VHM Limited

Quarterly Activities Report

For the period ended 30 September 2023

Highlights:

- The **Approvals** team continued to progress the Environment Effects Statement for the Goschen Project to Public Exhibition.
- New discovery of **high-grade rare earth, zircon, and titania ore body at Nowie**, 22km north of the proposed Goschen process plant[1].
  - Significant total rare earth oxide, zircon and high value titanium minerals of rutile and leucoxene have been returned.
  - Near-surface target up to 11km long and up to 3km wide with multiple high-grade zones yet to be tested.
- **Maiden Ore Reserve from Area 4** "Orion" deposit added 11.5Mt @ 5.6% THM[2] uplift to the Global Company Ore Reserves to 210.2 Mt.
- Board changes announced during the period were:
  - **Three new Directors** add significant resource development and operational experience to facilitate the next stage of growth for the Company– **Mr Ian Smith, Mr Ron Douglas, and Ms Maree Arnason.**
  - Resignation of Managing Director **Mr Graham Howard** and transition to Non-Executive Director on 1 October 2023 with **Mr Ron Douglas** who transitioned from Non-Executive to Executive Director and Interim CEO on 1 October 2023.
  - Directors **Mr Michael Allen** and **Mr Gamini Colless** retired their Board positions[3].
  - **Mr Don Runge** also announced retirement from the Chairman position and **Mr Ian Smith** will assume the role at conclusion of the 2023 AGM.
- **5-year extensions granted for Mining Exploration Licences** securing the Goschen, Cannie and Nowie Projects, which reside in these tenements[4].
- First Annual General Meeting as a listed company to be held on 20 November 2023[5].

Notes:
1: See ASX release dated 8 August 2023
2: See ASX release dated 29 September 2023
3: See ASX release dated 21 August 2023
4: See ASX release dated 17 August 2023
5: See ASX release dated 15 September 2023

(ASX:VHM)

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

Board of Directors

Don Runge	Non-Executive Chairman
Ron Douglas	Executive Director & Interim Chief Executive Officer
Graham Howard	Non-Executive Director
Ian Smith	Non-Executive Director
Maree Arnason	Non-Executive Director
Ian Hobson	Company Secretary

Registered Office

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

Share Registry

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

Capital Structure

Ordinary Shares: 203,101,902
Options: 8,501,334

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

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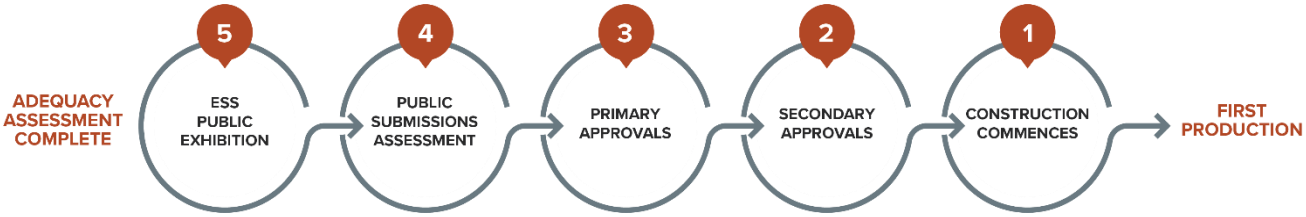
Goschen Project

Permitting

The Approvals team continued to progress the Environment Effects Statement (EES) for the Goschen Project to Public Exhibition.

Extensive work has been undertaken during the quarter to close out regulators' feedback received during the Adequacy Review for authorisation to exhibit the EES. Once this work is completed briefing notes will be sent to the Victorian Minister of Planning to seek formal approval for public exhibition of the EES.



Website and documents supporting the EES during public exhibition have progressed in parallel.

The Company has continued its engagement with stakeholders such as, Earth Resources Regulator, Environment Protection Authority, Gannawarra Shire Council, and the Swan Hill Rural City Council. This early engagement has outlined VHM's timeline for primary approval and requirements for secondary approvals. The Company has also presented to a range of community groups, which has been well received.

Exploration Activities

High-Grade Ore Body Discovered at Nowie

The Company announced a major new discovery of high-grade strandline deposits within the Nowie Project area ("Nowie") (ASX release 8 August 2023). Nowie is located 22 kilometres (km) north of the Company's proposed Goschen treatment plant location (Figure 5).

Drilling confirmed that areas of the Nowie Project contain significant in situ Valuable Heavy Mineral (VHM) grades of zircon, rutile, leucoxene up to two (2) times that of the Goschen Ore Reserve (Table 1). Geological interpretation concludes that the Nowie Project includes multiple high-grade strandline systems which occur above a thick sequence of moderate total heavy mineral (THM) grade sheet style mineralisation up to 20m thick. Interpretation of the drilling and geophysics data indicates the Nowie deposit is at least 3km in width (east to west) and up to 11km in strike length and is open in both north-west and south-west strike direction.

The Nowie Project mineral assemblage and particle analysis indicates mineralisation has similar geo-metallurgical characteristics as those in Area 1 Goschen Project, additional metallurgical testwork will be completed as part of future programs. Evaluation of the Company's geophysics data confirms that there is a second major strandline system to the west of the current Nowie drilling site (Figure 2). This will be subject of future exploration programs.

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The outcomes from the Nowie exploration program confirms that the Company has established a significant new Critical Mineral Province stretching over a strike length of greater than 55km in North West Victoria. This province ranges from the Cannie Project in the south, includes the Goschen Project and extends north to include the Nowie Project. (Figure 5).

Future activities will include the release of a maiden Nowie Mineral Resource estimate and further exploration works targeting high grade strandline areas.

Table 1: Nowie high THM grades compared to the Goschen Ore Reserve grades

Area	Material	Total Heavy Mineral (THM)	THM assemblage[2]						Valuable Heavy Mineral (VHM)[3]	In-situ VHM[4]
			Zircon	Rutile	Leucoxene	Ilmenite	Monazite	Xenotime		
		(%)	(%)	(%)	(%)	(%)	(%)	(%)	(%)	(%)
Nowie	HG Zones[1]	7.5	21.8	16.1	25.1	6.5	2.9	0.7	73.1	5.6
Goschen	Ore Reserve[5]	4.0	23.6	9.9	8.5	25.1	3.7	0.7	71.5	2.9

Notes: Any discrepancies in totals area function of rounding.

1. *Nowie high-grade zones comprise composite samples 23Q0052,23Q0054,23Q0057 in weighted average.*
2. *Mineral assemblage, via QEMScan Particle Analysis, is reported as a percentage of in situ THM content.*
3. *VHM grade is calculated by adding the mineral assemblage of Zircon, Rutile, Leucoxene, Ilmenite, Monazite and Xenotime.*
4. *In-situ VHM Grade is calculated by THM grade multiplied by VHM grade.*
5. *The Goschen Ore Reserve grades were reported in ASX Announcement "Goschen Project DFS Refresh" dated 28 March 2023.*

Figure 1: Nowie geophysics interpretations with identified strandline targets

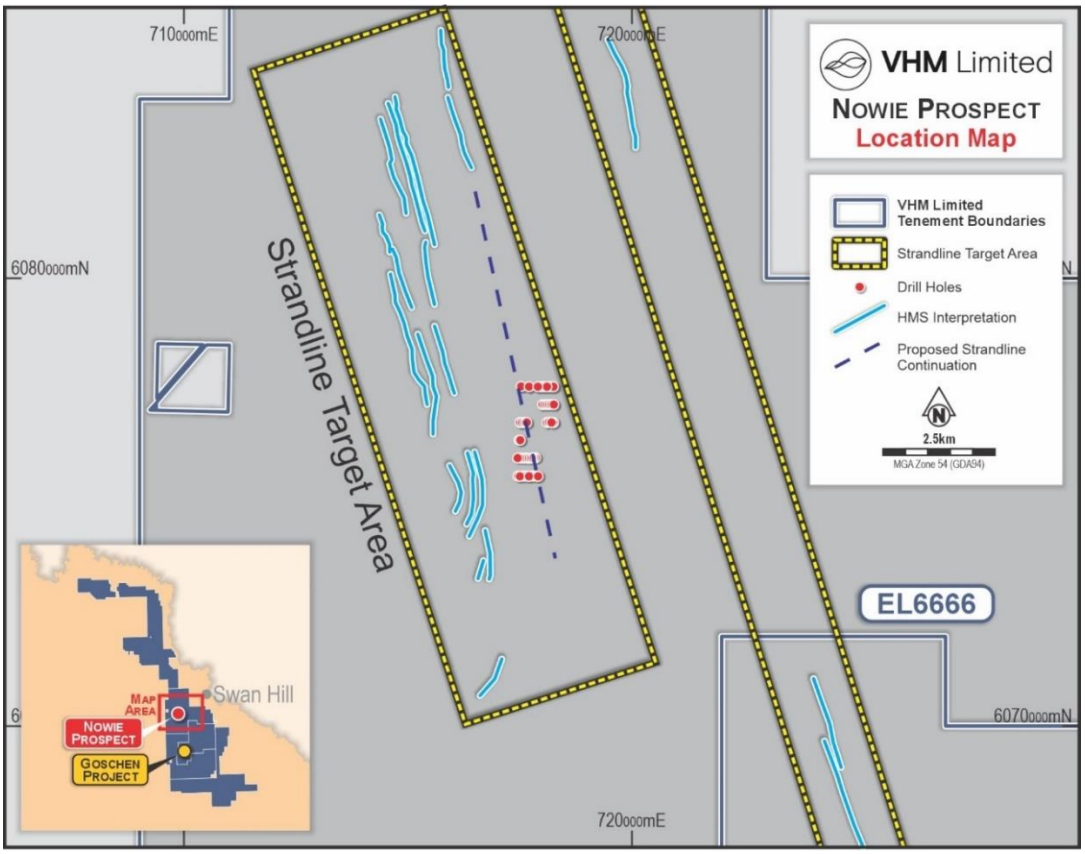

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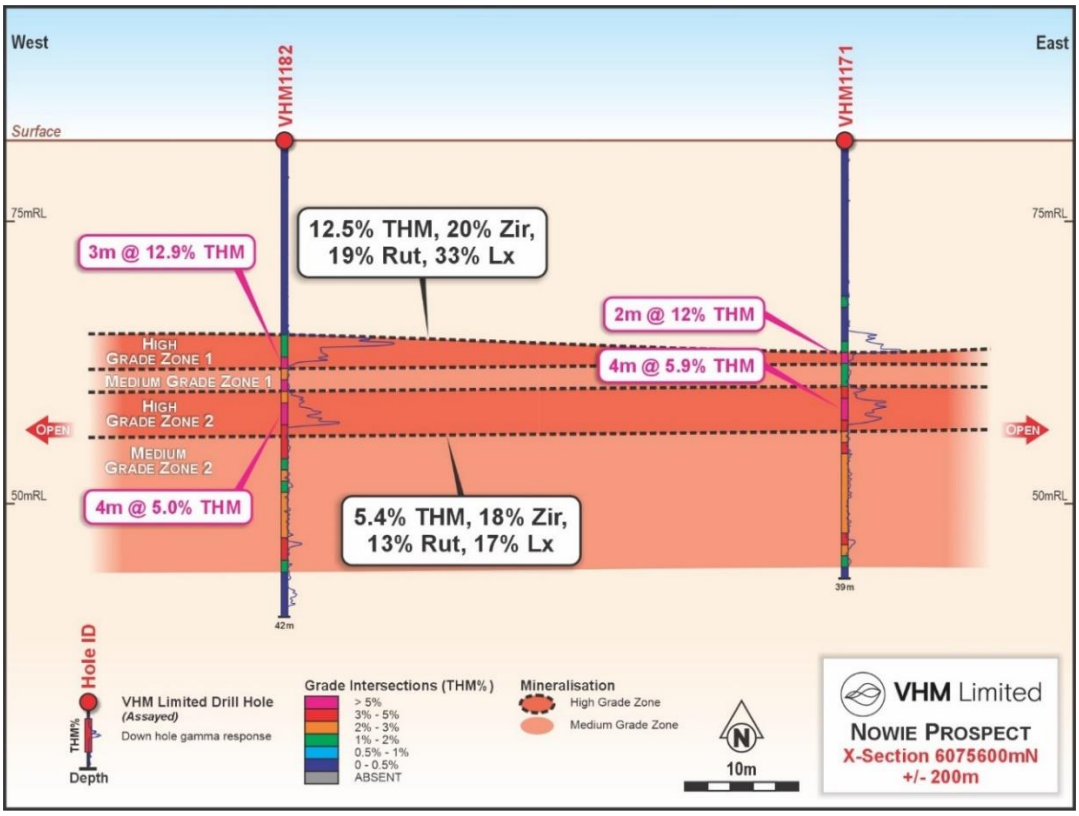
Figure 2: Cross section 6075600mN indicating near surface high-value THM composites (12.5%)



Maiden Ore Reserve for Area 4 "Orion" Released

The Area 4 maiden Ore Reserve was released during the period (ASX release 29 September 2023) and added 11.5 Mt @ 5.6% THM Probable Ore Reserve to the Company's Global Ore Reserve (Table 2).

A high-grade mineable horizon of 2.6 Mt @ 9.6% THM exists at the top of the Area 4 ore body (Table 3). The horizon contains:

- 245,500 tonnes of mineable THM
- 67,700 tonnes of zircon at an in-situ grade of 2.6% (representing 27.6% of the economic mineral assemblage of ore in this upper horizon)
- Average in-situ grade of the upper horizon is a standout 2300ppm Total Rare Earth Oxide (TREO)
- Significantly higher rutile and leucoxene grades than previous seen within the Goschen Project Ore Reserve.

Area 4 is situated 8km to the north of the proposed Goschen Rare Earths and Mineral Sands process plant (proposed base plant to be located in Area 1) (Figure 3).

The Ore Reserve estimate was prepared by Auralia Mining Consulting Pty Ltd. The analysis used information predominately from the Definitive Feasibility Study Refresh (ASX release 28 March 2023) in combination with work based on the metallurgical results announced on 25 January 2023.

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Figure 3: Goschen Rare Earths and Mineral Sands Project Ore Reserve and Mineral Resource estimates

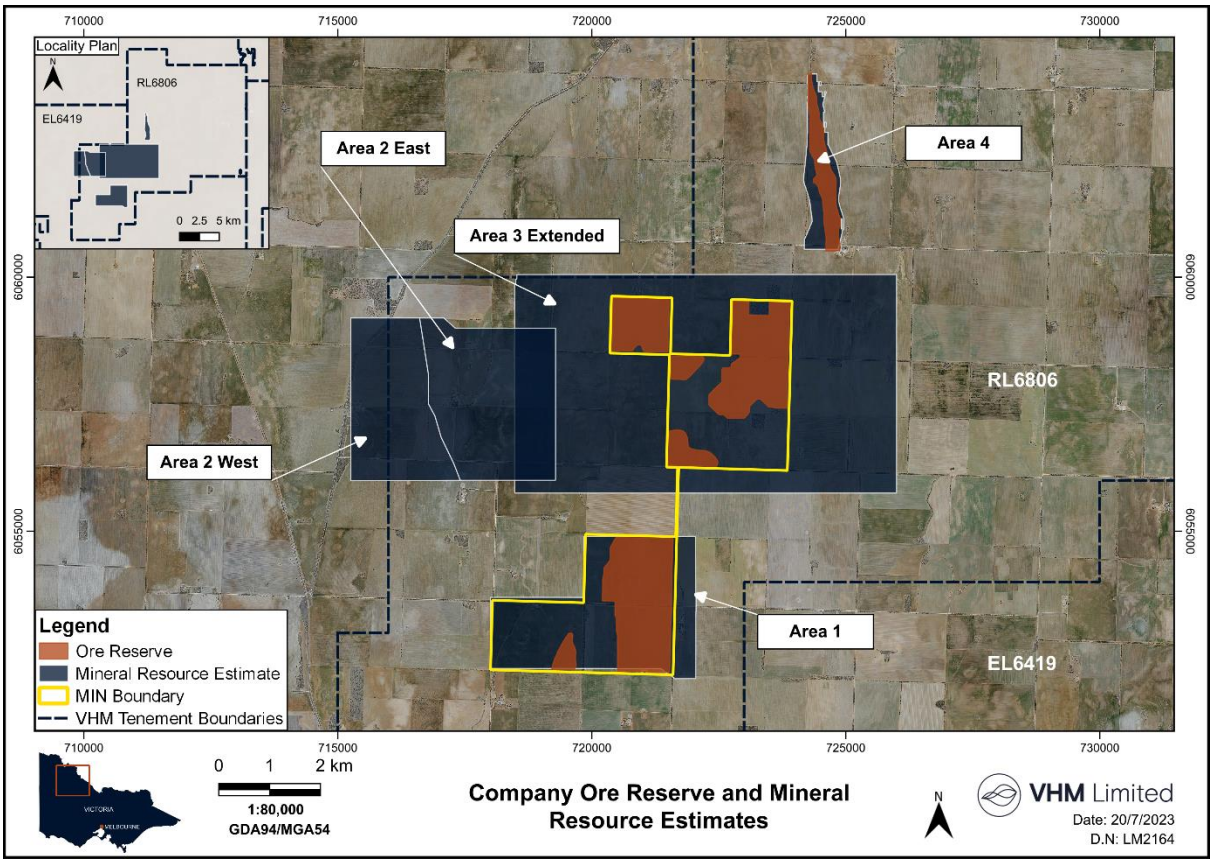


Table 2: Area 4 Ore Reserve

Reserve Classification	Ore[1] (Mt)	THM[1] (%)	Valuable Heavy Mineral Grade[2] (%)						TREO[3] (%)
			Zircon	Rutile	Leucoxene	Ilmenite	Monazite	Xenotime	
Probable	11.5	5.6	19.6	12.2	10.1	24.6	3.0	0.7	1.88

Within this Probable Ore Reserve, several zones were categorised (Zones 2 – 11) and Zone 5 delivered the highest mineral sands and rare earth grades (Table 3).

Table 3: Area 4 (Zone 5 subsection) Ore Reserve

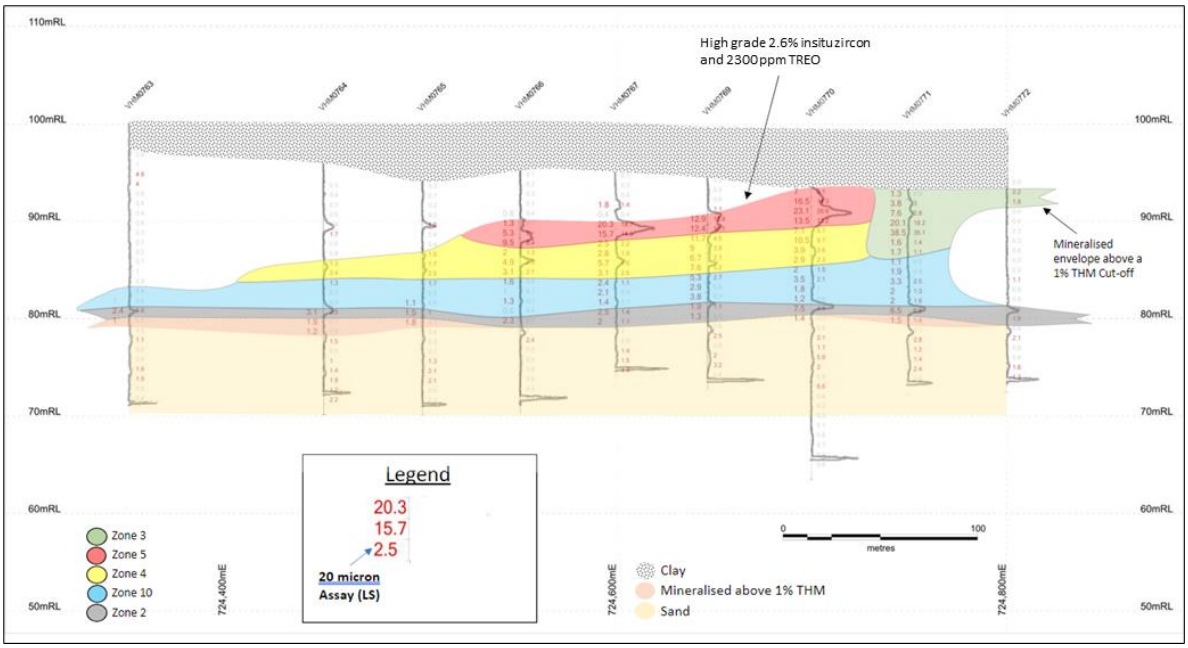
Reserve Classification	Ore[1] (Mt)	THM[1] (%)	Valuable Heavy Mineral Grade[2] (%)						TREO[3] (%)
			Zircon	Rutile	Leucoxene	Ilmenite	Monazite	Xenotime	
Probable	2.6	9.6	27.6	14.2	11.9	29.1	3.6	1.0	2.40

A high-grade strandline deposit within Area 4 was previously defined by resource definition drilling in 2018 and 2019. At this time, 1.6 tonnes of material were collected from four geological domains of

[1] *Ore Tonnes and THM grades are reported as mined.*
[2] *VHM grades are reported as a percentage of THM.*
[3] *Total Rare Earth Oxides + Yttrium (TREO) reported as a percentage of THM.*

interest. This material was characterized by Mineral Technologies and then treated though the Goschen Project mineral sands process flowsheet (ASX release 25 January 2023). This process confirmed that Area 4 material is amenable to processing through the flowsheet proposed for the Goschen Project. This is in addition to the previous global Company Ore Reserves of 198.7Mt. The Total Company Ore Reserves now stand at 210.2 Mt @ 3.8% THM (Appendix 1, **Error! Reference source not found.**1).

Figure 4: Area 4 Cross Section illustrating the location of Zone 5 (pink) at the top of the mineralised zone



Exploration Licence Renewals

VHM announced that five-year extensions were granted for Exploration Licences (EL) 6419, 6664 and 6666, with new expiry dates of 17 May 2028, 17 June 2028, and 17 June 2028 respectively (ASX release 17 August 2023). A regional map showing the tenement locations is provided on Figure 5.

During the period, the Company received a 5-year extension for EL6769 with a new expiry date of 27 August 2028. VHM's total exploration licences covers an area of 2,860km^2. Refer to Table 4 for all licence details.

The tenements are critical Company assets, and these licence extensions secure the future of the Goschen, Cannie and Nowie Projects, which fall within these tenements.

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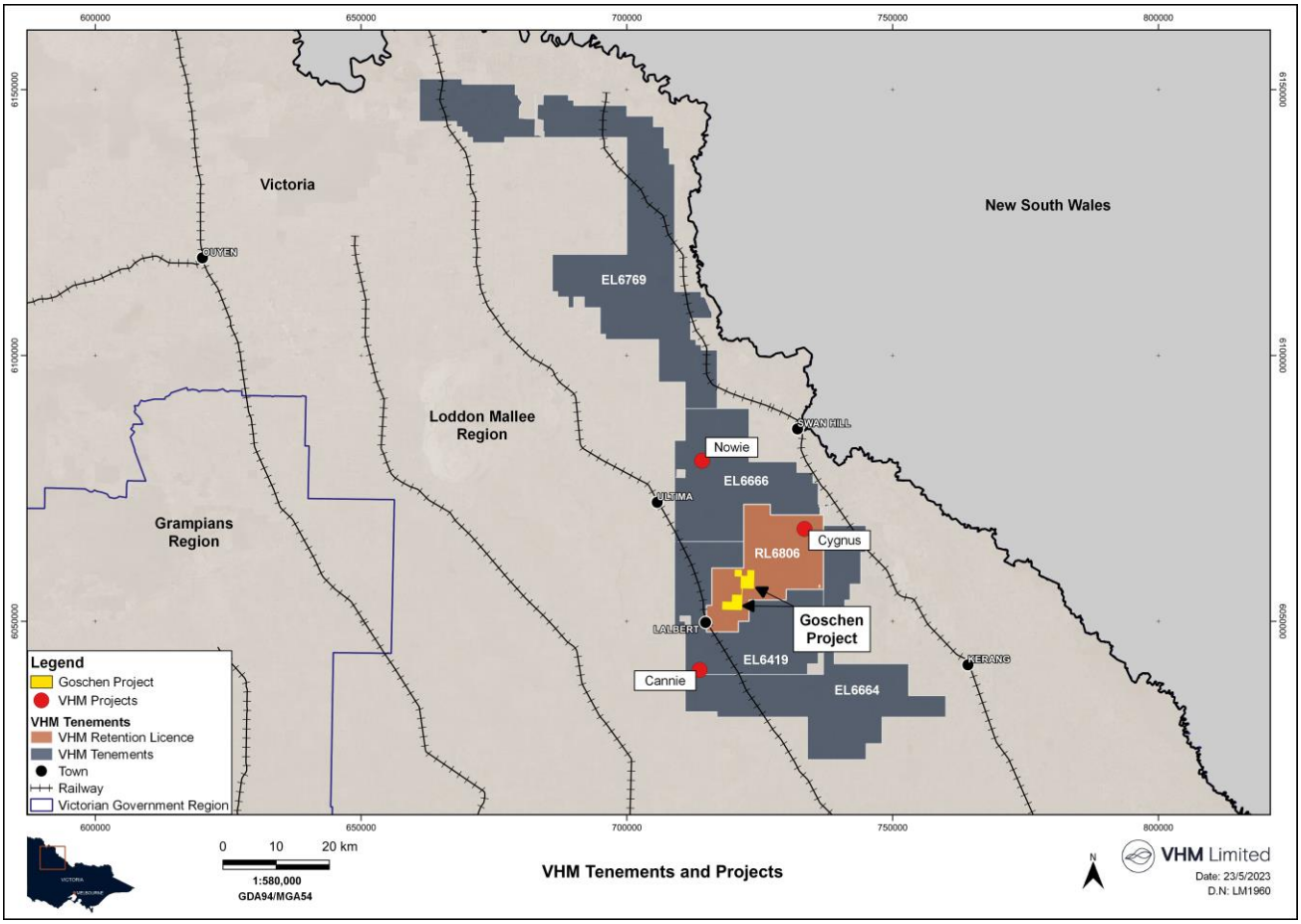
Figure 5: VHM tenements



Corporate Update

Board of Directors Transitions

The Company announced a number of changes to the Board of Directors (ASX release dated 21 August 2023):

- Appointments of new Directors - Mr Ian Smith, Mr Ron Douglas, and Ms Maree Arnason as Non-Executive Directors, effective 18 August 2023.
- Mr Don Runge will retire as Chairman at the conclusion of the 2023 Annual General Meeting and resume a Non-Executive Director position.
- Retirement of Mr Michael Allen (Executive Director) and Mr Gamini Colless (Non-Executive Director) from the Board effective 18 August 2023.
- Resignation of Mr Graham Howard from the Managing Director role and his transition into a Non-Executive role, effective from 30 September 2023.

The operational knowledge that the new Directors bring will be invaluable to guide the Executive Team through the build, commissioning and operation phases required to produce and sell rare earth mineral products from the Goschen Project and is consistent with the Company plan to position VHM with the requisite skills to progress into production.

In ASX announcement dated 15 September 2023, the recently appointed Directors, Mr Ian Smith, and Mr Ron Douglas, agreed to step into the roles of Chairman (at conclusion of the 2023 Annual General Meeting and Executive Director & Interim CEO (effective 1 October 2023) respectively.

These changes were made to continue to refresh the Company's strategic approach, first flagged on 21 August 2023 with the appointment of the three new Directors to the Board, and Mr Graham Howard transitioning to a Non-Executive Director.

Mining Tenements held by VHM Limited

Table 4: Company 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	09/01/2027
EL 6419	North West Victoria	VHM Ltd	Cannie	Current	443	18/05/2023	17/05/2028
EL 6664	North West Victoria	VHM Ltd	Cannie	Current	618	18/06/2023	17/06/2028
EL 6666	North West Victoria	VHM Ltd	Nowie	Current	447	18/06/2018	17/06/2028
EL 6769	North West Victoria	VHM Ltd	Exploration	Current	1041	27/08/2018	27/08/2028
Total Km^2					***2,860***		
Tenements pending transfer to VPM[1]							
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*
Total Km^2					**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.

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Finance

At quarter end the Company held $13.9 million. The Company's unaudited quarterly cash flow report is disclosed in Appendix 5B.

The Company continues to engage with a number of domestic, European, Asian, and North American prospective partners for offtake agreements for its products.

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 September 2023 against the Use of Funds in the Company's Prospectus from October 2022 to October 2023.

Note the Exploration & Appraisal section below relates specifically to drilling activities whereas exploration costs set out in the quarterly cash flow report includes all Exploration and Evaluation expenditure, including but not limited to the Goschen Project pre-development expenditure.

The expenditure to date is generally less than that anticipated at the time of preparation of the Company's prospectus as the Company has constrained its expenditure pending approval of the Goschen EES. Owing to the slower rate of expenditure and the interest income earned, the working capital and liquidity buffer has increased to $2 million.

Table 5: Use of funds

Source and uses of funds	Funds allocated under Prospectus	Actual to September	Balance Remaining
Goschen Project			
- **Metallurgical and hydromet circuit testwork**	4,700,000	4,300,000	400,000
- **Front end engineering and design**	5,700,000	3,500,000	2,200,000
- **Approvals**	7,700,000	3,400,000	4,300,000
Land acquisition and community	11,300,000	7,600,000	3,700,000
Exploration & appraisal			
- **Cannie Project**	2,300,000	1,800,000	500,000
- **Nowie Project**	1,100,000	900,000	200,000
- **Licence fees / other exploration**	800,000	500,000	300,000
Corporate (net General & Administrative)	2,200,000	2,000,000	200,000
Interest costs and costs of offer	4,300,000	4,200,000	100,000
Working capital and liquidity buffer	1,000,000	-	2,000,000
Total	41,100,000	28,200,000	13,900,000

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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 during the quarter was $3.25 million materially comprising hydromet testwork and Goschen EES approvals 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 4. 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 5.
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 Results

The information in this announcement regarding the Mineral Resource estimate, the Ore Reserves estimate, and Exploration Results for the Goschen, Cannie and Nowie Projects were set out in the Prospectus dated 21 November 2022 and updated in ASX Announcements referenced herein.

The information was extracted from the Company's previous ASX announcements as follows:

- Mineral Resource Statement: "New Cannie Critical Mineral Project" 16 May 2023
- Definitive Feasibility Study: "Goschen Project DFS Refresh" 28 March 2023
- Nowie Exploration Results: "Drilling Results Indicate New High-Grade Ore Body at Nowie" 8 August 2023
- Company Ore Reserve update: "Outstanding Results for Area 4 of the VHM Leases" 29 September 2023.

The Company confirms that it is not aware of any new information or data that materially affects the results of exploration, Mineral Resource and Ore Reserve Estimates referenced in the relevant market announcement and that all material assumptions and technical parameters underpinning the Mineral Resource and Ore Reserve 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.

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Further Information

Carly O'Regan
Executive General Manager
M: +61 (0)431 068 814
E: carly.oregan@vhmltd.com.au

Ian Hobson
Company Secretary
M: +61 (0)407 421 185
E: ian.hobson@vhmltd.com.au

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Appendix 1: Company Mineral Estimate and JORC Ore Reserves

Table 1: Company Mineral Resources estimate at end of period ended 30 September 2023

Area	Resource Category	Material	In-situ THM	Bulk Density	Total Heavy Mineral (THM)	Slimes	Oversize material >2mm	THM Assemblage[3]						Rare Earth Oxides														
								Zircon	Rutile	Leucoxene	Ilmenite	Monazite	Xenotime	CeO_2	Dy_2O_3	Er_2O_3	Eu_2O_3	Gd_2O_3	La_2O_3	Nd_2O_3	Pr_6O_{11}	Sm_2O_3	Tb_4O_7	Tm_2O_3	Y_2O_3	Yb_2O_3	TREO
		(Mt)	(Mt)	(gcm^3)	(%)	(%)	(%)	(%)	(%)	(%)	(%)	(%)	(%)	(%)	(%)	(%)	(%)	(%)	(%)	(%)	(%)	(%)	(%)	(%)	(%)	(%)	(%)
Area 1(1)	Measured	30.7	1.8	1.76	5.72	15	5	29.9	10.8	9.0	24.7	4.3	0.8	0.96	0.07	0.05	0.004	0.06	0.48	0.38	0.11	0.07	0.01	0.01	0.47	0.05	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	1.11	0.07	0.05	0.004	0.07	0.53	0.46	0.12	0.08	0.02	0.01	0.48	0.05	3.04
	Total	**92.9**	**3.2**	**1.73**	**3.44**	**17**	**3**	**27.7**	**11.2**	**9.1**	**24.9**	**4.5**	**0.8**	**1.06**	**0.07**	**0.05**	**0.004**	**0.07**	**0.51**	**0.43**	**0.12**	**0.08**	**0.02**	**0.01**	**0.48**	**0.05**	**2.94**
Area 2 West(1)	Indicated	26.0	0.7	1.72	2.80	20	8	22.0	16.0	12.0	25.0	3.0	1.0	0.66	0.06	0.04	0.003	0.05	0.31	0.28	0.07	0.05	0.01	0.01	0.39	0.04	1.97
	Total	**26.0**	**0.7**	**1.72**	**2.80**	**20**	**8**	**22.0**	**16.0**	**12.0**	**25.0**	**3.0**	**1.0**	**0.66**	**0.06**	**0.04**	**0.003**	**0.05**	**0.31**	**0.28**	**0.07**	**0.05**	**0.01**	**0.01**	**0.39**	**0.04**	**1.97**
Area 3(1)	Indicated	204.1	6.9	1.73	3.38	19	3	19.2	9.0	8.0	25.0	3.2	0.6	0.78	0.05	0.04	0.000	0.05	0.36	0.33	0.09	0.06	0.01	0.01	0.37	0.04	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	0.76	0.05	0.03	0.003	0.05	0.35	0.31	0.08	0.06	0.01	0.01	0.36	0.03	2.10
	Total	**491.8**	**13.6**	**1.73**	**2.76**	**18**	**3**	**18.2**	**8.9**	**7.7**	**23.9**	**3.0**	**0.6**	**0.77**	**0.05**	**0.03**	**0.003**	**0.05**	**0.36**	**0.32**	**0.09**	**0.06**	**0.01**	**0.01**	**0.36**	**0.04**	**2.14**
Area 4(1)	Indicated	18.0	0.8	1.74	4.60	20	5	19.0	11.0	10.0	24.0	3.0	1.0	0.67	0.05	0.03	0.002	0.05	0.32	0.28	0.07	0.05	0.01	0.01	0.33	0.04	1.90
	Total	**18.0**	**0.8**	**1.74**	**4.60**	**20**	**5**	**19.0**	**11.0**	**10.0**	**24.0**	**3.0**	**1.0**	**0.67**	**0.05**	**0.03**	**0.002**	**0.05**	**0.32**	**0.28**	**0.07**	**0.05**	**0.01**	**0.01**	**0.33**	**0.04**	**1.90**
Cannie(2)	Inferred	191.7	5.9	1.70	3.1	19	6	24.5	15.5	24.3	2.1	4.1	0.8	1.06	0.07	0.05	0.004	0.07	0.49	0.45	0.12	0.08	0.01	0.01	0.49	0.05	3.00
	Total	**191.7**	**5.9**	**1.70**	**3.1**	**19**	**6**	**24.5**	**15.5**	**24.3**	**2.1**	**4.1**	**0.8**	**1.06**	**0.07**	**0.05**	**0.004**	**0.07**	**0.49**	**0.45**	**0.12**	**0.08**	**0.01**	**0.01**	**0.49**	**0.05**	**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	0.96	0.07	0.05	0.004	0.06	0.48	0.38	0.11	0.07	0.01	0.01	0.47	0.05	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	0.81	0.05	0.04	0.003	0.05	0.38	0.34	0.09	0.06	0.01	0.01	0.38	0.04	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	0.90	0.06	0.04	0.003	0.06	0.42	0.37	0.10	0.07	0.01	0.01	0.42	0.04	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**	**0.87**	**0.06**	**0.04**	**0.003**	**0.06**	**0.41**	**0.36**	**0.10**	**0.07**	**0.01**	**0.01**	**0.41**	**0.04**	**2.43**

	Material	In-situ TREO Grade[4]	In-situ TREO
	(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
THM 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 at end of period ended 30 September 2023

					Valuable Heavy Mineral Grade					
Area	Date	Classification	Ore	THM	Zircon	Rutile	Leucoxene	Ilmenite	Monazite	Xenotime
			(Mt)	(%)	(%)	(%)	(%)	(%)	(%)	(%)
Area 1	Mar-21	Proven	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
Area 4	Sept 23	Probable	11.5	5.6	19.6	12.2	10.1	24.6	3.0	0.7
TOTAL		**Proven**	24.5	5.4	29.9	10.8	9.0	24.7	4.3	0.8
		Probable	185.7	3.6	21.0	9.8	8.3	25.7	3.5	0.6
GRAND TOTAL			210.2	3.8	22.0	9.9	8.4	25.6	3.6	0.6

Note: VHM grades are reported as a percentage of THM

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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 2023

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	(1,734)	(1,734)
	e. administration and corporate costs	(1,333)	(1,333)
1.3	Dividends received (see note 3)	-	-
1.4	Interest received	73	73
1.5	Interest and other costs of finance paid	(168)	(168)
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**	**(3,162)**	**(3,162)**
2.	**Cash flows from investing activities**		
2.1	Payments to acquire or for:		
	a. entities	-	-
	b. tenements	-	-
	c. property, plant and equipment	(297)	(297)
	d. exploration & evaluation	(3,250)	(3,250)
	e. investments	-	-
	f. other non-current assets	11	11
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 (provide details if material)	-	-
2.6	**Net cash from / (used in) investing activities**	**(3,536)**	**(3,536)**
3.	**Cash flows from financing activities**		

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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)	-	-
3.10	**Net cash from / (used in) financing activities**	**-**	**-**

4.	**Net increase / (decrease) in cash and cash equivalents for the period**		
4.1	Cash and cash equivalents at beginning of period	20,649	20,649
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(3,162)	(3,162)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(3,536)	(3,536)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	-	-
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	**Cash and cash equivalents at end of period**	**13,951**	**13,951**

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	4,725	4,725
5.2	Call deposits	9,223	9,223
5.3	Bank overdrafts	-	-
5.4	Other (Petty cash)	3	3
5.5	**Cash and cash equivalents at end of quarter (should equal item 4.6 above)**	**13,951**	**13,951**

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	626
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** *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.*	**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)	(3,162)
8.2	(Payments for exploration & evaluation classified as investing activities) (item 2.1(d))	(3,250)
8.3	Total relevant outgoings (item 8.1 + item 8.2)	(6,412)
8.4	Cash and cash equivalents at quarter end (item 4.6)	13,951
8.5	Unused finance facilities available at quarter end (item 7.5)	-
8.6	Total available funding (item 8.4 + item 8.5)	13,951
8.7	**Estimated quarters of funding available (item 8.6 divided by item 8.3)**	2.18

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.

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

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.

Compliance statement

1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule19.11A.

2 This statement gives a true and fair view of the matters disclosed.

Date: 24 October 2023

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

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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.

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