ASX Release

13 February 2025

Staged Expansion to Critical Minerals Production

Goschen project key highlights

- **First production in ~ 2 years**
- **NPV_8 > A$1.5B, IRR >60%, Payback < 3.5 Years**
- **Financing, licensing and permits by end of 2025**
- **Progressing discussions with multiple offtake partners**
- **Largely self-funded to 5mtpa after initial capital of A$160M**
- **Long mine life with exploration upside within existing leases**
- **Low sovereign risk**

VHM Limited (ASX: VHM or the "Company") is pleased to provide further details of its development strategy for the world-class Goschen Rare Earths and Mineral Sands Project in Victoria, Australia.

The strategy outlines a staged approach to production, leveraging a dual revenue stream of Rare Earths and Heavy Mineral Concentrate(s) to fund expansion, and builds on the robust foundation established during the Goschen Definitive Feasibility Study (DFS) and Goschen Project DFS refresh[1]. This follows the recent Victorian Minister for Planning endorsement of the Environment Effects Statement (EES).

Staged development strategy overview

As previously announced[2], VHM intends to commence production at an initial rate of 1.5 million tonnes per annum (Mtpa), with plans to expand to the permitted 5Mtpa throughput. The initial phase is expected to generate operational cash flow to fund the expansion.

This development strategy incorporates updated capital expenditure (capex) and operating expenditure (opex) estimates provided by our partner contractors, building on the technical data and flowsheets from the DFS (including the JORC compliant Reserves detailed in the appendices) and outcomes from the EES process. This comprehensive analysis confirms the project's robust economics and significant value potential.

The Board of VHM commissioned a review of a staged approach from 1.5mtpa to 5mtpa based on the 2023 Goschen Project DFS Refresh, updated for the revised and current capital and operating costs. On this basis the Board signed off on the revised development strategy with key information presented in summary below.

[1] See ASX release 28 March 2023 Goschen Project DFS refresh
[2] See ASX release 22 January 2025 Goschen Project update – Pathway to Production

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Construction Phase summary (A$ nominal terms)

	Stage 1 (Year 1 – 3)	Stage 2 (Year 4-22)
Construction commences (subject to secondary approvals)	Q4 2025	Q4 2028
Construction completion	Q3 2026	Q3 2029
Pre-production capital (see breakdown below for Stage 1)	$160 million	$85 - $90 million

Pre-Production Capital Phase 1 breakdown (A$ nominal terms)

	Stage 1 (Year 1-3)
Mining unit plant, feed preparation plant, wet concentrator plant, rare earth float circuit, non-process infrastructure	$53 million
Water pipeline, roads, infrastructure	$20 million
Pre-production capex	$15 million
Project ancillary costs	$47 million
Non-project related costs	$10 million
Contingency	$15 million
Total	**$160 million**

To minimise the upfront capital VHM is utilising a modular process plant sized for 1.5Mtpa throughput, simple infrastructure such as transportable buildings, power and water sized for the throughput and all mining capital is included in the mining unit rates. As indicated, the product streams are a Rare Earth Mineral Concentrate and Heavy Mineral Concentrate with no further processing. The same approach is continued with the expansion of the throughput, with additional modular process plant installed adjacent to the existing facilities. This modular approach has delivered capital savings when compared to the previous larger bespoke development originally proposed. The operating experience at 1.5Mtpa will enable informed decisions about the expansion to 5Mtpa in year three.

Basis of Estimate

The updated capital cost estimate pricing was developed in Q4 2024 and is in Australian dollars. Pricing was obtained from suppliers and contractors for the Process plant and Infrastructure. The Capital estimate has an estimated accuracy of -15%+15%. The operating cost estimate is based on current industry rates, mining contractor, labour, accommodation, power, water, reagents and consumables, product transport, tailings management, rehabilitation (provided by contractors) and updated market pricing for reagents and consumables. Allowances for future maintenance and other items are factored as presented in the existing DFS refresh.

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Operations summary (A$ nominal terms)

	Stage 1 (Year 1 – 3)	Stage 2 (Year 4-22)
Mine throughput	1.5Mtpa	5.0Mtpa
Life of mine	Initial 3 years	+19 years
Forecast 1st production	Q4 2026	Q4 2029
Production (tonne per annum) Rare Earth Mineral Concentrate (REMC) Zircon/Titania Heavy Mineral Concentrate (HMC)	 4,300 tpa 69,000 tpa	 9,000 tpa 134,000 tpa
Operating costs (average per year) (includes mining contractor, labour, accommodation, power, water, reagents and consumables, product transport, tailings management, rehabilitation)	$77 million p.a.	$175 million p.a.

Mining schedule

The mining production schedule is shown below. This schedule incorporates only Proved and Probable material, there is no Inferred material within the ore mined.

	Year 1 – 3	Year 4-22	LoM
Waste mining (Mt)	22.0	212.6	234.6
Ore mining (Mt)	7.7	91.1	98.8
Total HM	7.2%	3.8%	4.0%

Mining method

Standard truck/excavator open pit mining methods will be employed in a strip/block mining operation, with excavation, tailings deposition and rehabilitation being undertaken in a progressive sequence. The proposed mining sequence has been optimised to allow for complete extraction of ore, construction of in-pit tailings cells and deposition of homogenised tailings into each tailings cell without the need for an above-ground Tailing Storage Facility (TSF). Mine waste will initially be stored on surface until such time as it can be used to construct the in-pit tailings cell bunds and to cover the deposited tailings to replicate pre-mining topography as closely as possible.

Processing method

Processing of ore for the Ore Reserve Estimate consists of a Mining Unit Plant (MUP), Feed Preparation Plant (FPP), Wet Concentrator Plant (WCP) and Rare Earth Flotation Circuit (REFC). Industry standard metallurgical processes and equipment are proposed for the Project.

Contractor delivery model

Underpinning the capex and opex pricing, as previously advised, VHM has entered a partnership with Yellow Iron Fleet[3] and have selected contractors who have specialist skills in Process Plant delivery and Infrastructure (water pipeline etc.). Mining rates are provided as unit rates per tonne/m3 of material movement based on contractor experience and detailed

[3] See ASX release 28 May 2024 MOU Mining Partnership Agreement for the Goschen Project

analysis of the Geotech and drill core data. Process plant capex and opex is provided by specialist contractors with recent (current) similar scope delivery. Infrastructure has been priced by contractors and will be undertaken on a Design and Construct basis.

The above inputs provide VHM with a level of confidence that both capex and opex reflect current market conditions.

Key Financial metrics (A$ nominal terms)

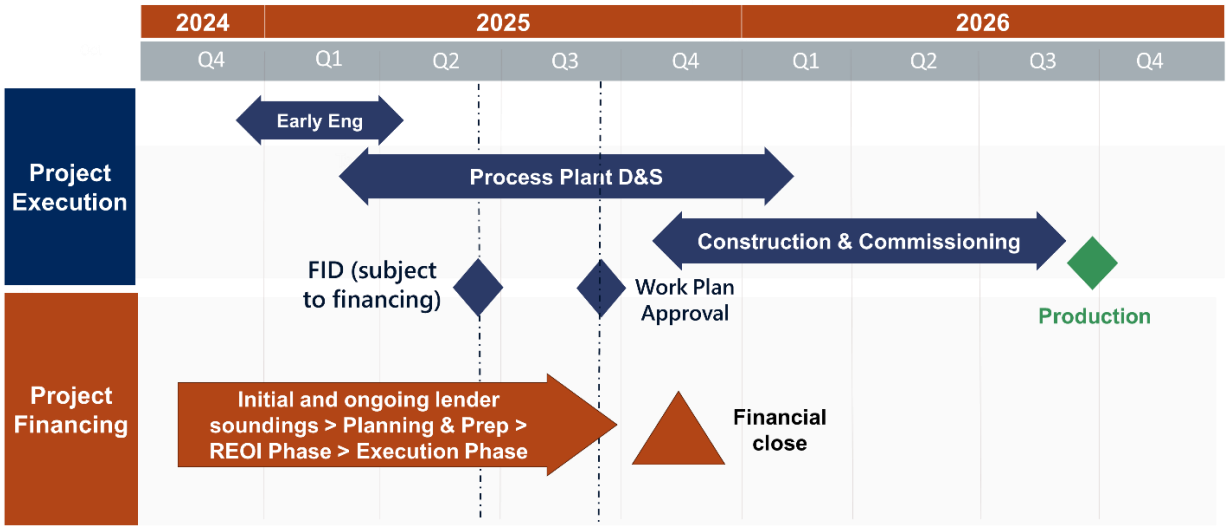
	Combined Stage 1 and 2
NPV_8 [4] (pre-tax, pre-corporate costs)	$1,640 million
IRR (pre-tax, pre-corporate costs)	65%
Payback (pre-tax, pre-corporate costs)	3.3 years

Assumptions

The financial and operational projections are based on the following key assumptions:

- The Mining Licence and secondary approvals are received in 2025
- Subject to receiving the remaining approvals this will allow VHM to progress to a Financial Investment Decision (FID) and secure financing in 2025
- Pricing assumptions are based on Adamas Intelligence[5] (REMC) and TZMI[6] (HMC)
- FX assumptions A$/US$ 0.675 years1-3 and 0.700 year 4 onwards

Timeline to production[7]



[4] The discount factor was revised to 8% (from 10% DFS refresh) based on the EES endorsement considerably de-risking the projects advancement

[5] Adamas Intelligence are providers of market intelligence on rare earth and battery minerals a report "Rare Earth Pricing Quarterly Outlook Q3" was utilised for the pricing in the financial model

[6] TZMI global independent and publishing company specialising in mineral sands a report supplied dated September 2023 was utlised for the pricing in the financial model

[7] This timeline is indicative only as described in this document may be impacted by a variety of factors

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Project financing and offtake strategies

The Company has commenced discussions with numerous project financiers and strategic offtake partners for the balance of its offtake[8] and will provide updates as they progress (as mentioned above subject to FID).

Key relationships and project stages

VHM will continue to work closely with the Government, its partners, contractors, financiers and stakeholders to advance the Goschen Project towards production.

Next key milestones include the mining licence and secondary approvals, financing arrangements, awarding of major contracts, and commencing construction activities whilst continuing our strong community engagement.

VHM's Managing Director, Ron Douglas, commented:

"The Goschen Project represents a world-class opportunity to deliver critical minerals essential for the global energy transition. Our phased development strategy ensures a low-risk pathway to production, with strong cash flows from the initial 1.5Mtpa operation funding the expansion to 5Mtpa. The project's economics include a 65% IRR and a 3.3-year payback period (pre-tax), underscoring its potential to create significant value.

With the Environment Effects Statement (EES) now endorsed and key technical and financial parameters confirmed, we are well-positioned to rapidly advance the Goschen Project towards production. In the near term, we are targeting several key milestones including financing and offtake agreements, securing contractors for development and commencing construction. We look forward to keeping the market updated as we progress this exciting project."

ENDS

This announcement is approved by the VHM Board of Directors.

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About VHM Limited (ASX: VHM)

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[8] See ASX release 31 January 2024 VHM Signs Binding Offtake Agreement

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Compliance Statement - Mineral Resources and Ore Reserves

The information in this announcement regarding the Company's Mineral Resource estimate and the Ore Reserves estimate for the Company's Projects set out in this report were contained in the Prospectus dated 21 November 2022 and updated in the following ASX Announcements:

- Definitive Feasibility Study: "Goschen Project DFS Refresh" 28 March 2023.
- Mineral Resource Statement: "New Cannie Critical Mineral Project" 16 May 2023.
- Company Ore Reserve update: "Outstanding Results for Area 4 of the VHM Leases" 29 September 2023.
- The Nowie Mineral Resource estimate referred to herein is extracted from the ASX release "Quarterly Activities Report for the period ended 31 December 2023" 24 January 2024.
- Mineral Resource Statement: "Approvals Progress and Increased Area 2 MRE" 9 April 2024.

Except as set out in this announcement the Company confirms that it is not aware of any new information or data that materially affects the Mineral Resource and Ore Reserve Estimates referenced in the above-mentioned market announcements and that all material assumptions and technical parameters underpinning the Mineral Resource and Ore Reserve estimates continue to apply and have not materially changed. The Company confirms that the form and context in which the Competent Persons' findings are presented have not been materially modified.

Mineral Resources

The Company's total Mineral Resource inventory consists of 892.1Mt @ 3.0% THM, with 30.7Mt of Measured Resources and a total 5.6Mt zircon, 3.0Mt rutile and 650,000 tonnes TREO + Y2O3.

	Area	Mineral Resource Category	Material	In Situ THM	Bulk Density	Total Heavy Mineral (THM)	Slimes	Oversize material >2mm	THM Assemblage[4]						Rare Earth Oxides																
									Zircon	Rutile	Leucoxene	Ilmenite	Monazite	Xenotime	La_2O_3	CeO_2	Pr_6O_{11}	Nd_2O_3	Sm_2O_3	Eu_2O_3	Gd_2O_3	Tb_4O_7	Dy_2O_3	Ho_2O_3	Er_2O_3	Tm_2O_3	Yb_2O_3	Lu_2O_3	Y_2O_3	TREO + Y_2O_3
			(Mt)	(Mt)	(gcm3)	(%)	(%)	(%)	(%)	(%)	(%)	(%)	(%)	(%)	(%)	(%)	(%)	(%)	(%)	(%)	(%)	(%)	(%)	(%)	(%)	(%)	(%)	(%)	(%)	(%)	(%)
Goschen	Area 1	Measured	30.7	1.8	1.76	5.7	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	2.3	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**	**3.4**	**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 3	Indicated	204.1	6.9	1.73	3.4	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	2.3	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**	**2.8**	**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 2	Indicated	75.5	2.39	1.73	3.2	21	7	20.51	12.60	9.5	23.1	3.4	0.7	0.41	0.88	0.10	0.37	0.07	0.00	0.06	0.01	0.06	0.01	0.04	0.01	0.05	0.00	0.42	2.48
		Inferred	5.74	0.18	1.73	3.1	21	8	19.32	10.15	7.6	21.7	3.6	0.6	0.45	0.95	0.11	0.39	0.07	0.00	0.06	0.01	0.06	0.01	0.04	0.01	0.04	0.01	0.40	2.62
		Total[3]	**81.3**	**2.6**	**1.7**	**3.2**	**21**	**7**	**20.4**	**12.4**	**9.4**	**23.0**	**3.4**	**0.7**	**0.4**	**0.9**	**0.1**	**0.4**	**0.1**	**0.0**	**0.1**	**0.0**	**0.1**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.4**	**2.5**
	Area 4	Indicated	18.0	0.8	1.74	4.6	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	1.91
		Total[3]	**18.0**	**0.8**	**1.74**	**4.6**	**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**	**1.91**
	Cannie	Inferred	192	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]	**192**	**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**
	Nowie	Inferred	16.4	0.6	1.73	3.8	19	5	16.1	15.5	24.4	5.0	2.1	0.5	0.28	0.61	0.07	0.26	0.05	0.003	0.04	0.01	0.05	0.01	0.04	0.01	0.04	0.01	0.33	1.80
		Total[3]	**16.4**	**0.6**	**1.73**	**3.8**	**19**	**5**	**16.1**	**15.5**	**24.4**	**5.0**	**2.1**	**0.5**	**0.28**	**0.61**	**0.07**	**0.26**	**0.05**	**0.003**	**0.04**	**0.01**	**0.05**	**0.01**	**0.04**	**0.01**	**0.04**	**0.01**	**0.33**	**1.80**
	Grand Total	**Measured**	30.7	1.8	1.76	5.7	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	359.8	11.5	1.73	3.2	19	4	20.4	10.2	8.6	24.5	3.4	0.7	0.39	0.83	0.10	0.35	0.06	0.003	0.05	0.01	0.05	0.00	0.04	0.01	0.04	0.00	0.39	2.34
		Inferred	501.6	13.3	1.71	2.7	18	4	20.4	12.0	15.7	12.8	3.4	0.7	0.41	0.89	0.10	0.37	0.07	0.003	0.06	0.01	0.06	0.01	0.04	0.01	0.04	0.00	0.42	2.49
		TOTAL[6]	**892.1**	**26.6**	**1.7**	**3.0**	**18**	**4**	**21.0**	**11.2**	**12.2**	**18.7**	**3.4**	**0.7**	**0.41**	**0.87**	**0.10**	**0.36**	**0.07**	**0.003**	**0.06**	**0.01**	**0.06**	**0.00**	**0.04**	**0.01**	**0.04**	**0.00**	**0.41**	**2.44**

	Material (t)	In-Situ TREO + Y_2O_3 Grade[3] (%)	In-Situ TREO + Y_2O_3 (t)
Area 1, Area 2, Area 3, Area 4, Cannie, Nowie	**892,000,000**	**0.07**	**650,000**

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Ore Reserves

The Company Ore Reserve stands at 210.2Mt @ 3.8% THM. The Ore Reserve referred to in this Staged Development is 98.8Mt @ 4.0% THM (see below tables), on which the 20-year life-of-mine Goschen Project footprint is based. Measured and Indicated Mineral Resources were converted to Proved and Probable Ore Reserves respectively, and are subject to mine design, modifying factors and economic evaluation. Reported Ore Reserves are a subset of the Company Mineral Resource.

Table 1: Company Ore Reserves

Area	Classification	Ore	In-situ THM	THM	THM Assemblage[1]					
					Zircon	Rutile	Leucoxene	Ilmenite	Monazite	Xenotime
		(Mt)	(Mt)	(%)	(%)	(%)	(%)	(%)	(%)	(%)
Area 1	Proved	24.5	1.3	5.4	29.9	10.8	9.0	24.7	4.3	0.8
Area 1	Probable	14.6	0.5	3.2	29.2	11.7	9.2	25.5	4.5	0.9
Area 3	Probable	159.6	5.6	3.5	20.3	9.4	8.1	25.8	3.4	0.6
Area 4	Probable	11.5	0.6	5.6	19.6	12.2	10.1	24.6	3.0	0.7
Total	**Proved**	**24.5**	**1.3**	**5.4**	**29.9**	**10.8**	**9.0**	**24.7**	**4.3**	**0.8**
	Probable	**185.7**	**6.7**	**3.6**	**20.9**	**9.8**	**8.4**	**25.7**	**3.4**	**0.6**
Grand Total		**210.2**	**8.0**	**3.8**	**22.4**	**10.0**	**8.5**	**25.5**	**3.6**	**0.7**

Area	Classification	Rare Earth Oxides[1]													
		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
		(%)	(%)	(%)	(%)	(%)	(%)	(%)	(%)	(%)	(%)	(%)	(%)	(%)	(%)
Area 1	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	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	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
Area 4	Probable	0.655	0.049	0.035	0.002	0.046	0.310	0.277	0.073	0.050	0.008	0.006	0.335	0.037	1.884
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	**0.802**	**0.057**	**0.039**	**0.003**	**0.055**	**0.378**	**0.338**	**0.092**	**0.064**	**0.009**	**0.006**	**0.386**	**0.041**	**2.287**
Grand Total		**0.828**	**0.059**	**0.041**	**0.003**	**0.056**	**0.395**	**0.345**	**0.095**	**0.065**	**0.010**	**0.006**	**0.400**	**0.042**	**2.359**

Notes:
Any discrepancies in totals are a function of rounding
(1) THM Assemblage and Rare Earth Oxides are reported as a percentage of in-situ THM content
Staged Development Ore Reserves are a subset of global Company Ore Reserves

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Table 2: Goschen Project Ore Reserves

Area	Classification	Ore	In-situ THM	THM	THM Assemblage[1]					
					Zircon	Rutile	Leucoxene	Ilmenite	Monazite	Xenotime
		(Mt)	Mt	(%)	(%)	(%)	(%)	(%)	(%)	(%)
Area 1	Proved	25.5	1.4	5.6	29.6	10.8	9.1	24.7	4.3	0.8
Area 1	Probable	7.6	0.2	2.2	27.6	12.7	10.5	25.9	4.3	0.9
Area 3	Probable	65.7	2.4	3.6	19.7	9.1	7.9	25.3	3.3	0.6
Total	**Proved**	**25.5**	**1.4**	**5.6**	**29.6**	**10.8**	**9.1**	**24.7**	**4.3**	**0.8**
	Probable	**73.3**	**2.5**	**3.4**	**20.2**	**9.3**	**8.1**	**25.4**	**3.4**	**0.6**
Grand Total		**98.8**	**4.0**	**4.0**	**23.6**	**9.9**	**8.5**	**25.1**	**3.7**	**0.7**

Area	Classification	Rare Earth Oxides[1]													
		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
		(%)	(%)	(%)	(%)	(%)	(%)	(%)	(%)	(%)	(%)	(%)	(%)	(%)	(%)
Area 1	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	Probable	0.957	0.065	0.045	0.003	0.059	0.454	0.398	0.104	0.071	0.012	0.007	0.456	0.050	2.682
Area 3	Probable	0.795	0.056	0.038	0.003	0.055	0.373	0.335	0.091	0.063	0.009	0.006	0.383	0.039	2.271
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	**0.806**	**0.056**	**0.039**	**0.003**	**0.055**	**0.379**	**0.339**	**0.092**	**0.064**	**0.009**	**0.006**	**0.388**	**0.040**	**2.298**
Grand Total		**0.862**	**0.061**	**0.043**	**0.003**	**0.057**	**0.415**	**0.354**	**0.099**	**0.066**	**0.010**	**0.007**	**0.417**	**0.044**	**2.451**

Notes:
Any discrepancies in totals are a function of rounding
(1) THM Assemblage and Rare Earth Oxides are reported as a percentage of in-situ THM content

Project Funding

The financial model summarised in the Staged Development sets out the project metrics and provides a basis for the development of the project. Total capital expenditure is estimated at approximately A$160 million for the 1.5mt plant. The Company anticipates that the source of funding the capital investment will be any one, or a combination of, equity, debt and pre-paid offtake from the project. No final decision has been made in that regard. The Company has received a number of enquiries and expressions of interest from debt financiers for the project. The financial model provides for debt capacity and is designed to meet the expectations of any providers of potential debt funding for their due diligence and other internal requirements. The balance of the Company's capital requirements will be funded from equity capital. Given the number of inbound inquiries and test work on products capable of production, the Company has a reasonable basis to believe binding offtake agreements will be entered into in the future. However, there can be no certainty that one or more binding agreements will be reached or that any conditions precedent to any such binding agreements will be satisfied. Whilst the envisaged project development requires a low capital intensity, VHM has not as yet secured the required capital. The positive financial metrics of the Staged Development and feedback from potential funding partners provides encouragement as to the likelihood of meeting optimum project and corporate capital requirements.

Material Modifying Factors

The Staged Development Reserve is constrained within an area over which regulatory approval is required to commence mining operations. VHM has received endorsement of its Environment Effects Statement (**EES**) for the Company's Goschen Rare Earths and Mineral Sands Project from the Victorian Minister for Planning, the Hon. Sonya Kilkenny (Minister). The Goschen Mining Licence application will now be assessed by Resources Victoria for approval, and the Ministerial terms will inform the further development of the Goschen Project's Work Plans for subsequent approval by Resources Victoria. The Project is located in an agricultural area of northern Victoria and is well serviced by road, rail, power and water, with nearby communities able to provide labour and accommodation. Substantial consultation with the community and regulatory agencies in relation to the Goschen Project has been undertaken. VHM is confident that products from Goschen will be subject to either off take agreements (see ASX release dated 31 January 2024 VHM regarding binding offtake agreement with Shenghe), through spot sales and other commercial arrangements. Whilst VHM considers the financial outcomes of this study are compelling, sourcing sufficient funding to meet the upfront costs to commence the Staged Development cannot be guaranteed.

Forward-looking statements

This release may contain forward-looking statements, guidance, forecasts, estimates, prospects, projections or statements in relation to future matters that may involve risks or uncertainties and may involve significant items of subjective judgement and assumptions of future events that may or may not eventuate (Forward Statements). Forward Statements can generally be identified by the use of forward-looking words such as "anticipate", "estimates", "will", "should", "could", "may", "expects", "plans", "forecast", "target" or similar expressions. Forward Statements including indications, guidance or outlook on future revenues, distributions or financial position and performance or return or growth in underlying investments are provided as a general guide only and should not be relied upon as an indication or guarantee of future performance. To the extent that certain statements contained in this presentation may constitute 'Forward Statements' or statements about forward-looking matters, then the information reflects the Company's (and no other party's) intent, belief or expectations as at the date of this presentation. No independent third party has reviewed the reasonableness of any such statements or assumptions. None of the Company, its related bodies corporate and its officers, directors, employees, advisers, partners, affiliates and agents represent or warrant that such Forward Statements will be achieved or will prove to be correct or gives any warranty, express or implied, as to the accuracy, completeness, likelihood of achievement or reasonableness of any Forward Statement contained in this presentation. Except as required by law or regulation, the Company assumes no obligation to release updates or revisions to Forward Statements.

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