



VDM GROUP LIMITED

and its Controlled Entities

ABN 95 109 829 334

2024

ANNUAL REPORT

For personal use only

VDM GROUP LIMITED

CORPORATE INFORMATION

DIRECTORS

Mr Luk Hiuming
Mr Michael Fry
Mr Paul Hardie

Non-executive Chairman
Executive Director
Non-executive Director

COMPANY SECRETARY AND CHIEF FINANCIAL OFFICER (ACTING)

Mr Michael Fry

REGISTERED AND PRINCIPAL OFFICE

Unit 2, 420 Bagot Road,
Subiaco, WA 6008
Telephone (08) 6166 6126
Website www.vdmgroup.com.au

POSTAL ADDRESS

PO Box 3347
East Perth WA 6892

AUDITORS

Hall Chadwick Audit (WA) Pty Ltd
283 Rokeby Road
Subiaco WA 6008

SHARE REGISTER

Computershare Investor Services Pty Limited
GPO Box 2975
Melbourne, VIC 3001
Telephone 1300 850 505
(outside Australia) +61 3 9415 4000

VDM Group Limited shares are listed on the Australian Securities Exchange (ASX)

ASX Code	VMG
ACN	109 829 334
ABN	95 109 829 334

In this report, the following definitions apply:

“**Board**” means the Board of Directors of VDM Group Limited

“**Company**” means VDM Group Limited ABN 95 109 829 334

“**VDM**” or “**Group**” means VDM Group Limited and its controlled entities

LETTER TO SHAREHOLDERS	1
DIRECTORS' REPORT	2
REMUNERATION REPORT (AUDITED)	9
AUDITOR'S INDEPENDENCE DECLARATION.....	14
CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME	15
CONSOLIDATED STATEMENT OF FINANCIAL POSITION.....	16
CONSOLIDATED STATEMENT OF CASH FLOWS	17
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY	18
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS.....	19
CONSOLIDATED ENTITY DISCLOSURE STATEMENT	46
DIRECTORS' DECLARATION.....	47
INDEPENDENT AUDITOR'S REPORT	48
ASX ADDITIONAL INFORMATION.....	52

VDM GROUP LIMITED
LETTER TO SHAREHOLDERS
FOR THE YEAR ENDED 30 JUNE 2024

Dear Shareholders

VDM is currently in the process of identifying new project opportunities. The Company has a preference for projects in critical minerals, in line with the global decarbonisation strategy that is underway, but remains open to investment opportunities across a range of commodities and industries.

VDM is currently in dispute with its joint venture partner Pebric Mining and Consulting LDA (Pebric), the designated holder of the exploration licences for the Cachoeiras do Binga and Cage Bengo Projects for and on behalf of the Cachoeiras do Binga Joint Venture and the Cage Bengo Joint Venture.

The dispute arose as a result of Pebric informing VDM that VDM would need to increase its exploration funding of the projects for a reduced ownership interest, such percentage not specified, in contravention of the respective joint venture agreements.

VDM has advised Pebric that it reserves its rights.

As a consequence of the dispute, no work has been undertaken on either project by VDM since the dispute first arose.

VDM has confirmed that the tenure of the Angolan project mining licences is current and that the licences continue to be held by Pebric and has engaged legal representation to determine the current status of its interest in each of the Angolan projects, and VDM's rights and claims under Angolan law.

By way of background:

Cachoeiras do Binga (CdB) Copper Project

The CdB Copper Project is located in the central coastal region of Angola, approximately 385km south of the Angolan capital of Luanda and covers approximately 3,854km²; being ~32kms from east to west and ~129kms from north to south.

During calendar year 2018 and 2019 VDM undertook substantive drilling and exploration at the Project culminated in VDM announcing, on 26 November 2020, its maiden copper Mineral Resource Estimate for CdB Copper Project of 18.4 Mt @ 1.0% Cu for 183,845t of copper, comprising:

- Measured + Indicated: 13.467Mt @1.02% Cu for 137,590t of copper;
- Inferred: 4.937Mt @0.94% Cu for 46,355t of copper.

Activity was halted at the end of calendar year 2019, due to COVID 19 pandemic and had been planned to recommence this 2024 calendar year, however was suspended due to the dispute with Pebric.

Cage Bengo Gold Project

The CdB Copper Project is located in the north-west of Angola between the provinces of Uige and Bengo and is approximately 300km north-east of the Angolan capital of Luanda; and covers approximately 9,904km².

The past few years have been frustrating for all connected to VDM. The VDM Board looks forward with hope for a resolution with respect to its Angolan projects and the potential of a fresh start with a new project opportunity.

I wish to thank my fellow directors, our employees, and all VDM stakeholders for their service and support to the Company. I once again would like to thank our largest shareholder, Australia Kengkong Investments Co Pty Ltd, for its continued support.



Mr Michael Fry
Director
17 April 2025

VDM GROUP LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 30 JUNE 2024

Your directors submit their report of VDM Group Limited ("the Company") and of the Consolidated Entity, being the Company and its controlled entities ("VDM" or "the Group") for the year ended 30 June 2024.

1. DIRECTORS

The names of the directors of VDM Group Limited in office during the year and until the date of this report, unless otherwise stated, were:

Luk Hiuming (Non-executive Chairman)
Michael Fry (Executive Director)
Paul Hardie (Non-executive Director); *appointed 15 July 2023*
Colin Noid (Non-executive Director); *resigned 31 August 2023*

Mr Luk Hiuming

Non-Executive Chairman

Appointed Non-Executive Director on 21 March 2014, appointed Non-Executive Chairman on 29 January 2015

Special Responsibilities: Member of the Audit & Risk Committee

Interest in Shares and Options: 2,070,000,000 fully paid ordinary shares

Directorships of other ASX Listed Companies in the Past 3 Years: Nil

Mr Luk has experience in an extensive range of business sectors, including textile & clothing, pharmaceutical, steel, real estates, manufacturing mining, natural resources, new energy and oil and gas. In addition to businesses in mainland China, he also has substantial involvement in industries around the globe. Mr Luk is currently Chairman of Australia Kengkong Investments Co Pty Ltd.

Mr Paul Hardie

Non-Executive Director

Appointed Non-Executive Director on 15 July 2023

Bachelor of Laws, Bachelor of Economics

Special Responsibilities: Member of the Audit & Risk Committee

Interest in Shares and Options: Nil

Directorships of other ASX Listed Companies in the Past 3 Years: Nil

Mr Hardie is a practising commercial lawyer and experienced General Counsel & Company Secretary with more than 20 years' legal, corporate advisory, and governance experience across a range of industry sectors including mining and resources, construction, manufacturing, and financial services. Mr Hardie also has extensive public company board experience in both non-executive and executive leadership roles, having been a chairman, director, non-executive director, legal counsel, company secretary and adviser to ASX listed companies.

Mr Hardie is a member of the Australian Institute of Company Directors and a Fellow of the Governance Institute of Australia.

Mr Michael Fry

Director, Chief Financial Officer/Company Secretary

Appointed as a Director on 3 June 2011

Bachelor of Commerce

Special Responsibilities: Chairman of the Audit & Risk Committee

Interest in Shares and Options: 1,000,000 fully paid ordinary shares

Directorships of other ASX Listed Companies in the Past 3 Years: Cauldron Energy Limited (ASX: CXU); appointed 7 September 2022

Mr Fry is an experienced company manager across a broad range of industry sectors. Mr Fry has a background in accounting and corporate advice having worked with KPMG (Perth) where he qualified as a Chartered Accountant, Deloitte (Melbourne) and boutique corporate advisory practice Troika Securities Ltd (Perth). From 2006 to 2011, Mr Fry was the Chief Financial Officer and Finance Director at Swick Mining Services Limited, a publicly listed drilling services provider contracting to the mining industry in Australia and North America.

VDM GROUP LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 30 JUNE 2024

Mr Fry is currently Director, Chief Financial Officer and Company Secretary of ASX-listed company Cauldron Energy Limited (ASX: CXU), Company Secretary of APC Minerals Limited (ASX: APC), and Company Secretary of unlisted public company GLX Digital Limited.

Mr Colin Noid

Non-Executive Director

Ceased as a Non-Executive Director on 31 August 2023

Bachelor of Civil Engineering, Graduate Diploma in Financial Planning

Special Responsibilities: Former Member of the Audit & Risk Committee

Interest in Shares and Options: 3,400,000 fully paid ordinary shares

Directorships of other ASX Listed Companies in the Past 3 Years: Nil

Mr Noid has 25 years of construction industry experience across mining, transport, building and land development sectors. He brings strong leadership qualities, combined with well-developed design, project delivery and commercial acumen. Prior to joining VDM, he held design and construction management roles at John Holland and Henry Walker Eltin.

Company Secretary

Mr Michael Fry

Appointed 12 February 2018. See details of qualifications and experience above.

2. DIVIDENDS

There were no dividends declared or paid during the year ended 30 June 2024 (2023: nil).

3. NATURE AND PRINCIPAL ACTIVITIES

VDM is a mineral exploration company.

VDM has an interest in joint ventures that relate to:

- the Cachoeiras do Binga copper project located in the Republic of Angola (**Cachoeiras do Binga**); and
- the Cage Bengo Project located in the Republic of Angola (**Cage Bengo**).

4. OPERATING AND FINANCIAL REVIEW

VDM is currently in dispute with its joint venture partner Pebric Mining and Consulting LDA (Pebric), the designated holder of the exploration licences for the Cachoeiras do Binga and Cage Bengo Projects for and on behalf of the Cachoeiras do Binga Joint Venture and the Cage Bengo Joint Venture.

The dispute arose as a result of Pebric informing VDM that VDM would need to increase its exploration funding of the projects for a reduced ownership interest, such percentage not specified, in contravention of the respective joint venture agreements.

As a consequence of the dispute, no work has been undertaken on either project by VDM since the dispute first arose. VDM has advised Pebric that it reserves its rights.

VDM has confirmed that the tenure of the Angolan project mining licences remain current and that the licences continue to be held by Pebric and has engaged legal representation to determine the current status of its interest in each of the Angolan projects, and VDM's rights and claims under Angolan law.

VDM is currently considering a range of new project opportunities and a recapitalisation of the Company.

Cachoeiras do Binga Copper Project

The Cachoeiras do Binga (**CdB**) Copper Project is located east of the regional capital and coastal city of Sumbe (airport and port) and approximately 385 km south of the Angolan capital city of Luanda.

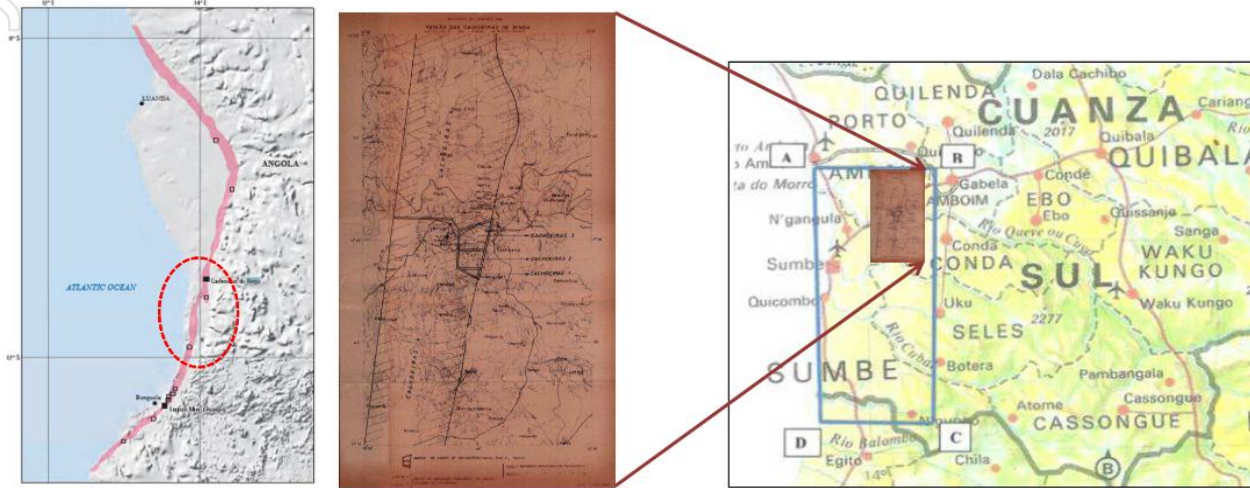


Figure 1: Location Map - CdB Project

The CdB Project covers an extremely large area of 3,854kms² and is approximately 32kms from East to West and 129kms from North to South and shows characteristics of a typical central African sediment-hosted copper deposit. It is highly prospective for copper mineralisation with historical work having demonstrated copper occurrences throughout the tenement area.

Historical Work Performed

Prior to VDM's involvement in CdB, exploration activity whilst significant had been sporadic and limited to small parts of the overall CdB Copper Project area; with much of it not reportable under the current JORC reporting standards applicable to Australian Stock Exchange listed companies.

Between 1920 and up to the late 1950's the United States Government Survey Company (USGS) conducted stream sampling analysis across much of sub-Saharan Africa including Angola and specifically over the CdB Project and was the first group to report elevated copper levels at CdB.

Building on this work, during the 1970's, the Institute of Geology in Angola (IGEO) undertook further mapping, sampling and some drilling, which was largely concentrated in the areas commonly referred to as Areas 1, 2 and 3 and published estimates of copper mineralisation.

In 1983, the United Nations Development Programme (UNDP) re-evaluated the copper deposits in the CdB area, confirming IGEO's estimations of copper mineralisation in Areas 1, 2 and 3. In addition, the UNDP interpreted that the copper extended to the west and to the north.

Since VDM's involvement from 2016, work initially focussed on confirming previous findings for copper mineralisation so as to report under JORC guidelines and extending the known copper mineralisation to the west, north and to the south.

Phase One drilling conducted in 2018 focussed on Areas 1, 2 and 3 (central), and Phase Two drilling conducted during 2019 focussed on Area 4 (west) and Area 5 (south).

The drilling was successful in its objectives confirming the copper mineralisation in Areas 1, 2 and 3 as identified in earlier work conducted by USGS, IGEO and UNDP and identifying copper mineralisation both to the west and to the south.

The drilling culminated in VDM announcing, on 26 November 2020, its maiden copper Mineral Resource Estimate for CdB Copper Project of 18.4 Mt @ 1.0% Cu for 183,845t of copper (refer *Competent Person's Statement* in ASX Additional Information Section), comprising:

- Measured + Indicated: 13.467Mt @1.02% Cu for 137,590t of copper;
- Inferred: 4.937Mt @0.94% Cu for 46,355t of copper.

VDM GROUP LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 30 JUNE 2024

The CdB MRE is summarised as follows:

Resource Category	Million tonnes (Mt)	Cu %	Contained Cu (t)
Measured	0.875	1.62	14,179
Indicated	12.592	0.98	123,411
Inferred	4.937	0.94	46,355
Total	18.404	1.00	183,845

Notes: 1. Reported above a Cu cut-off grade of 0.2%;

2. Discrepancies may occur due to rounding.

The exploration database used for the resource estimation consists of 134 diamond coreholes and 7 trenches. A total of 1,658 intervals were sampled at the deposit. All the available data was input into a Geovia Surpac (Surpac) database for the estimation procedure.

Work Performed during the Year

During the year to 30 June 2024, all on the ground exploration activity remained suspended due to the dispute with Pebic.

Cage Bengo Project

In August 2019, the Company executed a Mining Investment Contract providing exclusive rights to explore for gold and other minerals at the Cage Bengo Project located in the Republic of Angola.

By entering into the Mining Investment Contract, VDM acquired a 55.25% ownership interest. On 20 August 2019, VDM issued to Seabank Resources Ltd 650 million fully paid shares in relation to the acquisition of its ownership interest.

On 15 April 2020, Prospecting Title 048/07/03 over the Cage Bengo Project was issued by the Angolan Government, allowing work to commence.

Work Performed during the Year

During the year to 30 June 2024, all on the ground exploration activity remained suspended due to the dispute with Pebic.

Other

New Project Opportunities

During the year to 30 June 2024 and up to the date of this report, the Company has been actively searching for new project opportunities in the critical mineral commodities.

Exploration Results, Mineral Resource and Ore Reserve Estimation Governance Statement

VDM ensures that exploration results and Mineral Resource estimates are subject to appropriate levels of governance, internal controls and external independent review. The exploration results and Mineral Resource estimation of the Company's projects are subject to appropriate procedural controls and systematic internal and external technical review by competent and qualified professionals on an as needed basis. These reviews have not identified any material issues undertaken as part of a formal risk assessment. The Company periodically reviews the governance framework in line with the business expectations. Exploration results and Mineral Resource estimates referred to in this report were undertaken in accordance with the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (JORC) 2012 Edition. Competent persons named by the Company are members of the Australian Institute of Mining and Metallurgy and are qualified as competent persons as defined in the JORC Code.

5. SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

There were no significant changes in the state of affairs of the Group.

6. SIGNIFICANT EVENTS AFTER THE BALANCE DATE

No matters or circumstances have arisen since the end of the year and up to the date of this report which significantly affected or may significantly affect the operations of the Group, the results of those operations, or the state of affairs of the Group in future financial years.

VDM GROUP LIMITED
DIRECTORS' REPORT
FOR THE YEAR ENDED 30 JUNE 2024

7. LIKELY DEVELOPMENTS AND EXPECTED RESULTS

Not able to be determined at this time.

8. MATERIAL BUSINESS RISKS

The Group is subject to general risks as well as risks that are specific to the Group and the Group's business activities. The following is a list of risks which the Directors believe are or potentially will be material to the Group's business, however, this list is not purported to be a complete list of all risks which the Group is or may be subject to.

General economic risks

Economic conditions, movements in interest and inflation rates, and currency exchange rates may have an adverse effect on the Group's procurement, exploration and development activities, as well as its ability to fund those activities.

Fluctuations in the price of copper

The Group is exposed to fluctuations in commodity prices and specifically the price of copper. The Board actively monitors commodity prices of each to guide decision making.

Changes in technology

Changes in technology can impact demand for particular products and lead to an increase or decrease in demand for certain commodities. The Board actively monitors technological changes insofar as they are likely to affect the products that require the commodities intended to be mined by the Group to guide decision making.

Changes in consumer preference

Changes in consumer preference can impact demand for particular products and lead to an increase or decrease in demand for certain commodities. The Board actively monitors changes in consumer preferences insofar as they are likely to affect the products that require copper to guide decision making.

Mineral Resources

The Group's Mineral Resources are estimates based largely on interpretations of geological data. No assurances can be given that Resources are accurate and that the indicated level of copper can be recovered. To reduce the risks the Group ensures estimates are determined in accordance with the JORC Code and compiled or reviewed by qualified competent persons.

Government regulation

The Group's operations and exploration are subject to extensive laws. The Group can not give any assurances that future amendments to current laws or regulations won't have a material impact on its projects. The Group monitors new laws and regulations to ensure compliance and address any impacts on projects as early as possible.

Social, legal and compliance

The Group is subject to a broad range of laws, regulations and standards in jurisdictions in which it operates. Changes in laws and regulations, and non-compliance due to inadequate systems, processes and/or conduct could lead to losses and liabilities, reputational damage and business interruption. The Group is committed to ensuring compliance and addressing any potential for or actual non-compliance as early as possible.

Exploration and development risk

Future production is in part dependent on successful exploration and development activities. There is a risk that those activities are unsuccessful.

Partner risk

The Group's success depends upon a cohesive working relationship between its joint venture partners to achieve its strategy and objectives. If there is disfunction and diunity or a lack of cohesion on strategy and funding its operations and financial results could be adversely affected. The Group attempts to mitigate this risk through communication and performance of its obligations.

Key personnel risk

The Group's success depends upon on the continued active performance of its key personnel. If The Group were to lose any of its key personnel or if it were unable to employ additional or replacement

VDM GROUP LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 30 JUNE 2024

personnel, its operations and financial results could be adversely affected. The Group attempts to mitigate this risk through its remuneration arrangements.

Work Health and Safety

The Group's is focussed on the safety and wellbeing of its personnel including its employees, contractors and supplier representatives at its workplaces. Occupational accidents and health hazards can result in injuries, legal liabilities, increased insurance costs, and operational disruptions.

Weather and physical climate impacts

Extreme weather is an inherent risk for the minerals and construction industries. Periods of extreme weather can interrupt operations, and ability to construct, which in turn may result in delays. The Group acknowledges that its business may be impacted by the effects of climate change in both the near and longer term, and any significant or sustained impacts could adversely affect the Group's financial performance and/or financial position. The Group is committed to understanding these risks and developing strategies to manage their impact.

Environmental, health and safety

The Group has environmental obligations associated with each of its projects. The Group is subject to extensive laws and regulations governing the protection and management of the health and safety of workers, the environment, waste disposal, mine development and rehabilitation and local cultural heritage.

The Group seeks to obtain and comply with the required permits and approvals needed for each project. It acknowledged that any delays in obtaining these approvals may affect the Group's operations or its ability to continue its operations. Any non-compliance may result in regulatory fines and/or civil liability.

IT system failure and cyber security risks

Any information technology system is potentially vulnerable to interruption and/or damage from several sources. Including but not limited to computer viruses, cyber security attacks, and other security breaches, power, systems, internet and data network failures, and natural disasters. The Group is committed to preventing and reducing cyber security risks through ongoing management of the risks and continuous review.

9. ENVIRONMENTAL REGULATION AND PERFORMANCE

VDM's operations are subject to environmental regulations under the laws of the countries in which it operates. The Board believes that VDM has adequate systems in place for the management of its environmental requirements and is not aware of any breach of those environmental requirements as they apply to VDM.

10. SHARE OPTIONS

As at the date of this report, there are nil unissued ordinary shares under option (2023: nil).

11. INDEMNIFICATION OF AUDITORS

To the extent permitted by law, VDM Group Limited has agreed to indemnify its auditors, Hall Chadwick Audit (WA) Pty Ltd, as part of the terms of its audit engagement agreement against claims by third parties arising from the audit (for an unspecified amount). No payment has been made to indemnify Hall Chadwick Audit (WA) Pty Ltd during or since the financial year.

12. INDEMNIFICATION AND INSURANCE OF DIRECTORS AND OFFICERS

VDM Group Limited has agreed to indemnify all the directors and executive officers for any costs or expenses that may be incurred in defending civil or criminal proceedings that may be brought against the officers in their capacity as officers of entities of the consolidated entity for which they may be held personally liable.

VDM GROUP LIMITED
DIRECTORS' REPORT
FOR THE YEAR ENDED 30 JUNE 2024

13. DIRECTORS' MEETINGS

The number of meetings of directors (including meetings of committees of directors) held during the year, and the number of meetings attended by each director, were as follows:

	Number of Board meetings eligible to attend	Number of Board meetings attended	Number of Audit & Risk Committee meetings eligible to attend	Number of Audit & Risk Committee meetings attended
Luk Hiuming	-	-	-	-
Michael Fry	-	-	-	-
Paul Hardie	-	-	-	-

Due to differing timezones and languages, VDM's Board of Directors and audit and risk committee comprising Mr Fry (Chair), Mr Hardie and Mr Luk have undertaken formal requirements via circular resolution. In addition, the Board members held irregular teleconferences during the course of the year.

14. AUDITOR INDEPENDENCE AND NON-AUDIT SERVICES

The directors received an Independence Declaration from the auditor of VDM Group Limited, attached on page 14. The directors are satisfied that the provision of non-audit services is compatible with the general standard of independence for auditors imposed by the *Corporations Act 2001*. Refer to note 28 of the consolidated financial statements for disclosure relating to the cost of non-audit services conducted during the year.

15. ROUNDING

The amounts contained in this report and in the financial report have been rounded to the nearest \$1,000 (where rounding is applicable) under the option available to the Company under ASIC Instrument 2016/191. The Company is an entity to which the Instrument applies.

VDM GROUP LIMITED
REMUNERATION REPORT (AUDITED)
FOR THE YEAR ENDED 30 JUNE 2024

REMUNERATION REPORT (AUDITED)

This remuneration report for the year ended 30 June 2024 outlines the remuneration arrangements of VDM in accordance with the requirements of the *Corporations Act 2001* (the Act) and its regulations. This information has been audited as required by section 308(3C) of the Act.

The remuneration report details the remuneration arrangements for key management personnel (KMP) of VDM. KMP are defined as those persons having authority and responsibility for planning, directing and controlling the major activities of VDM, directly or indirectly, including any director (whether executive or otherwise) of the parent company.

For the purposes of this report, the term 'executive' includes executive directors and other senior executives of VDM and excludes non-executive directors.

The remuneration report is presented under the following sections:

- 1. Individual KMP disclosures
- 2. Board oversight of remuneration
- 3. Executive remuneration arrangements
- 4. Executive remuneration outcomes for 2024 (including link to performance)
- 5. Executive contracts
- 6. Non-Executive Director remuneration arrangements
- 7. Additional statutory disclosure relating to options and shares
- 8. Loans to key management personnel
- 9. Other transactions and balances with key management personnel and their related entities

1. INDIVIDUAL KMP DISCLOSURES

Details of KMP of VDM are set out below. KMP served for the full year unless noted.

Current directors	
Luk Hiuming	<i>Non-Executive Chairman</i>
Michael Fry	<i>Executive Director / Permanent Acting Chief Financial Officer / Company Secretary</i>
Paul Hardie	<i>Non-Executive Director (appointed on 15 July 2023)</i>
Colin Noid	<i>Non-Executive Director (ceased on 31 August 2023)</i>

2. BOARD OVERSIGHT OF REMUNERATION

The Board is responsible for the remuneration arrangements of directors and executives. Based on the Board's present composition and size, as well as the importance of remuneration decisions, the Board considers this will provide effective governance of these matters.

The board assesses the appropriateness of the nature and amount of remuneration of executives on a periodic basis by reference to relevant employment market conditions with the overall objective of ensuring maximum stakeholder benefit from the retention of a high performing directors and executives.

The Board approves the remuneration arrangements of the CEO and other executives and all awards made under the long-term incentive (LTI) and short-term incentive (STI) plans. The Board also sets the aggregate remuneration of NEDs which is then subject to shareholder approval.

In accordance with good corporate governance practice, the structure of NED and executive remuneration is separate and distinct.

Remuneration report approval at 2023 annual general meeting

The 2023 remuneration report received positive shareholder support at the Company's annual general meeting, with a vote of 99.45% in favour.

VDM GROUP LIMITED

REMUNERATION REPORT (AUDITED)

FOR THE YEAR ENDED 30 JUNE 2024

3. EXECUTIVE REMUNERATION ARRANGEMENTS

Remuneration strategy

VDM's executive remuneration strategy is designed to cost effectively attract, motivate and retain high performing individuals and align the interests of executives and shareholders.

To this end, key objectives of the Company's reward framework are to ensure that remuneration practices:

- Are aligned to the VDM's business strategy;
- Offer competitive remuneration benchmarked against the external market;
- Provide strong linkage between individual and group performance and rewards; and
- Align the interests of executives with shareholders.

Fixed remuneration

The employment contracts of executives do not include any guarantee of base pay increases. Fixed remuneration is reviewed annually by the Board. The process consists of a review of company, divisional and individual performance, relevant comparative remuneration internally and externally, and where appropriate external advice independent of management. No external advice was received in the current year.

Variable remuneration

VDM does not currently have in place a general equity-based incentive plan for employees.

From time to time, VDM may enter offer options or performance rights as a cost-effective and non-cash remuneration incentive to attract and retain key executives.

No remuneration options or rights were offered during the year ended 30 June 2024 (2023: nil).

4. KMP REMUNERATION OUTCOMES (INCLUDING LINK TO PERFORMANCE)

Table 1: KMP remuneration for the year ended 30 June 2024

	Base Salary & Fees	Cash Bonus	Super Contributions	Value of Share-based Payments	Long Service Leave	Termination Benefits	Total	Performance Related
	\$	\$	\$	\$	\$	\$	\$	%
Executive directors								
M Fry	85,536	-	5,337	-	-	-	90,873	0%
Other KMP								
H Luk	-	-	-	-	-	-	-	0%
P Hardie ¹	34,500	-	-	-	-	-	34,500	0%
C Noid ²	4,000	-	-	-	-	-	4,000	0%
Totals	124,036	-	5,337	-	-	-	129,373	0%

1: appointed 15 July 2023

2: resigned 31 August 2023

Table 2: KMP remuneration for the year ended 30 June 2023

	Base Salary & Fees	Cash Bonus	Super Contributions	Value of Share-based Payments	Long Service Leave	Termination Benefits	Total	Performance Related
	\$	\$	\$	\$	\$	\$	\$	%
M Fry	83,844	-	6,113	-	-	-	89,957	0%
H Luk	-	-	-	-	-	-	-	0%
D Hua ¹	-	-	-	-	-	-	-	0%
H Guo ²	-	-	-	-	-	-	-	0%
M Guo ³	-	-	-	-	-	-	-	0%
C Noid	30,000	-	-	-	-	1,260	31,260	0%
Totals	113,844	-	6,113	-	-	1,260	121,217	0%

1: resigned on 22 June 2023

2: resigned on 30 May 2023

3: resigned on 29 November 2022

VDM GROUP LIMITED

REMUNERATION REPORT (AUDITED)

FOR THE YEAR ENDED 30 JUNE 2024

5. EXECUTIVE CONTRACTS

Remuneration arrangements for KMP are formalised in employment agreements. Details of these contracts are provided below.

Director/CFO/Company Secretary

Permanent Acting CFO/Company Secretary, Michael Fry, stepped into assist the Company when the former Chief Financial Officer and Company Secretary resigned. Due to the limited nature of activities of the Company in the past several years, Mr Fry has continued to assist the Company in this regard. Mr Fry is engaged by letter agreement and is entitled to a flat fee of \$6,250 per quarter (or \$25,000 per annum) for CFO and company secretarial assistance. This is in addition to his role as a director for which he receives an annual fee of \$63,750 inclusive of superannuation.

6. NON-EXECUTIVE DIRECTOR REMUNERATION ARRANGEMENTS

Remuneration policy

The Board seeks to set aggregate remuneration at a level that provides the Company with the ability to attract and retain directors of the highest calibre, whilst incurring a cost that is acceptable to shareholders.

The amount of aggregate remuneration sought to be approved by shareholders and the fee structure is reviewed annually against fees paid to NEDs of comparable companies.

The constitution and the ASX listing rules specify that the NED fee pool shall be determined from time to time by a general meeting. The latest determination was at the 2010 annual general meeting held on 19 November 2010 when shareholders approved an aggregate fee pool of \$600,000 per year. This amount includes superannuation and fees paid to directors in their capacity as members of the Board and its committees.

The Board will not seek an increase of the NED fee pool at the 2024 Annual General Meeting.

Current Structure

The remuneration of NEDs consists of directors' fees only. There are no committee fees. NEDs do not receive retirement benefits, other than superannuation and they do not participate in any incentive programs.

The table below provides the NED fees for the year ended 30 June 2024.

	Annual NED fees including superannuation
Board Chairman, Overseas Non-executive Directors ¹	\$-
Australian resident Non-executive Directors ²	\$36,000

1: By decision of the Board, all fees payable to the Chair and overseas directors were suspended with effect from end February 2021. No decision has been made to reinstate payment as at the date of this report.

2: On 15 July 2023, Mr Paul Hardie joined the Company as a non-executive Director for which he receives an annual fee of \$36,000 per annum.

VDM GROUP LIMITED

REMUNERATION REPORT (AUDITED)

FOR THE YEAR ENDED 30 JUNE 2024

7. ADDITIONAL DISCLOSURES RELATING TO OPTIONS AND SHARES

This section sets out the additional disclosures required under the *Corporations Act 2001*.

Table 5: Shareholdings of key management personnel (held directly and indirectly)

2024	Balance 1 July 2023	Granted as remuneration	Options exercised	Net change Other	Balance 30 June 2024
Current directors					
H Luk	2,070,000,000	-	-	-	2,070,000,000
P Hardie ¹	-	-	-	-	-
C Noid ²	3,400,000	-	-	(3,400,000)	-
M Fry	1,000,000	-	-	-	1,000,000
Total shareholding	2,074,400,000	-	-	(3,400,000)	2,071,000,000

1: appointed 15 July 2023

2: resigned 31 August 2023

Table 6: Shareholdings of key management personnel (held directly and indirectly)

2023	Balance 1 July 2022	Granted as remuneration	Options exercised	Net change Other	Balance 30 June 2023
Current directors					
H Luk	2,070,000,000	-	-	-	2,070,000,000
D Hua ^{1, 4}	1,085,110,976	-	-	(1,085,110,976)	-
H Guo ²	600,000,000	-	-	(600,000,000)	-
M Guo ^{3, 4}	1,085,110,976	-	-	(1,085,110,976)	-
C Noid	3,400,000	-	-	-	3,400,000
M Fry	1,000,000	-	-	-	1,000,000
Total shareholding	4,844,621,952	-	-	(2,770,221,952)	2,074,400,000

1: resigned 22 June 2023

2: resigned 30 May 2023

3: resigned 29 November 2022

4: Each of Dr Hua and Mr Guo hold a significant shareholding interest in H&H Holdings Pty Ltd which is the registered holder of 1,085,110,976 fully paid ordinary shares in VDM.

Compensation options granted to key management personnel

There were no compensation options granted to KMP during the year ended 30 June 2024 (2023: nil). There were no compensation options held by KMP as at 30 June 2024 (2023: nil).

Performance rights holdings of KMP

There were no performance rights granted to KMP during the year ended 30 June 2024 (2023: nil). There were no performance rights held by KMP as at 30 June 2024 (2023: nil).

8. LOANS TO KEY MANAGEMENT PERSONNEL

There were no loans granted to KMP's during the year ended 30 June 2024 (2023: nil).

9. OTHER TRANSACTIONS AND BALANCES WITH KEY MANAGEMENT PERSONNEL AND THEIR RELATED ENTITIES

(a) Details, terms and conditions of other transactions with KMP and their related parties

Luk Hiuming

During the 2024 year, VDM paid \$nil (2023 year: Nil) to Mr Luk with respect to directors' fees.

Kengkong

On 27 January 2016, VDM entered into a Framework Loan Agreement ("FLA") with its largest shareholder, Australia Kengkong Investments Co Pty Ltd ("Kengkong"). At 30 June 2024, the balance of the loan was \$12,510,778 (2023: \$11,949,828). During the period, Kengkong had no further advances to VDM under the terms of a FLA. The FLA contemplates the parties entering into a secured one-year 6% loan facility that will incorporate the FLA liabilities. Until that occurs, the FLA advances

VDM GROUP LIMITED
REMUNERATION REPORT (AUDITED)
FOR THE YEAR ENDED 30 JUNE 2024

plus interest accrued at 6% per annum are immediately repayable in the denominated currency when demanded by Kengkong. VDM's Non-executive Chairman Mr Luk controls Kengkong, refer to note 22 for full detailed disclosure on outstanding balance.

(b) Amounts recognised at the reporting date in relation to the other transactions:

	2024	2023
	\$'000	\$'000
Statement of Comprehensive Income		
Interest expense (i)	557	595
Total finance costs	557	595
Current Liabilities		
Interest-bearing loans and other borrowings (ii)	12,511	11,950
Total liabilities	12,511	11,950

Notes:

- (i) Interest expense on Kengkong shareholder loan (6% per annum).
- (ii) Shareholder loan due to Kengkong inclusive of accrued interest

End of remuneration report

This report is made in accordance with a resolution of the directors.



Mr Michael Fry
Director
17 April 2025

To the Board of Directors,

AUDITOR'S INDEPENDENCE DECLARATION UNDER SECTION 307C OF THE CORPORATIONS ACT 2001

As lead audit director for the audit of the financial statements of VDM Group Limited and its controlled entities for the year ended 30 June 2024, I declare that to the best of my knowledge and belief, there have been no contraventions of:

- the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
- any applicable code of professional conduct in relation to the audit.

Yours Faithfully,



HALL CHADWICK AUDIT (WA) PTY LTD



MICHAEL HILLGROVE FCA
Director

Dated this 17th day of April 2025
Perth, Western Australia

VDM GROUP LIMITED
CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER
COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2024

	Note	2024 \$000	2023 \$000
Continuing operations			
Revenue	5	1	1
Expenses			
Employee benefits expense	6a	(1)	(135)
Occupancy related expenses		(7)	(9)
Legal expenses		(49)	(5)
Loss on sale of property	6c	-	(256)
Finance costs	6b	(557)	(595)
Other expenses	6d	(279)	(427)
Total expenses		(893)	(1,427)
Loss from continuing operations before income tax		(892)	(1,426)
Income tax expense	8	-	-
Loss from continuing operations after income tax		(892)	(1,426)
Discontinued operations			
Loss from discontinued operations after income tax	7	(37)	-
Loss for the year		(929)	(1,426)
Other comprehensive income		-	-
Total comprehensive loss for the year		(929)	(1,426)
Total comprehensive loss for the period is attributed to:			
Owners of the parent		(929)	(1,426)
		(929)	(1,426)
Loss per share			
Basic loss per share (cents per share)	9	(0.01)	(0.02)
Diluted loss per share (cents per share)	9	(0.01)	(0.02)
Loss per share from continuing operations			
Basic loss per share (cents per share)	9	(0.01)	(0.02)
Diluted loss per share (cents per share)	9	(0.01)	(0.02)

The accompanying notes form part of these financial statements.

VDM GROUP LIMITED
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2024

	Note	2024 \$000	2023 \$000
ASSETS			
Current assets			
Cash and cash equivalents	11	2,229	1,390
Security deposits	12	-	20
Trade and other receivables	13	45	24
Assets held for sale	14	-	1,215
Total current assets		2,274	2,649
Non-current assets			
Property, plant and equipment	16	3	3
Total non-current assets		3	3
Total assets		2,277	2,652
LIABILITIES			
Current liabilities			
Trade and other payables	17	5,274	5,180
Interest-bearing loans and borrowings	18	12,511	11,950
Provisions	19	124	225
Total current liabilities		17,909	17,355
Total liabilities		17,909	17,355
Net assets/(liabilities)		(15,632)	(14,703)
Equity			
Contributed equity	20	297,360	297,360
Share options reserve	21	35	35
Equity reserve	21	457	457
Accumulated losses	21	(313,484)	(312,555)
Total equity/(deficit)		(15,632)	(14,703)

The accompanying notes form part of these financial statements.

VDM GROUP LIMITED
CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2024

	Note	2024 \$000	2023 \$000
Cash flows from operating activities			
Receipts from customers		-	-
Payments to suppliers and employees		(340)	(498)
Interest received		1	1
GST refunded		-	20
Net cash flows (used) in operating activities	22	(339)	(477)
Cash flows from investing activities			
(Investment in) release from security deposit		-	-
Proceeds from sale of property, plant and equipment		1,178	740
Net cash flows from investing activities		1,178	740
Cash flows from financing activities			
Repayment of borrowings		-	-
Proceeds from issue of shares		-	-
Transaction costs on issue of shares		-	-
Net cash flows from financing activities		-	-
Net increase/(decrease) in cash and cash equivalents		839	263
Cash and cash equivalents at beginning of period		1,390	1,127
Cash and cash equivalents at end of period	11	2,229	1,390

The accompanying notes form part of these financial statements.

VDM GROUP LIMITED
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2024

	Issued Capital Ordinary \$000	Accumulated Losses \$000	Equity reserve \$000	Share options reserve \$000	Total \$000
Balance at 1 July 2023	297,360	(312,555)	457	35	(14,703)
Comprehensive loss for the year	-	(929)	-	-	(929)
Total comprehensive loss for the year	-	(929)	-	-	(929)
Transactions with owners in their capacity as owners					
Share Issue	-	-	-	-	-
Share based payments	-	-	-	-	-
Capital raising costs	-	-	-	-	-
Balance at 30 June 2024	297,360	(313,484)	457	35	(15,632)
Balance at 1 July 2022	297,360	(311,129)	457	35	(13,277)
Comprehensive loss for the year	-	(1,426)	-	-	(1,426)
Total comprehensive loss for the year	-	(1,426)	-	-	(1,426)
Transactions with owners in their capacity as owners					
Share Issue	-	-	-	-	-
Share based payments	-	-	-	-	-
Capital raising costs	-	-	-	-	-
Balance at 30 June 2023	297,360	(312,555)	457	35	(14,703)

The accompanying notes form part of these financial statements.

VDM GROUP LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2024

CONTENTS

1. CORPORATE INFORMATION	20
2. SUMMARY OF MATERIAL ACCOUNTING POLICIES	20
3. SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS	25
4. SEGMENT INFORMATION	26
5. REVENUE	27
6. EXPENSES	27
7. DISCONTINUED OPERATIONS	28
8. INCOME TAX	29
9. LOSS PER SHARE	30
10. DIVIDENDS PROPOSED AND PAID	31
11. CASH AND CASH EQUIVALENTS	31
12. SECURITY DEPOSITS	31
13. TRADE AND OTHER RECEIVABLES	32
14. ASSETS HELD FOR SALE	33
15. DEVELOPMENT PROPERTIES	33
16. PROPERTY, PLANT AND EQUIPMENT	33
17. TRADE AND OTHER PAYABLES	34
18. INTEREST BEARING LOANS AND OTHER BORROWINGS	34
19. PROVISIONS	35
20. CONTRIBUTED EQUITY	36
21. ACCUMULATED LOSSES AND RESERVES	37
22. CASHFLOW STATEMENT INFORMATION	37
23. RELATED PARTY DISCLOSURE	38
24. FINANCIAL ASSETS AND FINANCIAL LIABILITIES	39
25. PARENT ENTITY INFORMATION	42
26. COMMITMENTS	43
27. EVENTS AFTER THE REPORTING PERIOD	43
28. AUDITOR'S REMUNERATION	43
29. CLOSED GROUP CLASS ORDER DISCLOSURES	44

VDM GROUP LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2024

1. CORPORATE INFORMATION

The consolidated financial statements of VDM Group Limited and its controlled entities ("VDM" or the "Group") for the year ended 30 June 2024 were authorised for issue in accordance with a resolution of the directors on 17 April 2025.

VDM Group Limited is a for-profit company limited by shares incorporated and domiciled in Australia whose shares are publicly traded on the Australian Securities Exchange.

VDM's business activities during the year principally related to:

- the Cachoeiras do Binga copper project located in the Republic of Angola (**Cachoeiras do Binga**);
- the Cage Bengo Project located in the Republic of Angola (**Cage Bengo**); and
- review of new project opportunities.

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES

a) Basis of preparation

The financial report is a general purpose financial report, which has been prepared in accordance with the requirements of the *Corporations Act 2001*, Australian Accounting Standards and other authoritative pronouncements of the Australian Accounting Standards Board. The financial report has also been prepared on the historical cost basis.

The financial report is presented in Australian dollars and all values are rounded to the nearest thousand dollars (\$'000) unless otherwise stated.

The consolidated financial statements provide comparative information in respect of the previous year.

b) Compliance with IFRS

The financial report complies with Australian Accounting Standards and International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board.

c) Adoption of New and Revised Standards

Standards and Interpretations applicable to 30 June 2024

In the year ended 30 June 2024, the Directors have reviewed all of the new and revised Standards and Interpretations issued by the AASB that are relevant to the Company and effective for the current annual reporting period, with none having any impact on the Company.

New Accounting Standards and Interpretations not yet mandatory or early adopted

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet mandatory, have not been early adopted by the Group for the annual reporting period ended 30 June 2024.

d) Going concern

VDM incurred a net loss after tax for the year ended 30 June 2024 of \$929,000 (2023: \$1,426,000). Net cash flows used in operating activities were \$339,000 (2023: \$477,000). At 30 June 2024, VDM had net current liabilities of \$15,635,000 (30 June 2023: \$14,706,000). The cash position of VDM at 30 June 2024 was \$2,229,000 (30 June 2023: \$1,410,000 inclusive of \$20,000 of security deposits).

VDM will require further capital funding:

- for general corporate working capital including trade and other payables, and provisions that become due (refer to notes 17 and 19);
- to progress its business strategy including the Cachoeiras do Binga and Cage Bengo Gold exploration program;
- to pursue other business growth opportunities; and
- to settle shareholder loans once called (refer to note 18).

This report has been prepared on the going concern basis, which contemplates the continuity of normal business activity and the realisation of assets and settlement of liabilities in the normal course of business.

VDM GROUP LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2024

In forming this view, the directors have taken into consideration that the Group expects:

- to undertake future capital raisings sufficient to meet the above noted funding requirements and the Group is consulting with potential sophisticated investors in this regard. The directors are confident in raising the required funds successfully based on the past and recent capital raised;
- VDM's largest shareholder, Australia Kengkong Investments Co Pty Ltd will not demand repayment of amounts due under the FLA within the next twelve months from the date of signing this report, confirmation of which has been received; and
- a Cachoeiras do Binga joint venture partner will not demand repayment of the outstanding creditor balance detailed in note 17 until the Group's next significant capital raising or when the Group's financial status has a significant improvement, confirmation of which has been received.

Based on the above, the directors have prepared cashflow forecasts that indicate the Group will be cash flow positive for the next twelve months from the date of signing this report

Should VDM not achieve the matters set out above, there is material uncertainty as to whether VDM will continue as a going concern and therefore whether it will realise its assets and extinguish its liabilities in the normal course of business and at the amounts stated in the financial report. The financial report does not include any adjustment relating to the recoverability or classification of recorded asset amounts or to the amounts or classifications of liabilities that may be necessary should VDM not be able to continue as a going concern.

e) Basis of consolidation

The consolidated financial statements comprise the financial statements of VDM Limited and its subsidiaries as at 30 June 2024. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if and only if the Group has:

- Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee);
- Exposure, or rights, to variable returns from its involvement with the investee; and
- The ability to use its power over the investee to affect its returns.

Generally, there is a presumption that a majority of voting rights results in control. To support this presumption, and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement(s) with the other vote holders of the investee;
- Rights arising from other contractual arrangements; and
- The Group's voting rights and potential voting rights.

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income (OCI) are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If the Group loses control over a subsidiary, it derecognises the related assets (including goodwill), liabilities, non-controlling interest and other components of equity while any resultant gain or loss is recognised in profit or loss. Any investment retained is recognised at fair value.

VDM GROUP LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2024

f) Current versus non-current classification

The Group presents assets and liabilities in statement of financial position based on current/ non-current classification.

An asset is current when it is:

- expected to be realised or intended to be sold or consumed in normal operating cycle;
- held primarily for the purposes of trading;
- expected to be realised within twelve months after the reporting period; or
- cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is current when:

- it is expected to be settled in normal operating cycle;
- it is held primarily for the purpose of trading;
- it is due to be settled within twelve months after the reporting period; or
- there is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The Group classifies all other liabilities as non-current. Deferred tax asset and liabilities are classified as non-current assets and liabilities.

g) Income tax and other taxes

Current tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities based on the current period's taxable income. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the balance sheet date.

Deferred income tax is provided on all temporary differences at the balance sheet date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes. Deferred income tax liabilities are recognised for all taxable temporary differences except:

- when the deferred income tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and that, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; or
- when the taxable temporary difference is associated with investments in subsidiaries, associates or interests in joint ventures, and the timing of the reversal of the temporary difference can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred income tax assets are recognised for all deductible temporary differences, carry-forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and the carry-forward of unused tax credits and unused tax losses can be utilised, except:

- when the deferred income tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; or
- when the deductible temporary difference is associated with investments in subsidiaries, associates or interests in joint ventures, in which case a deferred tax asset is recognised only to the extent that it is probable that the temporary difference will reverse in the foreseeable future and taxable profit will be available against which the temporary difference can be utilised.

The carrying amount of deferred income tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilised.

Unrecognised deferred income tax assets are reassessed at each balance sheet date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the balance sheet date.

Deferred tax assets and deferred tax liabilities are offset only if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred tax assets and liabilities relate to the same taxable entity and the same taxation authority.

VDM GROUP LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2024

Tax consolidation legislation

VDM Group Limited and its wholly-owned Australian controlled entities implemented the tax consolidation legislation as of 1 July 2004.

VDM Group Limited and the controlled entities in the tax consolidated group continue to account for their own current and deferred tax amounts. VDM Group has applied the group allocation approach in determining the appropriate amount of current taxes and deferred taxes to allocate to members of the tax consolidated group.

In addition to its own current and deferred tax amounts, VDM Group Limited also recognises the current tax liabilities (or assets) and the deferred tax assets arising from unused tax losses and unused tax credits assumed from controlled entities in the tax consolidated group.

Assets and liabilities arising under tax funding agreements with the tax consolidated entities are recognised as amounts receivable from or payable to other entities in VDM Group. Details of the tax funding agreement are disclosed in note 8.

Other taxes

Revenues, expenses and assets are recognised net of the amount of GST except:

- when the GST incurred on a purchase of goods and services is not recoverable from the taxation authority, in which case the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and
- receivables and payables, which are stated with the amount of GST included.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the balance sheet.

Cash flows are included in the Cash Flow Statement on a gross basis and the GST component of cash flows arising from investing and financing activities, which is recoverable from, or payable to, the taxation authority is classified as part of operating cash flows.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the taxation authority.

h) Financial instruments

Financial instruments - assets

a. Classification

The Group classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through OCI or through profit or loss), and
- those to be measured at amortised cost.

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will either be recorded in profit or loss or OCI. For investments in equity instruments that are not held for trading, this will depend on whether the Group has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income (FVOCI).

b. Measurement

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss (FVTPL), transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVTPL are expensed in profit or loss.

c. Impairment

For trade receivables, the Group applies the simplified approach permitted by AASB 9, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

Financial instruments - liabilities

a. Classification

The Group classifies its financial liabilities in the following measurement categories:

- those to be measured subsequently at FVTPL, and
- those to be measured at amortised cost.

VDM GROUP LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2024

The classification depends on the entity's business model for managing the financial liabilities and the contractual terms of the cash flows.

For financial liabilities measured at FVTPL, gains and losses, including any interest expenses will be recorded in profit or loss. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is also recognized in profit or loss.

For financial liabilities measured at amortised cost, the effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the amortised cost of a financial liability.

b. Measurement

At initial recognition, the Group measures financial liabilities at its fair value plus, in the case of financial liabilities not at fair value through profit or loss (FVTPL), transaction costs that are directly attributable to the acquisition of the financial liabilities. Transaction costs of financial liabilities carried at FVTPL are expensed in profit or loss.

i) Exploration and evaluation expenditure

The Group expenses exploration and evaluation expenditure as incurred in respect of each identifiable area of interest until a time where an asset is in development.

Exploration for and evaluation of mineral resources is the search for mineral resources after the entity has obtained legal rights to explore in a specific area as well as the determination of the technical feasibility and commercial viability of extracting mineral resource.

j) Cash and cash equivalents

Cash and cash equivalents in the balance sheet comprise cash at bank and in hand and security deposits with an original maturity of three months or less that are readily convertible to cash and which are subject to an insignificant risk of changes in value.

For the purposes of the Cash Flow Statement, cash and cash equivalents consist of cash and cash equivalents as defined above, net of outstanding bank overdrafts. Bank overdrafts are included within interest bearing loans and borrowings in current liabilities on the balance sheet.

k) Earnings per share

Basic earnings per share is calculated as net profit attributable to members of the parent, adjusted to exclude any costs of servicing equity (other than dividends), divided by the weighted average number of ordinary shares, adjusted for any bonus element.

Diluted earnings per share is calculated as net profit attributable to members of the parent, adjusted for:

- Costs of servicing equity (other than dividends);
- The after tax effect of dividends and interest associated with dilutive potential ordinary shares that have been recognised as expenses; and
- Other non-discretionary changes in revenues or expenses during the period that would result from the dilution of potential ordinary shares.

divided by the weighted average number of ordinary shares and dilutive potential ordinary shares, adjusted for any bonus element.

VDM GROUP LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2024

3. SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements and estimates on historical experience and on other various factors it believes to be reasonable under the circumstances, the result of which form the basis of the carrying value of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates under different assumptions and conditions.

Management has identified the following critical accounting policies for which significant judgements, estimates and assumptions are made. Actual results may differ from these estimates under different assumptions and conditions and may materially affect financial results or the financial position reported in future periods.

Further details of the nature of these assumptions and conditions may be found in the relevant notes to the financial statements.

a) Impairment of non-financial assets

Management assesses impairment of all non-financial assets at each reporting date by evaluating conditions specific to the Group and to the particular asset that may lead to impairment.

b) Estimation of useful lives of assets

The estimation of the useful lives of assets has been based on historical experience as well as manufacturers' warranties (for plant and equipment) and lease terms (for lease equipment). In addition, the condition of the assets is assessed at least once per year and considered against remaining useful life. Adjustments to useful lives are made when considered necessary.

c) Accounting for outstanding litigations

Where the Group is involved with outstanding litigation, provisions are raised where claims against the Group are probable and are able to be measured, at the best estimate of the expenditure required to settle the obligation at the reporting date. Where claims are not able to be reliably measured or are subject to future events not wholly within control of the Group.

d) Construction warranties

In determining the level of warranty obligations required for construction contracts, VDM has made judgments in respect of the expected performance of the product and the costs of fulfilling the performance of the construction obligations. Historical experience and current knowledge of the performance of products has been used in determining this provision. The related carrying amounts are disclosed in note 19.

e) Other construction contract obligations

In determining the level of other construction contract obligations VDM has made judgments in respect of the expected amount of costs, other than warranty costs, that may be incurred in relation to completed construction contracts. Historical experience and current knowledge of the construction contracts and subcontracts has been used in determining this provision. The related carrying amounts are disclosed in note 19.

f) Exploration and evaluation expenditures

The application of the Group's accounting policy for exploration and evaluation expenditure requires judgements to determine whether expenditure will be capitalised and carried as exploration and expenditure assets or be written off to the profit or loss in the period.

VDM GROUP LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2024

4. SEGMENT INFORMATION

VDM is arranged under two operating divisions: i) construction and ii) mining and exploration. Each division was a reportable segment in the current reporting period. The accounting policies adopted for the reportable segment are consistent with those followed in the preparation of the Group's financial statements for the year ended 30 June 2024.

The following table presents the revenue, profit and selected balance sheet information for the Group's reportable segments for the year ended 30 June 2024.

2024	Construction & Trading \$000	Mining & Exploration \$000	Unallocated \$000	Total \$000
Revenue				
External revenue	-	-	1	1
Total segment revenue	-	-	1	1
Results				
Segment results before tax	-	-	(892)	(892)
Finance costs	-	-	557	557
Depreciation and amortisation	-	-	-	-
Impairment and write downs	-	-	-	-
Reconciliation of segment results before tax to net loss after tax				
Segment results before tax				(892)
Net loss after tax from continuing operations per the statement of comprehensive income				(892)
Total assets	-	-	2,277	2,277
Total liabilities	113	4,679	13,117	17,909
Other disclosures				
Exploration and evaluation asset additions	-	-	-	-

The following table presents the revenue, profit, and selected expenditure information for the year ended 30 June 2023 and selected balance sheet information as at 30 June 2023 for the Group's reportable segments.

2023	Construction & Trading \$000	Mining \$000	Unallocated \$000	Total \$000
Revenue				
External revenue	-	-	(1)	1
Total segment revenue	-	-	(1)	1
Results				
Segment results before tax	-	-	(1,426)	(1,426)
Finance costs	-	-	595	595
Reconciliation of segment results before tax to net loss after tax				
Segment results before tax				(1,426)
Net loss after tax from continuing operations per the statement of comprehensive income				(1,352)
Total assets	41	-	2,611	2,652
Total liabilities	113	4,679	12,563	17,355

Major Customers

During 2024, VDM had no customer that contributed greater than 10% of revenue (2023: no customer contributed greater than 10% of revenue).

VDM GROUP LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2024

	2024	2023
	\$000	\$000
5. REVENUE		
Sales revenue		
Revenue from contracts with customers	-	-
Total sales revenue	-	-
Other revenue		
Interest	1	1
Total other revenue	1	1
Total revenue	1	1

	2024	2023
	\$000	\$000
6. EXPENSES		
a) Employee benefits expense		
Wages and salaries - actual	89	122
Wages and salaries – reversal of historical provision	(97)	-
Superannuation expense	9	13
Other employee benefits expense	-	-
Total employee benefits expense	1	135
b) Finance costs		
Bank fees and other finance charges	-	-
Interest	557	595
Total finance costs	557	595
c) Loss on sale		
Loss on sale of property	-	256
Total finance costs	-	256
d) Other expenses		
Insurances	-	56
Telecommunications	1	3
Computer costs	25	25
Foreign exchange losses	4	178
Other	249	165
Total other expenses	279	427

VDM GROUP LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2024

	2024 \$000	2023 \$000
7. DISCONTINUED OPERATIONS		
<i>Financial performance of discontinued operations</i>		
Revenue	-	-
Expenses	(37)	-
Operating profit	(37)	-
Finance costs	-	-
Loss on sale of assets	-	-
Loss from discontinued operations before income tax	(37)	-
Income tax expense	-	-
Loss from discontinued operations after income tax	(37)	-
<i>Assets and liabilities of the discontinued operations</i>		
Total Assets	-	1,215
Total Liabilities	-	-
Net assets attributable to discontinued operations	-	1,215
<i>Net cash flows attributable to discontinued operations</i>		
Operating	-	-
Investing	1,178	-
Financing	-	-
Net cash (outflow) / inflow	1,178	-

VDM GROUP LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2024

	2024 \$000	2023 \$000
8. INCOME TAX		
a) The components of tax expense comprise:		
<i>Current income tax:</i>		
Income tax expense on adjustments in respect of current income tax of previous years	-	-
<i>Deferred income tax:</i>		
Relating to origination & reversal of temporary differences	-	-
Prior year tax losses no longer recognised	-	-
Adjustments in respect of deferred income tax of previous years	-	-
Income tax expense reported in the statement of comprehensive income	-	-
b) Numerical reconciliation between aggregate tax expense recognised in the income statement and the tax expense calculated in the statutory income tax return		
Accounting loss before tax	(929)	(1,426)
Total accounting loss before tax	(929)	(1,426)
Prima facie income tax expense @25%	(232)	(357)
Prior year tax over provision	-	-
Tax adjustment for non-deductible expenses	9	64
Tax adjustment for non-assessable income	-	-
Temporary differences and unrecognised tax losses	223	293
Aggregate income tax expense	-	-
Income tax expense reported in the consolidated income statement	-	-
Aggregate income tax expense	-	-

Current period income tax amounts were calculated based on a reduced corporate income tax rate of 25% (2023: 25.0%).

c) Recognised deferred tax asset and liabilities	Statement of financial position		Statement of comprehensive income	
	2024 \$000	2023 \$000	2024 \$000	2023 \$000
Deferred tax liabilities				
Other	-	-	-	-
Gross deferred tax liabilities	-	-	-	-
Deferred tax assets				
Provision for employee entitlements	-	25	25	-
Provisions – other	30	30	-	-
Trade and other receivables	223	223	-	-
Trade and other payables	107	109	2	15
Contributed equity	-	-	-	-
Deferred tax assets not recognised	(360)	(387)	(27)	(15)
Gross deferred tax assets	-	-	-	-

VDM GROUP LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2024

d) Tax losses

VDM Group has recognised a deferred tax asset of \$nil (2023: \$nil) for Australian income tax purposes on the basis that it is not 'probable' that the carried forward revenue loss will be utilised against future assessable taxable profits.

VDM has estimated tax losses of \$138,275,000 (2023: \$137,470,000). Utilisation of the carried forward tax losses by the company is subject to satisfaction of the Continuity of Ownership Test ("COT") or, failing that, the Same Business Test ("SBT"). It is likely that VDM has failed COT during the 2015 financial year, therefore in order to be able to utilise the pre-2016 losses in the future, VDM may be required to satisfy the SBT. Where VDM derives assessable income in a future income year, an assessment of whether the same business has been carried on between just before the COT failure and the intervening period will determine whether the losses are available for utilisation.

e) Unrecognised temporary differences

At 30 June 2024, there were no unrecognised temporary differences associated with VDM's investments in subsidiaries, or joint ventures, as VDM has no liability for additional taxation should unremitted earnings be remitted (2023: nil).

f) Tax consolidation

Members of the tax consolidation group and the tax sharing arrangement

VDM Group Limited and its 100% owned Australian resident subsidiaries formed a tax consolidated group with effect from 1 July 2004. VDM Group Limited is the head entity of the tax-consolidated group. Members of Group have entered into a tax sharing agreement that provides for the allocation of income tax liabilities between the entities should the head entity default on its tax payment obligations.

	2024	2023
	\$000	\$000
9. LOSS PER SHARE		
a) Loss used in calculating loss per share		
Net loss from continuing operations attributable to ordinary equity holders of the parent	(892)	(1,426)
Net loss attributable to ordinary equity holders of the parent for basic earnings	(929)	(1,426)
b) Weighted average number of shares	No.	No.
Weighted average number of ordinary shares for basic and diluted earnings per share	6,927,660,952	6,927,660,952

VDM GROUP LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2024

	2024 \$000	2023 \$000
10. DIVIDENDS PROPOSED AND PAID		
a) Declared and paid during the year		
<i>Dividends on ordinary shares:</i>		
Final dividend for 2024: nil cents per share (2023: nil cents per share)	-	-
Interim dividend for 2024: nil cents per share (2023: nil cents per share)	-	-
Dividends paid during the year	-	-
b) Dividend proposed, not recognised as a liability		
Final dividend for 2024: nil cents per share (2023: nil cents per share)	-	-
c) Franking credits:		
<i>Franking credits available for the subsequent financial year:</i>		
Franking account balance as at the end of the financial year at 25.0% (2023: 25.0%)	3,459	3,459
Franking debits that will arise from the refunds of income tax receivable as at the end of the financial year	-	-
Franking credits available for future periods	3,459	3,459

11. CASH AND CASH EQUIVALENTS		
Cash at bank and in hand	2,229	1,390
Cash and cash equivalents	2,229	1,390
<i>Reconciliation to cash flow statement</i>		
For the purposes of the cash flow statement, cash and cash equivalents comprise the following at 30 June:		
Cash at bank and in hand	2,229	1,390
Cash for reconciliation of cash flow statement	2,229	1,390

Cash at bank earns interest at floating rates or term deposit rates.

12. SECURITY DEPOSITS		
Security Deposits	-	20
Current	-	20
Non-current	-	-
Total security deposits	-	20

Security deposits are comprised of cash pledged as collateral for bank guarantees issued by the Group. The security deposits are not available for immediate use.

VDM GROUP LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2024

	2024	2023
	\$000	\$000
13. TRADE AND OTHER RECEIVABLES		
Trade receivables	891	891
Other debtors	45	24
Impairment of trade and other receivables	(891)	(891)
Total trade and other receivables	45	24
a) Ageing of trade receivables		
0 - 30 days	-	-
31 - 60 days	-	-
> 60 days PDNI*	-	-
> 60 days IM** (expected loss rate of 100% - fully provided for)	891	891
Total trade receivables	891	891
b) Allowance for impairment loss		
Balance at 1 July 2023	891	891
Charge for the year	-	-
Write-back over provision	-	-
Write offs	-	-
Balance at 30 June 2024	891	891

* PDNI – past due not impaired

** IM - impaired

The Group applies the simplified approach to providing for expected credit losses prescribed by AASB 9, which permits the use of the lifetime expected loss provision for all trade receivables. To measure the expected credit losses, trade receivables have been grouped based on the days past due. The loss allowance provision as at 30 June 2024 is determined based on the expected credit losses, incorporating forward-looking information.

The amounts written off are all due to customers declaring bankruptcy, or receivables that have now become unrecoverable.

c) Fair value and credit risk

Due to the short term nature of these receivables, their carrying value is assumed to approximate their fair values.

The maximum exposure to credit risk is the fair value of receivables.

d) Foreign exchange and interest rate risk

Details regarding foreign exchange and interest rate risk exposure are disclosed in note 24.

VDM GROUP LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2024

	2024	2023
	\$000	\$000
14. ASSETS HELD FOR SALE		
Assets held for sale	-	1,215
Total assets held for sale	-	1,215
Reconciliation of carrying amounts		
Balance at 1 July	1,215	-
Revaluation	(37)	-
Disposals	(1,178)	-
Asset transferred from investment properties	-	1,215
Balance at 30 June	-	1,215

During the year, the Company sold its apartment in Mandurah, Western Australia, netting \$1.178m after costs.

15. DEVELOPMENT PROPERTIES		
Development properties	-	996
Total development properties - NRV	-	996
Reconciliation of carrying amounts		
Balance at 1 July	-	996
Additions	-	-
Disposals	-	(740)
Loss on sale of development properties	-	(256)
Balance at 30 June	-	-

During the year ended 30 June 2023, the Company sold its 52% interest in vacant land at Lot 501, Greenfield Street, Boodarie in South Headland in Western Australia, referred to as the "Quartz Estate" and realised net proceeds of \$740k, resulting in a loss on sale of \$256k. The decision was made to sell the property due to concerns about the short to medium term outlook for vacant development land in the South Headland region.

16. PROPERTY, PLANT AND EQUIPMENT		
Leasehold improvements at cost	14	14
Accumulated depreciation	(11)	(11)
Total leasehold improvements	3	3
Plant & equipment at cost	29	29
Accumulated depreciation	(29)	(29)
Total plant & equipment	-	-
Total property, plant and equipment	3	3
Reconciliation of carrying amounts		
<i>Leasehold Improvements</i>		
Balance at 1 July net of accumulated depreciation	3	3
Additions	-	-
Disposals	-	-
Depreciation	-	-
Balance at 30 June	3	3
Total property, plant and equipment	3	3

VDM GROUP LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2024

	2024	2023
	\$000	\$000
17. TRADE AND OTHER PAYABLES		
Trade payables and accruals	595	496
Employee related payables	-	5
Other payables	4,679	4,679
Total trade and other payables	5,274	5,180

Other payables includes \$4,875,000 of purchase consideration due to a Cachoeiras do Binga joint venture partner less the share of exploration costs of \$196,000 incurred by the Group in accordance with the terms of the joint venture agreement (30 June 2023: \$4,875,000 less share of exploration costs of \$196,000). Under the terms of the cash consideration agreement VDM shall pay the full remaining balance to the Cachoeiras do Binga joint venture partner within 21 days of completion of VDM's next significant capital raising or when VDM's financial status has a significant improvement.

Fair values

Due to the short term nature of these payables, their carrying value is assumed to approximate their fair value.

Interest rate, foreign exchange and liquidity risk

Information regarding interest rate, foreign exchange and liquidity risk exposure is disclosed in note 24.

Entities subject to class order relief

VDM Group Limited provides financial guarantees to its subsidiaries by way of a Deed of Cross Guarantee (refer to note 29(a)).

18. INTEREST BEARING LOANS AND OTHER BORROWINGS

Shareholder loan (AUD denominated)	6,099	5,828
Shareholder loan (USD denominated)	6,412	6,122
Hire purchase liabilities	-	-
Total interest bearing loans and other borrowings	12,511	11,950

Reconciliation of carrying amounts

Balance at 1 July	11,950	11,177
Interest - refer note 6	557	595
Foreign exchange loss/(gain) - refer note 6	4	178
Balance at 30 June 2024	12,511	11,950

a) Fair values

The carrying amount of current interest-bearing loans approximates their fair value.

b) Interest rate, foreign exchange and liquidity risk

Refer Note 24 for Information regarding interest rate, foreign exchange and liquidity risk exposure.

c) Financing facilities

Credit cards	-	20
Balance at 30 June 2024	-	20

VDM GROUP LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2024

During the year, the Company cancelled its credit cards and therefore the bond was no longer required by the Company's banker with the funds being returned to the general account.

d) Shareholder loans

During the period VDM's largest shareholder, Australia Kengkong Investments Co Pty Ltd ("Kengkong"), made no further advances to VDM under the terms of a Framework Loan Agreement ("FLA") (2023: Nil). At 30 June 2024, \$12,511,000 (2023: \$11,950,000) shareholder loans were due. The FLA contemplates the parties entering into a secured one-year 6% per annum loan facility that will incorporate the FLA liabilities. Until that occurs, the FLA advances, plus accrued interest of 6% per annum are immediately repayable in the denominated currency when demanded by Kengkong. An interest rate of 20% per annum applies if VDM defaults on the loan.

The 30 June 2024 shareholder loan balances include \$556,668 of interest accrued in the year (2023: \$595,000 of accrued interest) and \$4,282 of unrealised foreign exchange gains recorded in the year (2023: \$178,000) of unrealised foreign exchange losses). As part of the AGM held on November 28 2016, Kengkong is entitled to first ranking security over the assets and properties of the Group.

	2024	2023
	\$000	\$000
19. PROVISIONS		
Current		
Employee entitlements	-	101
Construction warranties	11	11
Other construction contract obligations	74	74
Other provisions	39	39
Total current provisions	124	225
Non-Current		
Employee entitlements	-	-
Total non-current provisions	-	-
Total provisions	124	225

a) Movement in provisions

	Balance 1 Jul 2023 \$000	Arising during the year \$000	Utilised during the year \$000	Unused amounts reversed \$000	Balance 30 Jun 2024 \$000
2024					
Employee entitlements	101	2	(4)	(99)	-
Construction warranties	11	-	-	-	11
Other construction contract obligations	74	-	-	-	74
Other provisions	39	-	-	-	39
Total provisions	225	2	(4)	(99)	124
2023					
Employee entitlements	103	3	(5)	-	101
Construction warranties	11	-	-	-	11
Other construction contract obligations	74	-	-	-	74
Other provisions	39	-	-	-	39
Total provisions	227	3	(5)	-	225

VDM GROUP LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2024

b) Nature and timing of provisions

Construction warranties are estimated costs for warranty claims on completed construction projects based on past experience. It is estimated that these costs will be incurred in the next financial year.

Other construction contract obligations are estimated costs, other than warranty claims, related to construction contracts.

Other provisions are mainly comprised of remaining deductibles under insurance claims. The insurance deductible portion is estimated to be incurred in the next financial year.

Provisions estimated to be settled after the end of the next financial year are classified as non-current. Provisions estimated to be settled in the next financial year are classified as current.

	2024	2023
	\$000	\$000
20. CONTRIBUTED EQUITY		
a) Ordinary shares		
Issued and fully paid	297,360	297,360
	Number of Shares	\$000
Balance at 1 July 2022	6,927,660,952	297,360
Share Issues	-	-
Capital raising costs	-	-
Balance at 1 July 2023	6,927,660,952	297,360
Share Issues	-	-
Capital raising costs	-	-
Balance at 30 June 2024	6,927,660,952	297,360

b) Terms and conditions of contributed equity

Ordinary shares have the right to receive dividends as declared and, in the event of winding up the Company, to participate in the proceeds from the sale of all surplus assets in proportion to the number of and amounts paid up on shares held. Ordinary shares entitle their holder to one vote, either in person or by proxy, at a meeting of the Company.

c) Capital Management

When managing capital, the Board's objective is to ensure the Company continues as a going concern as well as to maintain optimal returns to shareholders and benefits for other stakeholders.

In the short to medium term the Company is focussed on maintaining an appropriate level of working capital. Until achievement of profitable operations and positive cash flow, the Directors do not anticipate paying dividends.

The level of dividends paid by the Company in the future will depend upon the availability of distributable earnings, the Company's franking credit position, operating results, available cash flow, financial condition, taxation position, future capital requirements, as well as general business and financial conditions and any other factors the Directors may consider relevant.

VDM is not subject to any externally imposed capital requirements.

VDM GROUP LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2024

	2024	2023
	\$000	\$000
21. ACCUMULATED LOSSES AND RESERVES		
a) Movement in accumulated losses		
Balance at 1 July	(312,555)	(311,129)
Net loss attributable to members of VDM Group Limited	(929)	(1,426)
Balance at 30 June	(313,484)	(312,555)
b) Share options reserve		
Balance at 1 July	35	35
Arising during the year	-	-
Balance at 30 June	35	35
c) Movement in equity reserve		
Balance at 1 July	457	457
Balance at 30 June	457	457

Option reserve

The option reserve records items recognised as expenses on valuation of employee share options.

Equity reserve

The equity reserve is used to record differences between the carrying value of non-controlling interests and the consideration paid/received, where there has been a transaction involving non-controlling interests that did not result in a loss of control. The reserve is attributable to the equity of the parent.

22. CASHFLOW STATEMENT INFORMATION

Reconciliation of net profit after tax to the net cash flows from operations

Net loss after tax	(929)	(1,426)
<i>Non-cash items:</i>		
Depreciation and amortisation	-	-
Loss on disposal of property	-	256
Revaluation of assets for sale	37	-
Share based payment	-	-
<i>Change in operating assets and liabilities:</i>		
(Increase)/decrease in trade and other receivables	(21)	(11)
Increase in trade and other creditors	675	919
Decrease in provisions	(101)	(2)
Net cash flows used in operating activities	(339)	(477)

VDM GROUP LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2024

23. RELATED PARTY DISCLOSURE

Note 29 provides the information about VDM's structure including details of the subsidiaries and the parent company.

a) Ultimate parent

VDM Group Limited is the ultimate Australian parent entity.

Due from associates

At 30 June 2024, the amount due from associates is Nil (2023: Nil)

b) Transactions with key management personnel

Luk Hiuming

During the 2024 year, VDM paid \$nil (2023 year: \$nil) to Mr Luk in relation to directors' fees.

Kengkong

On 27 January 2016, VDM entered into a Framework Loan Agreement ("FLA") with its largest shareholder, Australia Kengkong Investments Co Pty Ltd ("Kengkong"). The FLA contemplates the parties entering into a secured one-year 6% loan facility that will incorporate the FLA liabilities. Until that occurs, the FLA advances plus interest accrued at 6% per annum are immediately repayable in the denominated currency when demanded by Kengkong. VDM's Non-executive Chairman Mr Luk controls Kengkong, refer to note 18 for full detailed disclosure on outstanding balance. Related interests of \$557,000 has been recognised for the current year (2023: \$595,000)

c) Transactions with related parties other than key management personnel

There were no transactions entered into with related parties other than key management personnel during the years ended 30 June 2024 and 30 June 2023, except for those noted above.

	2024	2023
	\$	\$
d) Compensation for key management personnel		
Short term	124,036	113,844
Long term	-	-
Post employment	5,337	6,113
Share-based payments	-	-
Termination benefits	-	1,260
Total compensation	129,373	121,217

VDM GROUP LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2024

	2024	2023
	\$000	\$000
24. FINANCIAL ASSETS AND FINANCIAL LIABILITIES		
a) Financial assets		
Cash and cash equivalents (note 11)	2,229	1,390
Security deposits (note 12)	-	20
Trade and other receivables (note 13)	45	24
Total Financial Assets	2,274	1,434
b) Financial liabilities		
Current interest-bearing loans and borrowings		
6% secured interest-bearing loan from Kengkong (note 18)	12,511	11,950
Total current interest-bearing loans and borrowings	12,511	11,950
c) Other financial liabilities		
Other financial liabilities, other than interest-bearing loans and borrowings		
Trade and other payables (note 17)	5,274	5,180
Total other financial liabilities	5,274	5,180

d) Financial instruments risk management objectives and policies

The Group's principal financial liabilities, comprise of loans and borrowings and trade and other payables. The main purpose of these financial liabilities is to finance the Group's operations and to provide guarantees to support its operations. The Group's principal financial assets include trade and other receivables, and cash and security deposits that derive directly from its operations.

Credit, liquidity and market risk (including interest rate and foreign exchange risk) arise in the normal course of VDM's business. VDM manages its exposure to these key financial risks in accordance with VDM's financial risk management policy. The objective of the policy is to support the delivery of VDM's financial targets whilst protecting future financial security. VDM's principal financial instruments comprise receivables, payables, loans, hire purchase liabilities, cash and security deposits.

VDM uses different methods to measure and manage different types of risks to which it is exposed. These include monitoring levels of exposure to interest rate and foreign exchange risk and assessments of market forecasts for interest rate and foreign exchange. Ageing analysis and monitoring of specific credit allowances are undertaken to manage credit risk, liquidity risk is monitored through the development of future rolling cash flow forecasts.

Primary responsibility for identification and control of financial risks rests with the Audit and Risk Committee under the authority of the Board. The Board reviews and agrees policies for managing each of the risks identified below.

Interest rate risk

Interest rate risk is the risk that the Group's financial position will be adversely affected by movements in interest rates that will increase the cost of floating rate debt or opportunity losses that may arise on fixed rate borrowings in a falling interest rate environment. Shareholder loans bear a fixed interest rate therefore they are not exposed to any interest rate risk.

VDM GROUP LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2024

24. FINANCIAL ASSETS AND FINANCIAL LIABILITIES (CONTINUED)

The following table summarises the sensitivity on the interest rate exposures (excluding opportunity cost of fixed rate borrowings) in existence at the balance sheet date. The sensitivity is based on foreseeable changes over a financial year.

	2024	2023
	\$000	\$000
Post-tax gain / (loss)		
+ 1% (100 basis points)	22	14
- 1% (100 basis points)	(22)	(14)

The movement in profit is due to lower/higher interest income from variable rate cash balances. Other than retained earnings, there is no impact on equity in the consolidated entity.

Credit risk

Credit risk arises from the financial assets of VDM, which comprises cash and cash equivalents and trade and other receivables. VDM's exposure to credit risk arises from potential default of the counter party, with a maximum exposure equal to the carrying amount of these instruments.

VDM manages its credit risk by trading only with recognised, creditworthy third parties, and as such collateral is not requested nor is it VDM's policy to securitise its trade and other receivables. Customers are subject to credit verification procedures including an assessment of their independent credit rating, financial position, past experience and industry reputation. Receivables balances are monitored on an ongoing basis. VDM has a concentration trade receivables credit risk with its major customer (refer to "major customers" in note 5). Financial instruments are held amongst reputable financial institutions thus minimising the risk of default of these counterparties.

The maximum exposure to credit risk at the reporting date was as follows:

Cash and cash equivalents (note 11)	2,229	1,390
Security deposits (note 12)	-	20
Trade and other receivables (note 13)	45	24
	2,274	1,434

Foreign currency risk

Foreign currency risk arises from transactions, assets and liabilities that are denominated in a currency that is not the functional currency of the transacting entity. Measuring the exposure to foreign currency risk is achieved by regularly monitoring and performing sensitivity analysis on VDM's financial position. Currently there is no foreign exchange hedge programme in place.

	2024	2023
	\$000	\$000
The financial instruments exposed to US dollar foreign exchange rate risk are as follows:		
Financial assets		
Cash and cash equivalents	-	-
Balance at the end of the year	-	-
Financial liabilities		
Interest bearing loans and other borrowings (note 18)	6,412	6,122

VDM GROUP LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2024

24. FINANCIAL ASSETS AND FINANCIAL LIABILITIES (CONTINUED)

The following table summarises the sensitivity on US dollar foreign exchange rate exposures, in existence at the balance sheet date. The sensitivity is based on foreseeable changes over a financial year.

	2024	2023
	\$000	\$000
Post-tax gain / (loss)		
+ 10% (100 basis points)	(641)	(612)
- 10% (100 basis points)	641	612

Liquidity risk

Liquidity risk is the risk that the entity will encounter difficulty in meeting its commitments concerning its financial liabilities. As a result, the liquidity position of VDM Group is managed to ensure sufficient liquid funds are available to meet our financial commitments in a timely and cost-effective manner.

VDM continually monitors its liquidity position including cash flow forecasts to determine the forecast liquidity position and maintain appropriate liquidity levels. The objective of VDM is to have sufficient cash and finance facilities to meet short term commitments, and to fund capital and exploration expenditures through operating cash flow and equity capital raisings.

The table below reflects all contractually fixed payments for settlement, repayments and interest resulting from recognised financial assets and liabilities and does not recognise any cash for unresolved claims against projects which have not been recognised as income. The obligations presented are the undiscounted cash flows for the respective upcoming fiscal years. Cash flows for financial assets and liabilities without fixed amount or timing are based on the conditions existing at 30 June 2024.

Repayment obligations in respect of loans and trade and other payables are as follows:

Not later than one year	17,785	17,130
Later than one year but not later than two years	-	-
Later than two years but not later than three years	-	-
Later than three years	-	-
	17,785	17,130

The following table reflects a maturity analysis of financial liabilities.

	Total	0-60	61 Days	1- 5	>5
	\$000	Days	- 1 Year	Years	Years
	\$000	\$000	\$000	\$000	\$000
Year ended 30 June 2024					
<i>Financial liabilities</i>					
Trade and other payables (note 17)	5,274	595	4,679	-	-
Interest bearing loans and other borrowings (note 18)	12,511	12,511	-	-	-
Total financial liabilities	17,785	13,106	4,679	-	-
Year ended 30 June 2023					
<i>Financial liabilities</i>					
Trade and other payables (note 17)	5,180	501	4,679	-	-
Interest bearing loans and other borrowings (note 18)	11,950	11,950	-	-	-
Total financial liabilities	17,130	12,451	4,679	-	-

VDM GROUP LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2024

24. FINANCIAL ASSETS AND FINANCIAL LIABILITIES (CONTINUED)

e) Fair value

At 30 June 2024 there are no financial assets or financial liabilities which are accounted for at fair value. Carrying amounts approximate the fair value of financial assets and financial liabilities presented in the Consolidated Statement of Financial Position.

f) Changes in liabilities arising from financial activities

	1 Jul 2023	Cash flows	Foreign exchange movement	Other	30 Jun 2024
	\$000	\$000	\$000	\$000	\$000
Year ended 30 June 2024					
Current interest-bearing loans and borrowings	11,950	-	4	557	12,511
Total liabilities from financing activities	11,950	-	4	557	12,511

	1 Jul 2022	Cash flows	Foreign exchange movement	Other	30 Jun 2023
	\$000	\$000	\$000	\$000	\$000
Year ended 30 June 2023					
Current interest-bearing loans and borrowings	11,177	-	178	595	11,950
Total liabilities from financing activities	11,177	-	178	595	11,950

	2024 \$000	2023 \$000
25. PARENT ENTITY INFORMATION		
Current assets	2,274	2,608
Total assets	2,277	2,611
Current liabilities	17,909	17,314
Total liabilities	17,909	17,314
Issued capital	297,360	297,360
Accumulated loss	(313,484)	(312,555)
Option reserve	492	492
Total shareholders' equity	(15,632)	(14,703)
Loss of parent entity	(929)	(1,426)
Total comprehensive loss of the parent entity	(929)	(1,426)

VDM GROUP LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2024

26. COMMITMENTS

a) Bank guarantees

As at 30 June 2024, VDM Group Limited was exposed contingent liabilities of AOA 53,313,000 related to bank guarantees provided to the Angolan government for contractual obligations under the Cachoeiras do Binga Mining Investment Contract. AOA is the currency of the Republic of Angola and the 30 June 2024 contingent amount translates to AUD \$133,800 (2023: AUD \$133,800).

b) Guarantees in relation to debts of subsidiaries

Pursuant to ASIC Corporations (Wholly-owned Companies) Instrument 2016/785 VDM Group Limited and the Closed Group entered into a Deed of Cross Guarantee on 1 February 2010. The effect of the deed is that VDM Group Limited has guaranteed to pay any deficiency in the event of winding up of controlled entities or if they do not meet their obligations under the terms of overdrafts, loans, leases or other liabilities subject to the guarantee.

c) Property, plant and equipment commitments

VDM has no capital expenditure commitments at 30 June 2024 (2023: nil).

27. EVENTS AFTER THE REPORTING PERIOD

There have been no significant events occur after 30 June 2024 date and up to the date of this report.

	2024	2023
	\$	\$
28. AUDITOR'S REMUNERATION		
<i>Amount received or receivable for:</i>		
Auditing financial statements – Hall Chadwick	23,000	29,410
Non audit fees (tax compliance & other advisory)	-	-
Total auditor's remuneration	23,000	29,410

VDM GROUP LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2024

29. CLOSED GROUP CLASS ORDER DISCLOSURES

The consolidated financial statements include the financial statements of VDM Group Limited and the subsidiaries listed in the following table.

Subsidiary Name	Country of Incorporation	% equity interest	
		2024	2023
* VDM Trading Pty Ltd	Australia	100%	100%
* VDM Mining Pty Ltd	Australia	100%	100%
* VDM Equipment Pty Ltd	Australia	100%	100%
* VDM Construction Pty Ltd	Australia	100%	100%
* Keytown Constructions Pty Ltd	Australia	100%	100%
* VDM Developments Pty Ltd	Australia	100%	100%
* VDM Engineering (Eastern Operations) Pty Ltd	Australia	100%	100%
* Burchill VDM Pty Ltd	Australia	100%	100%
* VDM Group Limited International (Dubai Branch) Pty Ltd	Australia	100%	100%
* BCA Consultants Pty Ltd	Australia	100%	100%
VDM Africa Holdings Ltd	British Virgin Islands	100%	100%
The EB Trust	Australia	100%	100%

a) Entities subject to class order relief

* The annotated companies and VDM Group Limited entered into a Deed of Cross Guarantee on 1 February 2010 (the "Closed Group"). The effect of the deed is that VDM Group Limited has guaranteed to pay any deficiency in the event of winding up of controlled entities or if they do not meet their obligations under the terms of overdrafts, loans, leases or other liabilities subject to the guarantee. The controlled entities have also given a similar guarantee in the event that VDM Group Limited is wound up or if it does not meet its obligations under the terms of overdrafts, loans, leases or other liabilities subject to the guarantee.

The consolidated statement of comprehensive income and statement of financial position of the entities that are members of the Closed Group are as follows:

Statement of comprehensive income

	Closed Group	
	2024	2023
	\$000	\$000
Loss from continuing operations before income tax	(892)	(1,170)
Income tax expense	-	-
Loss from continuing operations after income tax	(892)	(1,170)
Profit from discontinued operations after income tax	(37)	-
Loss for the year	(929)	(1,170)
Non-controlling interest	-	-
Dividends paid	-	-
Accumulated losses at the beginning of the year	(312,555)	(311,385)
Accumulated losses at the end of the year	(313,484)	(312,555)

VDM GROUP LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2024

33. CLOSED GROUP CLASS ORDER DISCLOSURES (CONTINUED)

Statement of financial position

	Closed Group	
	2024	2023
	\$000	\$000
ASSETS		
Current Assets		
Cash and cash equivalents	2,229	1,390
Security deposits	-	20
Trade and other receivables	45	24
Assets held for sale	-	1,215
Other assets	-	-
Total Current Assets	2,274	2,649
Non-Current Assets		
Property, plant and equipment	3	3
Total Non-Current Assets	3	3
Total Assets	2,277	2,652
Liabilities		
Current Liabilities		
Trade and other payables	5,274	5,180
Interest-bearing loans and borrowings	12,511	11,950
Provisions	124	225
Total Current Liabilities	17,909	17,355
Total Liabilities	17,909	17,355
Net Assets/(Liabilities)	(15,632)	(14,703)
Equity		
Contributed equity	297,360	297,360
Share options reserve	35	35
Equity reserve	457	457
Accumulated losses	(313,484)	(312,555)
Total Equity/(Deficit)	(15,632)	(14,703)

VDM GROUP LIMITED
CONSOLIDATED ENTITY DISCLOSURE STATEMENT
FOR THE YEAR ENDED 30 JUNE 2024

Entity Name	Entity Type	Country of Incorporation	Ownership Interest	Tax Residency
VDM Group Limited	Body corporate	Australia	N/A	Australia
VDM Trading Pty Ltd	Body corporate	Australia	100%	Australia
VDM Mining Pty Ltd	Body corporate	Australia	100%	Australia
VDM Equipment Pty Ltd	Body corporate	Australia	100%	Australia
VDM Construction Pty Ltd	Body corporate	Australia	100%	Australia
Keytown Constructions Pty Ltd	Body corporate	Australia	100%	Australia
VDM Developments Pty Ltd	Body corporate	Australia	100%	Australia
VVDM Engineering (Eastern Operations) Pty Ltd	Body corporate	Australia	100%	Australia
Burchill VDM Pty Ltd	Body corporate	Australia	100%	Australia
VDM Group Limited International (Dubai Branch) Pty Ltd	Body corporate	Australia	100%	Australia
BCA Consultants Pty Ltd	Body corporate	Australia	100%	Australia
VDM Africa Holdings Ltd	Body corporate	British Virgin Islands	100%	Australia
The EB Trust	Body corporate	Australia	100%	Australia

Basis of preparation

This Consolidated Entity Disclosure Statement (CEDS) has been prepared in accordance with the Corporations Act 2001. It includes certain information for each entity that was part of the Group at the end of the financial year 30 June 2024.

Determination of tax residency

Section 295 (3A) of the Corporations Act 2001 defines tax residency as having the meaning in the Income Tax Assessment Act 1997. The determination of tax residency involves judgement as there are currently several different interpretations that could be adopted, and which could give rise to a different conclusion on residency. It should be noted that the definitions of Australian resident and foreign resident in the Income Tax Assessment Act 1997 are mutually exclusive. This means that if an entity is an Australian resident it cannot be a foreign resident for the purposes of disclosure in the CEDS.

In determining tax residency, the Group has applied the following interpretation:

Australian tax residency

The Group has applied current legislation and judicial precedent, including having regard to the Tax Commissioner's public guidance in Tax Ruling TR 2018/5.

Foreign tax residency

Where necessary, the Group has used independent tax advisers in foreign jurisdictions to assist in determining tax residency and ensure compliance with applicable foreign tax legislation.

VDM GROUP LIMITED
DIRECTORS' DECLARATION
FOR THE YEAR ENDED 30 JUNE 2024

In accordance with a resolution of the directors of VDM Group Limited, I state that:

In the opinion of the directors:

- (a) the financial statements and notes of the group set out on pages 14 to 47 are in accordance with the *Corporations Act 2001*, including:
 - (i) giving a true and fair view of the group's financial position as at 30 June 2024 and of its performance for the year ended on that date; and
 - (ii) complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Regulations 2001*;
- (b) the financial statements and notes also comply with International Financial Reporting Standards as disclosed in note 2(b);
- (c) subject to the satisfactory achievement of the matters described in note 2(d), there are reasonable grounds to believe that the group will be able to pay its debts as and when they become due and payable;
- (d) the information disclosed in the consolidated entity disclosure statement on page 46 is true and correct;
- (e) this declaration has been made after receiving the declarations required to be made to the Directors in accordance with section 295A of the *Corporations Act 2001* for the financial year ending 30 June 2024; and
- (f) subject to the satisfactory achievement of the matters described in note 2(d), as at the date of this declaration, there are reasonable grounds to believe that the members of the Closed Group identified in Note 33 will be able to meet any obligations or liabilities to which they are or may become subject, by virtue of the Deed of Cross Guarantee.

On behalf of the Board



Mr Michael Fry
Director
Perth, Western Australia
17 April 2025

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF VDM GROUP LIMITED

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of VDM Group Limited ("the Company") and its subsidiaries ("the Consolidated Entity"), which comprises the consolidated statement of financial position as at 30 June 2024, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policy information, the consolidated entity disclosure statement and the director's declaration.

In our opinion:

- a. the accompanying financial report of the Consolidated Entity is in accordance with the *Corporations Act 2001*, including:
 - (i) giving a true and fair view of the Consolidated Entity's financial position as at 30 June 2024 and of its financial performance for the year then ended; and
 - (ii) complying with Australian Accounting Standards and the Corporations Regulations 2001.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Consolidated Entity in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's *APES 110 Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material Uncertainty Related to Going Concern

We draw attention to Note 2(d) in the financial report which indicates that the Company incurred a net loss of \$929,000 during the year ended 30 June 2024. As stated in Note 2(d), these events or conditions, along with other matters as set forth in Note 2(d), indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in this respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period.

We have determined that there are no key audit matters to communicate in our report.

Other Information

The directors are responsible for the other information. The other information comprises the information included in the Consolidated Entity's annual report for the year ended 30 June 2024, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon, with the exception of the remuneration report and our related assurance opinion.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Report

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error, and the consolidated entity disclosure statement that is true and correct and is free of misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the Consolidated Entity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Consolidated Entity or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Consolidated Entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Consolidated Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Consolidated Entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Consolidated Entity to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the Consolidated Entity audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial report of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on the Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report included in the directors' report for the year ended 30 June 2024.

In our opinion, the Remuneration Report of Company, for the year ended 30 June 2024, complies with section 300A of the *Corporations Act 2001*.

Responsibilities

The directors of the Company are responsible for the preparation and presentation of the remuneration report in accordance with s 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the remuneration report, based on our audit conducted in accordance with Australian Auditing Standards.



HALL CHADWICK AUDIT (WA) PTY LTD



MICHAEL HILLGROVE FCA
Director

Dated this 17th day of April 2025
Perth, Western Australia

VDM GROUP LIMITED

ASX ADDITIONAL INFORMATION

FOR THE YEAR ENDED 30 JUNE 2024

Additional information required by ASX Listing Rules and not shown elsewhere in the report is set out below. The information is current as of 1 April 2025.

TWENTY LARGEST SHAREHOLDERS

Shareholder	Number of ordinary fully paid shares held	% held of shares
Australia Kengkong Investments Co Pty Ltd	2,070,000,000	29.88
H & H Holdings Australia Pty Ltd	1,085,110,976	15.66
Seabank Resources LDA	650,000,000	9.38
CF International Development Limited	600,000,000	8.66
Thriving Treasure Limited	520,000,000	7.51
Sino Plant Holding Limited	250,000,000	3.61
Briston Holdings Limited	200,000,000	2.89
Seawire Limited	130,000,000	1.88
Citicorp Nominees Pty Limited	126,621,061	1.83
Golden Bloom Investments Pty Ltd	125,000,000	1.80
BNP Paribas Nominees Pty Ltd ACF CLEARSTREAM	50,040,785	0.72
MYOORA PTY LTD	42,193,804	0.61
Miss Xiaoli Jia	40,892,000	0.59
Miss Shan He	33,502,126	0.48
M&C COGHLAN PTY LTD	25,000,000	0.36
BNP Paribas Nominees Pty Ltd	23,183,190	0.33
Ms Chang Li	22,000,000	0.32
Mr Brian Hon Leung Lee + Mrs Joyce Lai Ching Lee	19,282,828	0.28
Mr Brian Hon Leung Lee	19,000,000	0.27
Mr Van Tuan Vo	17,938,358	0.26
Total	6,049,765,128	87.33

SHARES IN VOLUNTARY ESCROW

There are no shares in voluntary escrow

SUBSTANTIAL SHAREHOLDINGS

The following shareholders have declared a relevant interest in the number of voting shares at the date of giving notice under Part 6C.1 of the Corporations Act.

Shareholder	Number of ordinary fully paid shares held	% held of shares
Australia Kengkong Investments Co Pty Ltd	2,070,000,000	29.88
H & H Holdings Australia Pty Ltd	1,085,110,976	15.66
Seabank Resources LDA	650,000,000	9.38
CF International Development Limited	600,000,000	8.66
Thriving Treasure Limited	520,000,000	7.51

VDM GROUP LIMITED
ASX ADDITIONAL INFORMATION
FOR THE YEAR ENDED 30 JUNE 2024

DISTRIBUTION OF SHAREHOLDINGS

Range of holding	Number of shareholders	Number of ordinary shares	% of shares
1 - 1,000	150	16,284	-
1,001 - 5,000	98	302,284	-
5,001 - 10,000	78	625,104	0.01
10,001 - 100,000	440	24,501,203	0.35
100,001 - 9,999,999,999	673	6,902,216,076	99.63
Total	1,459	6,927,660,952	100.00

The number of shareholders with less than a marketable parcel is 1,095 holding in total 103,768,483 shares.

VOTING RIGHTS

All ordinary shares issued by VDM Group Limited carry one vote per share without restriction.

INTERESTS IN TENEMENTS

Tenement Reference	Project & Location	Interest
049/01/05/T.P/ANG-MGMI/2021	CACHOEIRAS DO BINGA COPPER PROJECT - ANGOLA	55.25%
048/07/03/ T.P/ANG-MIREMPET/2019	CAGE BENGU GOLD PROJECT - ANGOLA	55.25%

Notes:

Both the Cachoeiras Do Binga Copper Project and the Cage Bengu Gold Project are a joint venture arrangement between VDM Group Limited (65%), Pebric Mining and Consulting LDA (30%) and Seabank Resources LDA (5%).

Pebric's 30% participating interest is free carried as to 15% during the Prospection Phase and Seabank's 5% participating interest is free carried as to 2.5% during the Prospection Phase. As such VDM is responsible for funding 78.79% (i.e 65% /82.5%).

The Angolan Government has a right to a 15% free carried interest upon mining commencing. As such, VDM's effective ownership interest is 55.25%, being 65% of 85%.

VDM GROUP LIMITED

ASX ADDITIONAL INFORMATION

FOR THE YEAR ENDED 30 JUNE 2024

SUMMARY OF RESULTS OF THE ENTITY'S ANNUAL REVIEW OF ITS MINERAL RESOURCES AND ORE RESERVES.

The Company carries out an annual review of its Mineral Resources and Ore Reserves as required by the ASX Listing Rules.

The Group has reported a maiden copper Mineral Resource Estimate for CdB Copper Project of 18.4 Mt @ 1.0% Cu for 183,845t of copper (refer *Competent Person's Statement* in ASX Additional Information Section), comprising:

- Measured + Indicated: 13.467Mt @1.02% Cu for 137,590t of copper;
- Inferred: 4.937Mt @0.94% Cu for 46,355t of copper.

The CdB MRE is summarised as follows:

Resource Category	Million tonnes (Mt)	Cu %	Contained Cu (t)
Measured	0.875	1.62	14,179
Indicated	12.592	0.98	123,411
Inferred	4.937	0.94	46,355
Total	18.404	1.00	183,845

Notes: 1. Reported above a Cu cut-off grade of 0.2%;
2. Discrepancies may occur due to rounding.

COMPETENT PERSON STATEMENT

The information in this report which relates to Mineral Resources for the Cachoerias do Binga Project is extracted from a report released to the Australian Securities Exchange (ASX) on 26 November 2020 titled "VDM Delivers Maiden Copper Resource at CdB Copper Project" which was based on information compiled by Ms Bonnie (Yanfang) Zhao and Dr Yiefei Jia, full time employees of SRK Consulting (China) Ltd and respectively, a Member and a Fellow of the Australasian Institute of Mining and Metallurgy. Each has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which they are undertaking to qualify as Competent Persons as defined in the 2012 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources, and Ore Reserves". Ms Zhao and Dr Jia consented to the reporting of the information in the form and context in which it appears. Those consents remain in place for subsequent releases by the Company of the same information in the same form and context, until the consent is withdrawn or replaced by a subsequent report and accompanying consent.

The Company confirms that is not aware of any new information or data that materially affects the information included in the original ASX announcement released on 26 November 2020, and, in the case of estimates of Mineral Resources, that all material assumptions and technical parameters underpinning the estimates in the original ASX announcement 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 from the original ASX announcement.