



ASX ANNOUNCEMENT

3 December 2018

Cachoeiras do Binga Copper Project Update Copper Mineralisation Observed in 38 of 41 Holes

VDM Group Limited (**VDM** or the **Company**) (ASX: VMG) is pleased to provide the following update with respect to exploration at the Company's Cachoeiras do Binga (**CdB**) Copper Project in Angola (65% owned in VDM).

The first stage of the Phase One Drilling Program has been completed with a total of 41 diamond core holes having been drilled for a cumulative total of 3,903 metres.

Twenty (20) holes were drilled in Areas 1, 2 and 3 to verify historical information; whilst twelve (12) holes were drilled in Area 4 and nine (9) holes in Area 5, respectively, with the holes in Areas 4 and 5 for investigating targets generated from geological mapping, geochemical and geophysical information.

The depths of the completed diamond core holes varied from 31 metres to 273 metres with an average depth of 95 metres. A list of the hole collars is included at Appendix A.

Copper mineralisation is visible in drill cores from 38 holes of the 41 holes. Apparent malachite and its variations showing green and blue can be easily observed in the drill cores, refer images following. According to the geological logs and the fast analyser used in the field, the interceptions varied from few meters to more than ten meters, but this needs to be confirmed by the chemical analyses of core samples.

A total of 843 samples have been collected from the half cores of the mineralised intervals and boundaries. The samples were crushed and split following a standard operating procedure. Paperwork is being finalised for despatch of the samples for chemical assay and the results are expected in Q1, 2019.

The Phase One Drilling Program in 2018 is now suspended due to the raining season, and will be re-launched in 2019 when weather permits access to the project area. The next stage of Phase One Drilling Program can be expected to target further parts of Areas 4 and 5 and follow-up the most prospective assay results.

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Drill-core of selected holes from Phase One Drilling Program at CdB Copper Project in Angola



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Competent Person Statement

The information in this release that relates to sampling techniques and data, exploration results, geological interpretation and Exploration Targets, Mineral Resources or Ore Reserves has been compiled by Mr Pengfei Xiao from SRK Consulting China Ltd, a Member of the Australian Institute of Mining and Metallurgy (MAusIMM). SRK is engaged by VDM Group Limited providing independent consulting services and Mr Xiao had twice visits to the CdB Project, respectively in May and November 2018.

Mr Xiao has sufficient experience of relevance to the styles of mineralisation and the types of deposits under consideration, and to the activities undertaken, to qualify as a Competent Person as defined in the 2012 Edition of the Joint Ore Reserves Committee (JORC) Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. Mr Xiao consents to the inclusion in this report of the matters based on information in the form and context in which it appears.

Forward looking statements

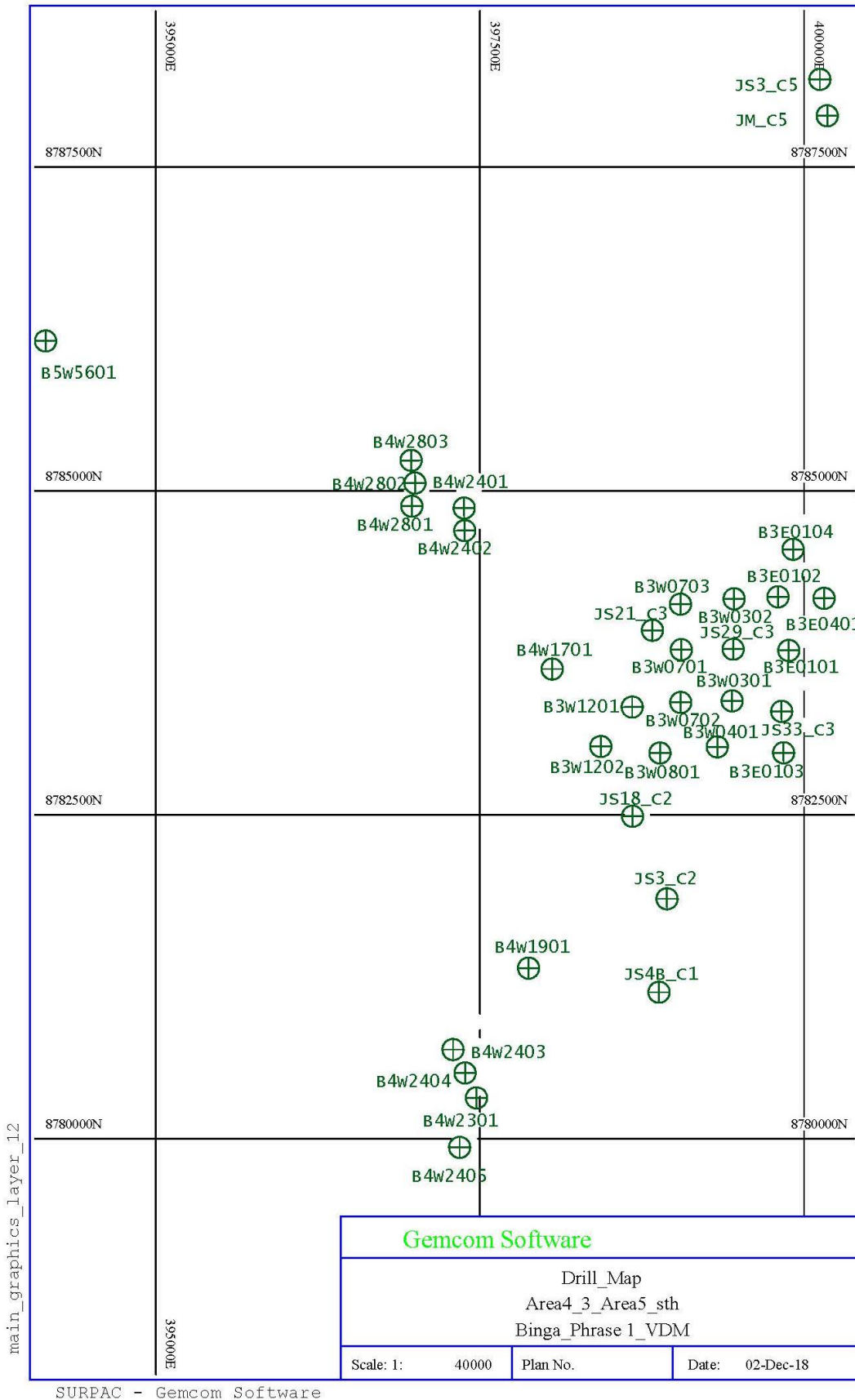
Information included in this release constitutes forward-looking statements. Often, but not always, forward looking statements can generally be identified by the use of forward looking words such as “may”, “will”, “expect”, “intend”, “plan”, “estimate”, “anticipate”, “continue”, and “guidance”, or other similar words and may include, without limitation, statements regarding plans, strategies and objectives of management, anticipated production or construction commencement dates and expected costs or production outputs.

Forward looking statements inherently involve known and unknown risks, uncertainties and other factors that may cause the Company’s actual results, performance and achievements to differ materially from any future results, performance or achievements. Relevant factors may include, but are not limited to, changes in commodity prices, foreign exchange fluctuations and general economic conditions, increased costs and demand for production inputs, the speculative nature of exploration and project development, including the risks of obtaining necessary licences and permits and diminishing quantities or grades of reserves, political and social risks, changes to the regulatory framework within which the company operates or may in the future operate, environmental conditions including extreme weather conditions, recruitment and retention of personnel, industrial relations issues and litigation.

Forward looking statements are based on the Company and its management’s good faith assumptions relating to the financial, market, regulatory and other relevant environments that will exist and affect the Company’s business and operations in the future. The Company does not give any assurance that the assumptions on which forward looking statements are based will prove to be correct, or that the Company’s business or operations will not be affected in any material manner by these or other factors not foreseen or foreseeable by the Company or management or beyond the Company’s control.

Although the Company attempts and has attempted to identify factors that would cause actual actions, events or results to differ materially from those disclosed in forward looking statements, there may be other factors that could cause actual results, performance, achievements or events not to be as anticipated, estimated or intended, and many events are beyond the reasonable control of the Company. Accordingly, readers are cautioned not to place undue reliance on forward looking statements. Forward looking statements in these materials speak only at the date of issue. Subject to any continuing obligations under applicable law or any relevant stock exchange listing rules, in providing this information the company does not undertake any obligation to publicly update or revise any of the forward-looking statements or to advise of any change in events, conditions or circumstances on which any such statement is based.

Appendix A: Drill Program Information



SURPAC - Gemcom Software

Image 1: Map showing location of drill holes _Area4 _Area3

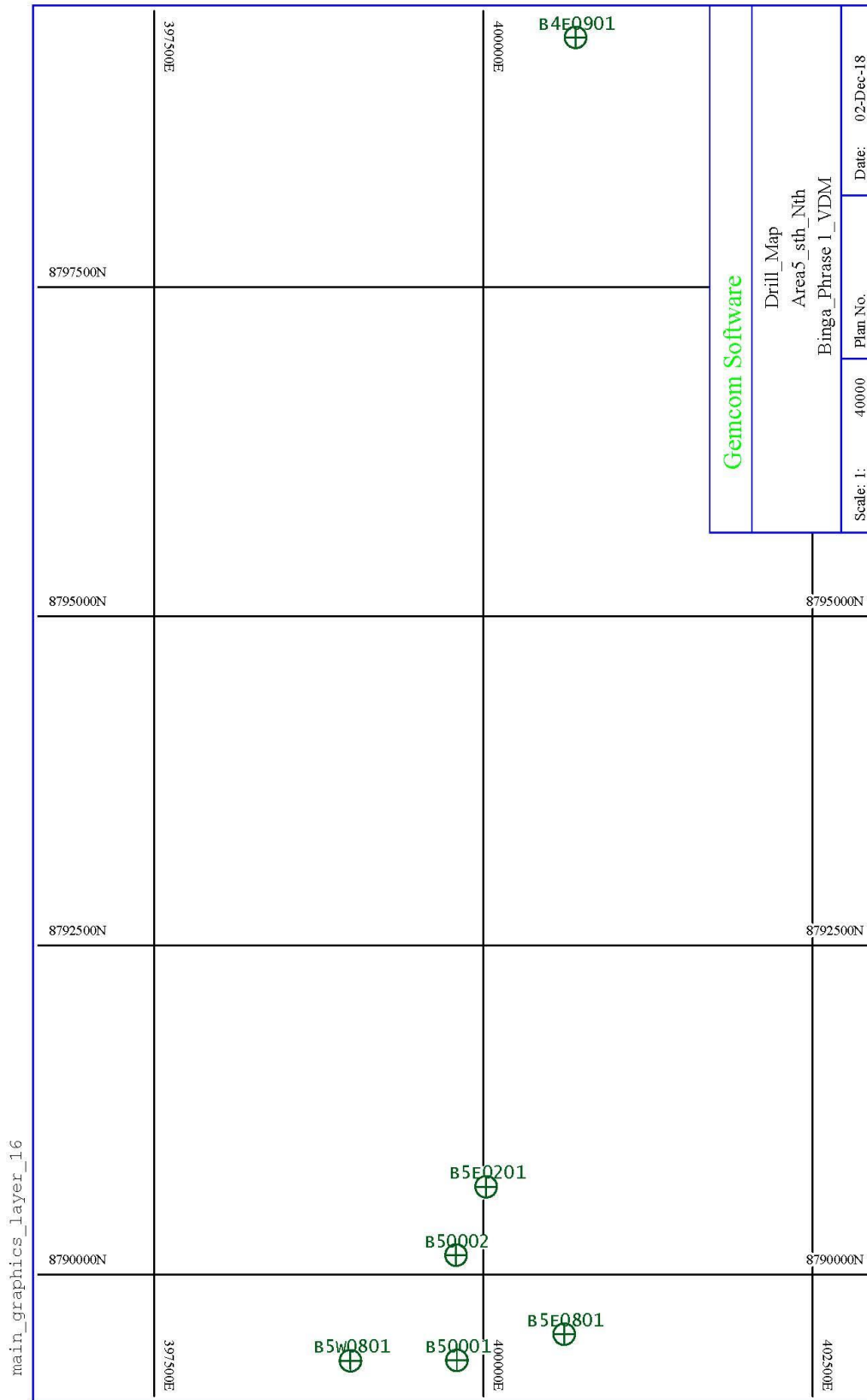


Image 2: Map showing location of drill holes _Area 5

Table 1: Drill Plan details

CdB Phase One Drill Program - VDM JV									
No	Hole ID	Depth (m)	Northing (m)	Easting (m)	RL (m)	Azi_degree	Dip_Degree	Area	Type
1	B50001	236.39	8,789,351	399,799	80		90.0	5	Diamond
2	B50002	241.59	8,790,150	399,793	83	270.0	89.6	5	Diamond
3	B5W0801	264.61	8,789,348	398,991	93	160.0	89.7	5	Diamond
4	JS3_C5	124.75	8,787,515	400,233	116.67	68.0	89.0	5	Diamond
5	JM_C5	121.51	8,787,206	400,290	118.52	222.0	89.0	5	Diamond
6	JS33_C3	81.64	8,783,412	399,865	166.76	120.0	89.2	3	Diamond
7	JS29_C3	160.27	8,783,892	399,491	144.65	60.0	88.8	3	Diamond
8	JS21_C3	101.65	8,784,038	398,868	108.44	240.0	89.0	3	Diamond
9	B4W1701	121.2	8,783,739	398,095	12.72	352.0	89.4	3	Diamond
10	B4W1901	161.38	8,781,431	397,913	19.17	145.0	89.2	4	Diamond
11	B4W2401	113.63	8,784,981	397,416	55.84	190.0	89.0	4	Diamond
12	B4W2402	74.47	8,784,806	397,421	99.2	50.0	89.9	4	Diamond
13	B4W2801	273.14	8,784,995	397,012	84.72	250.0	89.0	4	Diamond
14	B4W2802	31.42	8,785,174	397,036	74.26		90.0	4	Diamond
15	B4W2803	39.04	8,785,349	397,007	61.7		90.0	4	Diamond
16	B4W2403	71.22	8,780,803	397,330	90	310.0	89.8	4	Diamond
17	B4W2404	64.23	8,780,622	397,423	101	158.0	89.7	4	Diamond
18	JS18_C2	78.14	8,782,603	398,715	76.85		90.0	2	Diamond
19	B4W2301	63.21	8,780,430	397,511	104	147.0	89.7	4	Diamond
20	JS4B_C1	36.21	8,781,245	398,919	149		90.0	1	Diamond
21	JS3_C2	72.3	8,781,966	398,981	140	150.0	89.9	2	Diamond
22	B4W2405	66.97	8,780,238	397,410	122.43	265.0	89.0	4	Diamond
23	B3W1201	47.24	8,783,445	398,712	130.48	270.0	89.0	3	Diamond
24	B3W0702	50.68	8,783,481	399,087	148.44	245.0	89.5	3	Diamond
25	B3W0701	82.08	8,783,888	399,091	130	272.0	89.4	3	Diamond
26	B3W0301	69.15	8,783,493	399,483	168	260.0	89.5	3	Diamond
27	B3W1202	40.49	8,783,141	398,570	107		90.0	3	Diamond
28	B3W0703	47.25	8,784,239	399,084	145.14	274.0	89.8	3	Diamond
29	B3W0401	81.13	8,783,139	399,368	129.94	260.0	89.5	3	Diamond
30	B3W0801	71.29	8,783,091	398,926	123.45		90.0	3	Diamond
31	B3E0101	43.8	8,783,882	399,920	161.04		90.0	3	Diamond
32	B3W0302	69.94	8,784,281	399,498	159	298.0	89.9	3	Diamond
33	B3E0102	58.56	8,784,296	399,837	147.54		90.0	3	Diamond
34	B3E0103	83.48	8,783,093	399,880	170.56	303.0	89.5	3	Diamond
35	B3E0104	44.13	8,784,663	399,953	133.24	216.0	89.6	3	Diamond
36	B3E0401	81.13	400,192	8,784,284	176	262.0	89.7	3	Diamond
37	B5E0801	61.48	400,614	8,789,550	140	257.0	89.5	5	Diamond
38	B5E0201	71.29	400,021	8,790,669	82.14		90.0	5	Diamond
39	B4W6001	65.30	393,867	8,785,376	5.04	269.0	89.9	4	Diamond
40	B5W5601	98.48	394,187	8,786,270	7.84	247.0	89.8	5	Diamond