VHM Limited

QUARTERLY ACTIVITIES REPORT

For the period ended 31 March 2026

Highlights:

Termination of Shenghe Offtake agreement: VHM has elected to not proceed with the previously announced offtake agreement with Shenghe Resources to maximise optionality.

Offtake Agreements update: The company continues to pursue offtake opportunities and is working towards binding agreements being finalised in the coming quarter.

Regulatory Approvals: Biodiversity Management Plan and Design Management Document were received as the company continues to progress through to Final Investment Decision (FID).

Directly to 5Mtpa: Board approved the development of Goschen Project at its permitted processing capacity of 5 million tonnes per annum (Mtpa), replacing previously announced staged approach commencing at 1.5Mtpa.

Project Implementation Progress Towards FID: VHM is advancing key project workstreams in line with its late 2027 operational target. Critical infrastructure, permitting and feasibility updates are progressing to de-risk delivery and maintain the project schedule.

Exploration Activity: VHM commenced a drilling program on the Goschen Project to further enhance resources classification confidence, for mine planning and to generate substantial bulk samples.

(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 St
Melbourne VIC 3000

Capital Structure
Ordinary Shares: 292,381,130
Options: 2,500,000
Performance Rights: 3,795,744

Investor Relations
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Chief Executive Officer
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Ben McCormick
Chief Financial Officer
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5Mtpa	$11.2M	220Mt	890Mt	Mid-2026	Late 2027
APPROVED PROCESSING CAPACITY	CASH AT QUARTER END	TOTAL ORE RESERVE	TOTAL MINERAL RESOURCE	TARGET FID	TARGET PRODUCTION

Regulatory Approval Milestones

KEY APPROVALS & MOUS	STATUS	DATE
MOU with Gannawarra Shire Council	✓	March 2023
MOU with Swan Hill Rural City Council	✓	May 2023
Victorian Minister for Planning – Public Exhibition Approval	✓	November 2023
Environment Effects Statement (EES)	✓	December 2024
Mining Licence	✓	April 2025
Environmental Protection & Biodiversity (EPBC) Act Approval	✓	September 2025
Cultural Heritage Management Plan	✓	October 2025
Work Plan	✓	November 2025
Biodiversity Management Plan	✓	**March 2026**
Design Management Document	✓	**March 2026**

Project Highlights

- **Fully Permitted to Mine**
  All major approvals secured, reducing regulatory risk and accelerating development timelines
- **Targeting Production in 2027**
  Positioned to be one of the earliest new producers in the rare earths sector, capturing strong demand growth
- **Dual Revenue Streams**
  Rare earths and mineral sands production diversify income and enhance project resilience. Includes both heavy (Dy, Tb) and light (Nd, PR) rare earths
- **Simple, Low-Cost Operation**
  Straightforward mining and processing flowsheet designed for efficiency and cost competitiveness
- **Proven Technology**
  Utilises established, commercially validated processes—minimising technical risk and ensuring reliability
- **Strategic Location**
  Situated in Victoria, Australia—a stable jurisdiction with strong infrastructure and proximity to transport and export routes
- **Strong ESG Profile**
  Commitment to sustainable practices and community engagement, aligning with investor expectation

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OFFTAKE & PROJECT FUNDING

Shenghe Offtake Terminated — Optionality Unlocked

VHM has elected to terminate the previously announced offtake agreement with Shenghe Resources following the non-fulfilment of a number of conditions precedent. This decision is a proactive strategic move to unlock value. By stepping away from a single-counterparty arrangement, VHM can now engage with the full spectrum of global critical minerals players actively seeking supply from the Goschen Project.

See ASX Release dated 12 January 2026 for the full announcement.

Offtake Discussions

Discussions for both rare earths and mineral sands offtake are progressing strongly, with meaningful engagement from multiple counterparties. VHM is working towards binding agreements being executed in Q2 2026, a critical catalyst ahead of FID.

REGULATORY APPROVALS

Biodiversity Management Plan — Approved

The Department of Energy, Environment and Climate Action (DEECA) has approved the Biodiversity Management Plan for the Goschen Rare Earth and Mineral Sands Project. This approval, required under Condition 9 of the Work Plan prior to commencement of native vegetation removal, marks another significant de-risking milestone for the project.

Design Management Document — Approved

DEECA also approved the Design Management Document (DMD) during the quarter. The DMD outlines the full extent of project works and enables VHM to finalise the Special Controls Overlay required for the planning scheme amendment — a key step towards the commencement of construction.

PROJECT UPDATES

Full-Scale Development Approved: 5Mtpa from Commencement

In a significant strategic upgrade, the VHM Board has approved development of the Goschen Project at its full permitted processing capacity of 5 million tonnes per annum (5Mtpa), replacing the previously announced staged approach commencing at 1.5Mtpa.

This decision reflects three clear convictions:

- All major mining and environmental approvals are secured, providing the regulatory confidence to commit at scale.
- Goschen's simple technical foundation and strategic positioning in western-aligned rare earth supply chains supports full-scale economics from the outset.
- Continued high-level support from Australian and US government export finance agencies reinforces the project's national and strategic importance.

See ASX Release dated 23 March 2026 for the full announcement.

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Project Implementation

VHM is progressing all key workstreams in line with its late 2027 operational target. To support a mid-2026 FID, VHM is retendering key implementation packages under latest market conditions to finalise preferred contractors and enable swift post-FID awards. This approach minimises post-FID durations and protects the project critical path.

Process Plant & Onsite Infrastructure	Raw Water Pipeline (Offsite Infrastructure)	Offsite Road Upgrades
EPC tender in progress. Preferred contractor selection: Q2 2026.	Design & Construction tender underway with regionally experienced contractors. Preferred contractor selection: Q2 2026.	Tender in progress. Permits advancing with local councils and state government. Preferred contractor selection: Q2 2026.

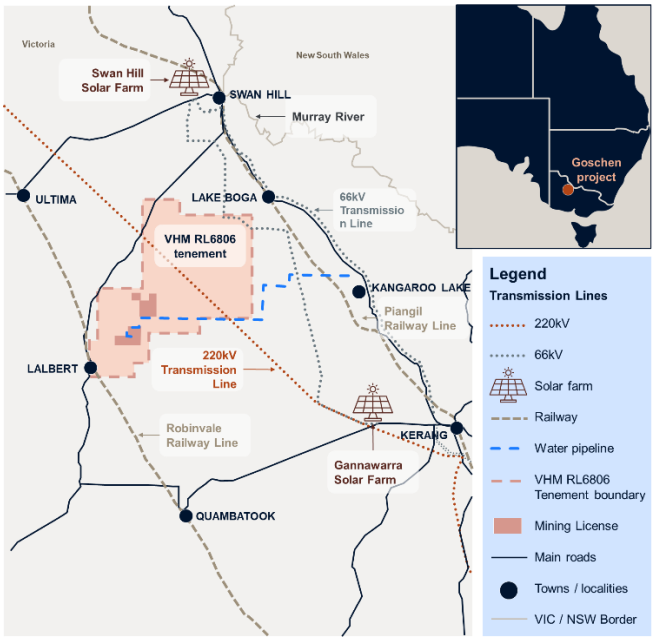
Definitive Feasibility Study Update

As project functions continue to mature, VHM is refining the DFS to underpin FID confidence — integrating the latest engineering, procurement and environmental data across all work packages.

EXPLORATION ACTIVITIES

Goschen Project Drilling Program

During the quarter, VHM launched a major 370-drillhole, ~11,000m drilling campaign in the Goschen Project area. The program has two clear objectives: to upgrade resource classification confidence and to generate substantial bulk samples for detailed metallurgical testwork. These samples will assess orebody variability and produce material for customer evaluation, directly supporting the commercial offtake pathway. The drilling program is ongoing and the results are not yet available.



The drilling program is taking place within the Goshen project mining licence

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Photos from the drilling activity which commenced during the quarter

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CORPORATE ACTIVITIES

US Government Engagement — Deputy Assistant Secretary Joshua Kroon

Joshua Kroon, Deputy Assistant Secretary (DAS) of the US Department of Commerce with responsibility for critical minerals, recently visited Australia for Minerals Week in Canberra. Whilst in Melbourne, he visited the VHM office to learn more about the Goschen Rare Earths and Minerals Sands Project and reaffirm support from the US Government and the United States Export Import Bank (EXIM)[1].

DAS Kroon also attended a Victorian Government-hosted critical minerals roundtable with CEO's of the key critical minerals development projects in Victoria, where Andrew King represented VHM.

[1] *See ASX Release dated 6 October 2025 for the full announcement of the EXIM Letter of Interest (LOI) for US$200 million.*

Critical Minerals Strategic Reserve

VHM welcomes the introduction of the "The Export Finance and Insurance Corporation Amendment (Strategic Reserve) Act 2026" in the House of Representatives. The Bill, which gives legislative effect to the Government's election commitment, will empower Export Finance Australia[2] to secure supply, sell and selectively stockpile critical minerals — with an initial focus on rare earth elements. This positions Australia, and Goschen, as a trusted and stable supplier within high-value, strategically vital supply chains.

[2] *See ASX Release dated 21 October 2025 for the full announcement of the EFA Letter of Support (LOS) for A$75 million.*

Minerals Week, Canberra

Andrew King attended the Minerals Council of Australia Minerals Week in Canberra, meeting a number of sitting Victorian based Members of Parliament and Senators and with the Ministers offices of the key critical mineral stakeholder ministries.

Mineral Sands & Rare Earths Conference, Perth

CFO Ben McCormick presented at the 26th Annual Mineral Sands & Rare Earths Conference, sharing insights on the Goschen Project, the Victorian Government's critical minerals strategy, and the evolving rare earths market.

FINANCE

At quarter end the Company held $11.2 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.

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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 $0.7 million primarily comprising project permitting 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.

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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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Appendix 5B: Quarterly Cashflow Report

Name of entity	
VHM Limited	
ABN	Quarter ended ("current quarter")
ABN 58 601 004 102	31 March 2026

Consolidated statement of cash flows		Current quarter $A'000	Year to date (9 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	(796)	(1,908)
	e. administration and corporate costs	(236)	(1,996)
1.3	Dividends received (see note 3)	-	-
1.4	Interest received	108	195
1.5	Interest and other costs of finance paid	(107)	(431)
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**	**(1,031)**	**(4,140)**
2.	**Cash flows from investing activities**		
2.1	Payments to acquire or for:		
	a. entities	-	-
	b. tenements	-	-
	c. property, plant and equipment	(155)	(400)
	d. exploration & evaluation	(694)	(3,411)
	e. investments	-	-

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	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**	**(849)**	**(3,811)**

3.	**Cash flows from financing activities**		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	-	11,700
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	-	(536)
3.5	Proceeds from borrowings	-	257
3.6	Repayment of borrowings	(74)	(148)
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other – payment of lease liabilities	(86)	(253)
3.10	**Net cash from / (used in) financing activities**	**(160)**	**11,020**

4.	**Net increase / (decrease) in cash and cash equivalents for the period**		
4.1	Cash and cash equivalents at beginning of period	13,208	8,099
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(1,031)	(4,140)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(849)	(3,811)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	(160)	11,020

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4.5	Effect of movement in exchange rates on cash held	-	-
4.6	**Cash and cash equivalents at end of period**	**11,168**	**11,168**

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	1,377	1,208
5.2	Call deposits	9,791	12,000
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)**	**11,168**	**13,208**

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	227
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.		

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8.	Estimated cash available for future operating activities	$A'000
8.1	Net cash from / (used in) operating activities (item 1.9)	(1,031)
8.2	(Payments for exploration & evaluation classified as investing activities) (item 2.1(d))	(694)
8.3	Total relevant outgoings (item 8.1 + item 8.2)	(1,725)
8.4	Cash and cash equivalents at quarter end (item 4.6)	11,168
8.5	Unused finance facilities available at quarter end (item 7.5)	-
8.6	Total available funding (item 8.4 + item 8.5)	11,168
8.7	**Estimated quarters of funding available (item 8.6 divided by item 8.3)**	6.47

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.

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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: 20 April 2026

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.

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APPENDIX 1: TENEMENT SCHEDULE — 31 MARCH 2026

Licence	Location	Holder	Project	Status	Area (km^2)	Granted	Expires
MIN 7256	NW Victoria	VHM Ltd	Goschen	Current	15.4	10/04/2025	09/04/2045
RL 6806	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	1,041	27/08/2018	27/08/2028
				TOTAL AREA	**2,860.4 km^2**		

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