

(ASX:VHM)

Australian owned rare earths and mineral sands mine and processing developer with a globally significant critical minerals inventory, in northwest Victoria

Board of Directors

Ian Smith	Non-Executive Chairman
Ron Douglas	Non-Executive Director
Don Runge	Non-Executive Director
Maree Arnason	Non-Executive Director
Colin Moorhead	Non-Executive Director
Michael Sapountzis	Company Secretary

Registered Office

Suite 1, Level 11, 330 Collins St
Melbourne VIC 3000

Share Registry

Automic Pty Ltd
Suite 5, Level 12, 530 Collins Street
Melbourne VIC 3000

Capital Structure

Ordinary Shares: 255,996,423
Options: 4,546,774

Investor Relations

Andrew King
Chief Executive Officer
E: investor@vhmltd.com.au

Ben McCormick
Chief Financial Officer
E: investor@vhmltd.com.au

Quarterly Activities Report

For the period ended 30 September 2025

Highlights:

Offtake LOI with Mitsui: VHM entered into an LOI with Mitsui for Heavy Mineral Concentrate (HMC) offtake.

Funding LOI with Export-Import Bank of the United States (EXIM): Subsequent to quarter end, VHM announced a Letter of Interest (LOI) from EXIM for up to US\$200 million in project financing support for the development of the Goschen Project.

EPBC Approval: VHM is pleased to announce that it has received formal approval under the Environment Protection and Biodiversity Conservation Act 1999 (EPBC Act) for its flagship Goschen Project.

Goschen project strategic update: FID expected 1H 2026. Refer to the section for an update.

Reserves and resources update: Subsequent to quarter end, VHM provided an update on its Mineral Resource and Ore Reserve estimates for the Goschen Project.

Exploration target update: Subsequent to quarter end, VHM announced a major update to its Exploration Target for the Goschen tenements.

Key Appointments: Andrew King was appointed as Chief Executive Officer and Ben McCormick as Chief Financial Officer, effective 1 October 2025.

Goschen Rare Earths and Mineral Sands Project

Key approval	Status	Date
Victorian Minister for Planning approved public exhibition	✓	November 2023
Public hearing	✓	March - April 2024
Environment Effects Statement (EES)	✓	December 2024
Mining Licence	✓	April 2025
Environmental Protection and Biodiversity (EPBC) Act 1999 Approval	✓	September 2025
Cultural Heritage Management Plan	Submitted	<i>Expected Q4 2025</i>
Work Plan	Submitted	<i>Expected Q4 2025</i>

Offtake and project funding in the quarter

Letter of Interest with Mitsui

VHM announced that it had entered into a Letter of Interest (LOI) with Mitsui & Co., Ltd. (Mitsui) for Heavy Mineral Concentrate (HMC) offtake as part of its development strategy for the Goschen Project.

Key highlights

- LOI with Mitsui establishes a framework for the supply and delivery of 40% of heavy mineral concentrate (HMC) from the Goschen Project
- The LOI contemplates that Mitsui will, at its discretion, propose to provide, subject to due diligence, a trade finance facility to VHM with respect to the potential transaction
- Mitsui is interested in establishing an expanding business relationship with VHM

See ASX Release dated 2 July 2025 for full details of the LOI with Mitsui.

Letter of Interest with EXIM

Subsequent to quarter end, VHM announced it had received a Letter of Interest from the Export-Import Bank of the United States (EXIM) for up to US\$200 million (~A\$304 million) in project financing support for the development of the Goschen Project.

The LOI outlines a potential financing package with a maximum repayment term of 12 years, subject to standard due diligence and compliance with EXIM's program, legal and eligibility requirements.

Key highlights:

- US EXIM support: Up to US\$200 million (~A\$304 million) in potential debt financing for capital expansion, with a 12-year repayment term
- Strategic U.S. alignment: Eligible under EXIM's Supply Chain Resiliency Initiative, supporting critical mineral supply to U.S. buyers
- Geopolitical advance: May qualify under EXIM's China and Transformational Exports Program, enhancing U.S. competitiveness
- Global relevance: Goschen Project positioned as a key supplier in the global rare earths and mineral sands market

See ASX Release dated 6 October 2025 for full details of the LOI with EXIM.

Regulatory approvals in the quarter

EPBC Approval

VHM is pleased to advise that it has received formal approval under the Environment Protection and Biodiversity Conservation Act 1999 (EPBC Act) for its flagship Goschen Rare Earths and Mineral Sands Project.

This approval represents a major regulatory milestone for the Project, following the successful completion of the Environmental Effects Statement (EES) process and the granting of the Mining Licence by Resources Victoria.

The EPBC approval confirms that the Goschen Project meets the Commonwealth Government's environmental requirements, enabling VHM to advance to the final design phase, construction planning, and operational readiness activities.

See ASX Release dated 19 September 2025 for full details of the EPBC approval.

Strategic update on pathway to production

VHM Limited remains committed to delivering long-term value through the responsible development of our world-class rare earths and mineral sands Goschen project.

The following is an update on our pathway to production, reflecting recent strategic adjustments that position us for stronger outcomes in a dynamic global environment.

During Q2 and Q3 2025, progress on key regulatory milestones which includes the Cultural Heritage Management Plan, Work Plan and Planning Scheme Amendment have continued steadily, albeit at a slower pace than initially anticipated. As a result of these, final approvals are now expected later in Q4 2025.

These final approvals are a Condition Precedent for closure of the Goschen project's financing activities. Given the timing, and in light of traditionally quieter market conditions in December and January, it is anticipated that closure of the financing activities will be delayed to the 1st half of 2026.

We continue to have strong engagement with key potential offtake partners, and we are looking to secure further support as part of our funding arrangements. Similarly, engagement from a number of Australian and foreign government agencies is very encouraging, as evidenced by our recent announcement on formal interest from the Export-Import Bank of the United States (EXIM).

The Company is encouraged by the strong interest received, which aligns positively with ongoing financing initiatives for the project. Finalising this interest in a form that supports the Board's Final Investment Decision (FID) is progressing, with careful consideration being given to ensuring alignment with the Company's strategic and financial objectives. Project economics continue to be actively reviewed and will be updated at the time of FID to reflect prevailing market conditions, including product pricing, cost inputs, government support, offtake arrangements, and available financing structures.

The Company now anticipates that the FID will be made in the first half of calendar year 2026.

These timing adjustments are being made against the backdrop of a complex geopolitical landscape, including China's Ministry of Commerce and General Administration of customs placing export controls on rare earth elements and the U.S Department of Defence announcing a transaction with Mountain Pass Material that provides a guaranteed floor price of \$110/kg for NdPr over a 10 year period. These developments further strengthen VHM's confidence in the global relevance and strategic significance of our Mineral Assemblage, which features rare earths and Zircon, Titania minerals, especially the critical heavy rare earths Dysprosium and Terbium.

Resources & reserves update

After the quarter, VHM updated its Mineral Resource Estimates (MRE) for Goschen with the key change being a re-evaluation of the Area 1 resource:

- Total Mineral Resources are estimated to be 890Mt at 2.9% THM for 26Mt Total Heavy Minerals confirming its scale as one of Australia's largest undeveloped mineral sands and rare earths projects
- Total Ore Reserves are estimated to be 220Mt at 3.6% THM for 7.8Mt Total Heavy Minerals
- Estimates of Goschen Mineral Resources and Ore Reserves have not changed materially
- The current 20-year Goschen mine plan exploits less than 50% of defined ore reserves and less than 12% of total mineral resources, demonstrating significant potential future growth
- Adoption of a more conservative approach to the treatment of Area 1 derisks the mine plan and yields potential upside seen in earlier bulk sampling test-work

See ASX Release dated 15 October 2025 for full details of the resources and reserves update.

Exploration target

After the quarter, VHM announced a major update to its Exploration Target for Goschen tenements, reinforcing the scale and strategic potential of this globally significant rare earth and mineral sands province.

The updated Exploration Target is estimated at a range of:

- **Tonnage:** 1.5 billion to 4.0 billion tonnes
- **Total Heavy Mineral (THM) Grade:** 2.2% to 3.5%
- **Total Heavy Mineral tonnage:** 50Mt to 90Mt
- **Valuable Heavy Mineral (VHM) Content:** 30Mt to 70Mt

The THM assemblage includes:

- **Zircon:** 16% - 27%
- **Ilmenite:** 19% - 26%
- **Rutile:** 9% - 16%
- **Monazite + Xenotime:** 2.5% - 5.1%

See ASX Release dated 15 October 2025 for full details of the exploration target update

Corporate Activities

Executive Changes

The Company announced a number of changes to the senior management team:

- Appointment of Mr Andrew King as Chief Executive Officer, effective from 1 October 2025
- Appointment of Mr Ben McCormick as Chief Financial Officer, effective from 1 October 2025
- Resignation of Mr Ron Douglas from Chief Executive Officer and his transition into a Non-Executive Director role, effective 1 October 2025

See ASX Release dated 14 August 2025 for full details on the management changes.



Annual General Meeting

The Annual General Meeting for Shareholders will be held on Tuesday, 18 November 2025 in Melbourne, Australia, as a hybrid meeting (In-person and via the web).

Finance

At quarter end the Company held \$5.0 million cash. The Company's unaudited quarterly cash flow report is disclosed in Appendix 5B.

ENDS

This announcement has been approved by the VHM Limited Board of Directors.

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

1. **ASX Listing Rule 5.3.1:** Exploration and Evaluation Expenditure during the quarter was \$1.6 million primarily comprising Goschen EES approvals and Goschen engineering work 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 mining, retention and exploration licences are set out in Appendix 1. The Company's 100% interest in the licenses remain unchanged since the end of the last quarter.
4. **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.

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.

For Further Information Contact:

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Ben McCormick
Chief Financial Officer
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Appendix 5B: Quarterly Cashflow Report

Name of entity

VHM Limited

ABN

Quarter ended ("current quarter")

ABN 58 601 004 102

30 September 2025

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (3 months) \$A'000
1.	Cash flows from operating activities		
1.1	Receipts from customers	-	-
1.2	Payments for evaluation		
	a. exploration and evaluation	-	-
	b. development	-	-
	c. production	-	-
	d. staff costs	(510)	(510)
	e. administration and corporate costs	(699)	(699)
1.3	Dividends received (see note 3)	-	-
1.4	Interest received	50	50
1.5	Interest and other costs of finance paid	(162)	(162)
1.6	Income taxes paid	-	-
1.7	Government grants and tax incentives	-	-
1.8	Other (provide details if material)	-	-
1.9	Net cash from / (used in) operating activities	(1,321)	(1,321)
2.	Cash flows from investing activities		
2.1	Payments to acquire or for:		
	a. entities	-	-
	b. tenements	-	-
	c. property, plant and equipment	(119)	(119)
	d. exploration & evaluation	(1,620)	(1,620)
	e. investments	-	-
	f. other non-current assets	-	-
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	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (Research and development refund)	-	-
2.6	Net cash from / (used in) investing activities	(1,739)	(1,739)

3. Cash flows from financing activities		
3.1 Proceeds from issues of equity securities (excluding convertible debt securities)	-	-
3.2 Proceeds from issue of convertible debt securities	-	-
3.3 Proceeds from exercise of options	-	-
3.4 Transaction costs related to issues of equity securities or convertible debt securities	-	-
3.5 Proceeds from borrowings	-	-
3.6 Repayment of borrowings	-	-
3.7 Transaction costs related to loans and borrowings	-	-
3.8 Dividends paid	-	-
3.9 Other (provide details if material) – payment of lease liabilities	(83)	(83)
3.10 Net cash from / (used in) financing activities	(83)	(83)

4. Net increase / (decrease) in cash and cash equivalents for the period		
4.1 Cash and cash equivalents at beginning of period	8,099	8,099
4.2 Net cash from / (used in) operating activities (item 1.9 above)	(1,321)	(1,321)
4.3 Net cash from / (used in) investing activities (item 2.6 above)	(1,739)	(1,739)
4.4 Net cash from / (used in) financing activities (item 3.10 above)	(83)	(83)
4.5 Effect of movement in exchange rates on cash held	-	-
4.6 Cash and cash equivalents at end of period	4,956	4,955

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	1,418	4,599
5.2 Call deposits	3,538	3,500
5.3 Bank overdrafts	-	-
5.4 Other (Petty cash)	-	-
5.5 Cash and cash equivalents at end of quarter (should equal item 4.6 above)	4,956	8,099

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	235
6.2 Aggregate amount of payments to related parties and their associates included in item 2	-
<i>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.</i>	

7. Financing facilities <i>Note: the term "facility" includes all forms of financing arrangements available to the entity. 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)	(1,321)
8.2 (Payments for exploration & evaluation classified as investing activities) (item 2.1(d))	(1,620)
8.3 Total relevant outgoings (item 8.1 + item 8.2)	(2,941)
8.4 Cash and cash equivalents at quarter end (item 4.6)	4,956
8.5 Unused finance facilities available at quarter end (item 7.5)	-
8.6 Total available funding (item 8.4 + item 8.5)	4,956
8.7 Estimated quarters of funding available (item 8.6 divided by item 8.3)	1.68
<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: The Company expects to maintain this level of operating expenditure as it continues to progress the Goschen Project, this will be subject to available capital.	
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: The Company has had a successful history of raising funds through capital raisings and is confident that it will be able to complete a capital raise.	
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: The Company expects to be able to continue its operations and business objectives. This expectation is based on the Company's ability to raise funds through a variety of funding sources. If a lesser amount is available, the Company also has the ability to reduce expenditure and continue operating although this may impact the timeline for remaining approvals, financing, construction and operations.	
<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: 15 October 2025

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.
6. Note that owing to the periodic expense capitalisation process conducted, there may be variances in certain categories quarter on quarter.

Appendix 1: VHM Limited tenement table as at 30 September 2025

Licence Number	Location	Registered Holder	Project	Status	Area (km ²)	Grant Date	Expiry Date
MIN 7256	NW Victoria	VHM Ltd	Goschen	Current	15.4	10/04/2025	09/04/2045
RL6806	NW Victoria	VHM Ltd	Goschen	Current	296	10/01/2020	09/01/2027
EL 6419	NW Victoria	VHM Ltd	Cannie	Current	443	18/05/2018	17/05/2028
EL 6664	NW Victoria	VHM Ltd	Cannie	Current	618	18/06/2018	17/06/2028
EL 6666	NW Victoria	VHM Ltd	Nowie	Current	447	18/06/2018	17/06/2028
EL 6769	NW Victoria	VHM Ltd	Exploration	Current	1041	27/08/2018	27/08/2028
Total km²					2,860		