

(ASX:VHM)

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

Board of Directors

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

Registered Office

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

Share Registry

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

Capital Structure

Ordinary Shares: 292,381,130
Options: 4,200,000

Investor Relations

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

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

Quarterly Activities Report

For the period ended 31 December 2025

Highlights:

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

LOS from Export Finance Australia (EFA): EFA issues A\$75 million Letter of Support, strengthening combined EFA-EXIM backing and underscoring Goschen's global strategic importance.

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

Cultural Heritage Management Plan approval: Confirming compliance with the Aboriginal Heritage Act and supporting project progression.

Victorian Government approves Work Plan: The final mining approval clearing the path to FID.

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

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

Successful Capital Raise - \$11.6M: VHM completed a placement and share purchase plan, raising \$11.6 million (before costs).

Goschen Rare Earths and Mineral Sands Project

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

Project highlights summary:

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

Offtake and project funding in the quarter

Letter of Interest with EXIM

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

The LOI outlines a potential financing package with a maximum repayment term of 15 years¹, subject to standard due diligence and compliance with EXIM's program, legal and eligibility requirements.

Key highlights:

- US EXIM support: Up to US\$200 million (~A\$304 million) in potential debt financing for capital expansion, with a 15-year¹ repayment term
- Strategic U.S. alignment: Eligible under EXIM's Supply Chain Resiliency Initiative, supporting critical mineral supply to U.S. buyers
- Geopolitical advance: May qualify under EXIM's China and Transformational Exports Program, enhancing U.S. competitiveness
- Global relevance: Goschen Project positioned as a key supplier in the global rare earths and mineral sands market

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

¹ See ASX Release dated 15 October 2025 for an update on extension of repayment terms.

Letter of Support with EFA

VHM received a non-binding and conditional Letter of Support from Export Finance Australia (EFA) for the provision of up to A\$75 million. This Letter of Support complements the LOI received from EXIM and the combined indicative support from EFA and EXIM highlights the Project's strategic importance and its potential to contribute to global rare earth supply diversification and downstream value creation.

See ASX Release dated 21 October 2025 for full details of the LOS from EFA.

Termination of Shenghe Offtake Agreement

After the quarter end, VHM elected to terminate the previously announced offtake agreement with Shenghe Resources as a number of the conditions precedent to that agreement have not been met. This reflects VHM's proactive strategy to unlock greater long-term value by being able to engage with a broad range of global partners in the critical minerals sector in response to inbound interest for offtake from the Goschen Project.

See ASX Release dated 12 January 2026 for the full announcement relating to the termination of the Shenghe offtake agreement.

Regulatory approvals during the quarter

Cultural Heritage Management Plan Approval

VHM is pleased to advise that the Secretary of the Department of Premier and Cabinet has approved the Cultural Heritage Management Plan (CHMP) for the Goschen Rare Earth and Mineral Sands Project.

The approved CHMP covers resource extraction activities and represents a significant milestone in the Goschen Project's development pathway. The approval confirms that the plan meets the requirements under the Aboriginal Heritage Act 2006 and associated regulations.

See ASX Release dated 30 October 2025 for full details of the CHMP approval.

Work Plan Approval

The Work Plan was formally approved by the Victorian Government in November 2025. This regulatory milestone confirms that the Goschen Project's operational and management plans meet all requirements under the Mineral Resources (Sustainable Development) Act and associate regulations.

The Work Plan approval enables VHM to progress towards Financial Investment Decision (FID) in the 1st half CY2026. This is the final mining approval required before construction and mining activities can commence.

See ASX Release dated 28 November 2025 for full details of the Work Plan approval.

Resources & reserves update

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

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

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

Exploration target

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

The updated Exploration Target is estimated at a range of:

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

The THM assemblage includes:

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

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

Corporate Activities

Capital Raise and Share Purchase Plan

In November 2025, the Company announced the successful completion of its fully underwritten placement of new fully paid ordinary shares in VHM to institutional investors. The Placement raised \$10.3 million (before costs) at a price of \$0.35 per share. Proceeds from the Placement will fund ongoing work programs including early engineering and long lead procurement, land acquisition, as the Company advances towards a Final Investment Decision on the Goschen Project in H1CY26.

A Share Purchase Plan was also available to eligible shareholders to participate in a non-underwritten share purchase plan. This closed in December 2025 and raised a further \$1.3 million.

See ASX Releases dated 24 November 2025 and 17 December 2025 for details of the capital raise and share purchase plan respectively.

Annual General Meeting

The Company's Annual General Meeting of shareholders was held on 18 November 2025. All resolutions put to the meeting were duly passed. A summary of the Poll results and the proxies received in respect of each resolution can be found in the ASX Announcement 18th November 2025, "Results of Annual General Meeting".

Finance

At quarter end the Company held \$13.2 million cash. The Company's unaudited quarterly cash flow report is disclosed in Appendix 5B.

ENDS

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

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

1. **ASX Listing Rule 5.3.1:** Exploration and Evaluation Expenditure during the quarter was \$1.1 million primarily comprising Goschen EES approvals and Goschen engineering work as set out in this report.
2. **ASX Listing Rule 5.3.2:** There were no substantive mining production and development activities during the quarter.
3. **ASX Listing Rule 5.3.3:** The mining, retention and exploration licences are set out in Appendix 1. The Company's 100% interest in the licenses remain unchanged since the end of the last quarter.
4. **ASX Listing Rule 5.3.5:** Payment to related parties of the Company and their associates during the quarter as set out in Section 6.1 of the attached **Appendix 5B** relate to director salaries and fees in the quarter.

Forward Looking Statements

This document may contain certain forward-looking statements concerning VHM Limited. Forward-looking statements are not statements of historical fact and actual events and results may differ materially from those described in the forward-looking statements as a result of a variety of risks, uncertainties, and other factors. Forward-looking statements are inherently subject to business, economic, competitive, political, and social uncertainties, and contingencies. Many factors could cause the Company's actual results to differ materially from those expressed or implied in any forward-looking information provided by the Company, or on behalf of, the Company. Such factors include, among other things, risks relating to additional funding requirements, metal prices, exploration, development and operating risks, competition, production risks, regulatory restrictions, including environmental regulation and liability and potential title disputes.

Forward-looking statements in this document are based on the company's beliefs, opinions, and estimates of VHM Limited as of the dates the forward-looking statements are made, and no obligation is assumed to update forward looking statements if these beliefs, opinions, and estimates should change or to reflect other future developments.

For Further Information Contact:

Andrew King
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Appendix 5B: Quarterly Cashflow Report

Name of entity

VHM Limited

ABN

ABN 58 601 004 102

Quarter ended (“current quarter”)

31 December 2025

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (6 months) \$A'000
1.	Cash flows from operating activities		
1.1	Receipts from customers	-	-
1.2	Payments for evaluation		
	a. exploration and evaluation	-	-
	b. development	-	-
	c. production	-	-
	d. staff costs	(602)	(1,112)
	e. administration and corporate costs	(1,083)	(1,760)
1.3	Dividends received (see note 3)	-	-
1.4	Interest received	37	87
1.5	Interest and other costs of finance paid	(163)	(325)
1.6	Income taxes paid	-	-
1.7	Government grants and tax incentives	-	-
1.8	Other (provide details if material)	-	-
1.9	Net cash from / (used in) operating activities	(1,811)	(3,110)
2.	Cash flows from investing activities		
2.1	Payments to acquire or for:		
	a. entities	-	-
	b. tenements	-	-
	c. property, plant and equipment	(126)	(245)
	d. exploration & evaluation	(1,074)	(2,716)
	e. investments	-	-
	f. other non-current assets	-	-
2.2	Proceeds from the disposal of:		
	a. entities	-	-
	b. tenements	-	-
	c. property, plant and equipment	-	-
	d. investments	-	-
	e. other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (Research and development refund)	-	-
2.6	Net cash from / (used in) investing activities	(1,200)	(2,961)

3. Cash flows from financing activities		
3.1 Proceeds from issues of equity securities (excluding convertible debt securities)	11,700	11,700
3.2 Proceeds from issue of convertible debt securities	-	-
3.3 Proceeds from exercise of options	-	-
3.4 Transaction costs related to issues of equity securities or convertible debt securities	(536)	(536)
3.5 Proceeds from borrowings	257	257
3.6 Repayment of borrowings	(74)	(74)
3.7 Transaction costs related to loans and borrowings	-	-
3.8 Dividends paid	-	-
3.9 Other – payment of lease liabilities	(84)	(167)
3.10 Net cash from / (used in) financing activities	11,263	11,180
4. Net increase / (decrease) in cash and cash equivalents for the period		
4.1 Cash and cash equivalents at beginning of period	4,956	8,099
4.2 Net cash from / (used in) operating activities (item 1.9 above)	(1,811)	(3,110)
4.3 Net cash from / (used in) investing activities (item 2.6 above)	(1,200)	(2,961)
4.4 Net cash from / (used in) financing activities (item 3.10 above)	11,263	11,180
4.5 Effect of movement in exchange rates on cash held	-	-
4.6 Cash and cash equivalents at end of period	13,208	13,208
5. Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1 Bank balances	1,208	1,418
5.2 Call deposits	12,000	3,538
5.3 Bank overdrafts	-	-
5.4 Other (Petty cash)	-	-
5.5 Cash and cash equivalents at end of quarter (should equal item 4.6 above)	13,208	4,956
6. Payments to related parties of the entity and their associates	Current quarter \$A'000	
6.1 Aggregate amount of payments to related parties and their associates included in item 1	119	
6.2 Aggregate amount of payments to related parties and their associates included in item 2	-	
<p><i>Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments.</i></p>		

7. Financing facilities <i>Note: the term "facility" includes all forms of financing arrangements available to the entity. Add notes as necessary for an understanding of the sources of finance available to the entity.</i>	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
7.1 Loan facilities	-	-
7.2 Credit standby arrangements	-	-
7.3 Other (please specify)	-	-
7.4 Total financing facilities	-	-
7.5 Unused financing facilities available at quarter end	-	
7.6 Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.		
8. Estimated cash available for future operating activities	\$A'000	
8.1 Net cash from / (used in) operating activities (item 1.9)	(1,811)	
8.2 (Payments for exploration & evaluation classified as investing activities) (item 2.1(d))	(1,074)	
8.3 Total relevant outgoings (item 8.1 + item 8.2)	(2,885)	
8.4 Cash and cash equivalents at quarter end (item 4.6)	13,208	
8.5 Unused finance facilities available at quarter end (item 7.5)	-	
8.6 Total available funding (item 8.4 + item 8.5)	13,208	
8.7 Estimated quarters of funding available (item 8.6 divided by item 8.3)	4.58	
<i>Note: if the entity has reported positive relevant outgoings (i.e. a net cash inflow) in item 8.3, answer item 8.7 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.7.</i>		
8.8 If item 8.7 is less than 2 quarters, please provide answers to the following questions:		
8.8.1 Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?	Answer: N/A	
8.8.2 Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?	Answer: N/A	
8.8.3 Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?	Answer: N/A	
<i>Note: where item 8.7 is less than 2 quarters, all of questions 8.8.1, 8.8.2 and 8.8.3 above must be answered.</i>		

Compliance statement

1. This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
2. This statement gives a true and fair view of the matters disclosed.

Date: 21 January 2026

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

Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 6: Exploration for and Evaluation of Mineral Resources* and *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [name of board committee – e.g. *Audit and Risk Committee*]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.
6. Note that owing to the periodic expense capitalisation process conducted, there may be variances in certain categories quarter on quarter.

Appendix 1: VHM Limited tenement table as at 31 December 2025

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