to the Investor. If the Company does not exercise that right, the Company will issue Placement Shares when requested by the Investor, within 36 months of the date of the related prepayment. The number of Shares so issued by the Company will be determined by applying the Placement Price (as set out below) to the subscription amount, but subject to the Floor Price (as set out below).

Should the Investor issue a notice requiring the Placement Shares to be issued within the next 30 days, the Placement Price of the Placement Shares will be equal to \$0.85 representing a premium of approximately 85% to the closing price of the Shares on 4 October 2024.

After this initial period, the Placement Price will reset to the average of the five daily volume-weighted average prices selected by the Investor during the 20 consecutive trading days immediately prior to the date of the Investor’s notice to issue shares, less an 10% discount, rounded down to the nearest whole cent. The Placement Price will, nevertheless, be the subject of the Floor Price of \$0.42. If the Placement Price formula would result in a price that is less than the Floor Price, the Company may forego issuing Shares and instead opt to repay the applicable subscription amount in cash (with a 12% annual premium), subject to the Investor’s right to receive Placement Shares at the Floor Price in lieu of such cash repayment. For the benefit of the Company, the Placement Price will not be the subject of a cap.

The Investor will not be obligated to provide the second investment, or may reduce the size of the second investment, if the market price of the Shares is below \$0.30 and does not recover to above that level within three months after the Investor notifies the Company.

The Company will make an initial issuance of 480,000 Placement Shares to the Investor at the time of the funding of the initial investment, towards the ultimate number of Placement Shares to be issued. Alternatively, in lieu of applying these Shares towards the aggregate number of the Placement Shares to be issued by the Company, the Investor may make a further payment to the Company equal to the value of these Shares determined using the Placement Price at the time of the payment.

The proceeds from the second investment will not exceed 2% of the Company's market capitalisation, without the Investor's consent.

The Company has agreed to issue 333,333 Shares to the Investor in satisfaction of a non-refundable fee of \$140,000.

All Shares to be issued pursuant to this agreement will be issued under the Company's LR 7.1 placement capacity.

VHM Chief Executive Officer, Ron Douglas, commented: "VHM is pleased to welcome BCH to its registry whilst noting that these funds enable VHM to complete all necessary works to reach a Final Investment Decision. It's an exciting time for both new and existing shareholders."

ENDS

This announcement has been approved by the Board of VHM.

For Further Information Contact:

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