

Half-Year Financial Report

For the half-year ended 31 December 2024

ACN 601 004 102

Contents

Corporate Directory	1
Directors' Report	2
Auditor's Independence Declaration	12
Financial Statements	13
Statement of Profit or Loss and Other Comprehensive Income	13
Statement of Financial Position	14
Statement of Changes in Equity	15
Statement of Cash Flows	16
Notes to the Consolidated Financial Statements	17
Directors' Declaration	29
Independent Auditor's Review Report	30

Corporate Directory

Directors

Ian Smith	Non-Executive Chairman
Ron Douglas	Chief Executive Officer
Don Runge	Non-Executive Director
Maree Arnason	Non-Executive Director
Colin Moorhead	Non-Executive Director (appointed 1 July 2024)

Company Secretary

Ian Hobson

Registered and Principal Office

Suite 1, Level 11, 330 Collins Street
Melbourne, Victoria 3000

Auditors

HLB Mann Judd
Level 4, 130 Stirling Street
Perth, Western Australia 6000

Share Registry

Automic Pty Ltd
Level 2, 267 St Georges Terrace
Perth, Western Australia 6000

Website

www.vhmltd.com.au

Company Information

The Company is domiciled in Australia.



Directors' Report

The directors present their report, together with the financial statements, on the consolidated entity (referred to hereafter as the 'consolidated entity' or 'Group') consisting of VHM Limited (referred to hereafter as the 'Company' or 'parent entity') and the entities it controlled at the end of, or during, the half-year ended 31 December 2024.

Directors

The following persons were directors of VHM Limited during the whole of the financial half-year and up to the date of this report, unless otherwise stated:

Ian Smith	Non-Executive Chairman
Ron Douglas	Chief Executive Officer
Don Runge	Non-Executive Director
Maree Arnason	Non-Executive Director
Colin Moorhead	Non-Executive Director (appointed 1 July 2024)

Company Secretary

Ian Hobson

Results

The loss for the half-year after tax was \$3,302,000 (31 December 2023: \$4,336,000). The loss for the half-year has decreased compared to the comparative period primarily driven by the reduction in discretionary spend on corporate and administrative costs.



VHM

Tier 1 rare earth and minerals sands project with globally significant mineral assemblage

The Goschen Project is a Tier 1 integrated rare earth and minerals sands project with globally significant mineral assemblage, positioned to deliver on the Australian Government's Critical Minerals Strategy.

The key attributes of the Goschen Project include:

- **Advanced Approvals:** VHM received endorsement of its Environment Effects Statement (EES) for Goschen from the Victorian Minister for Planning.
- **Location:** Northwest Victoria, Australia – stable jurisdiction, with ready access to infrastructure, with the state government recently releasing its critical minerals roadmap to support mining companies.
- **Near term production with a clear pathway:** Mining Licence approval expected early 2025 immediately followed by submission of the Work Plan for approval, final investment decision (subject to financing) by mid-2025 and construction to begin in late 2025 with first production in second half 2026.
- **Initial 20-year mine life:** Based on the Goschen high grade Reserve, with multi-decade expansion potential from the much larger Resource base.
- **Dual commodity asset:** Will generate revenue from two independent product streams with rare earths and zircon and titanium.
- **Compelling mineral assemblage and mineralisation:** A unique orebody with both light (NdPr) and heavy (DyTb) rare earths mineralised in sands.
- **Rigorous environmental and social standards applied:** Victorian EES process (completed) followed by Commonwealth Environment Protection and Biodiversity Conservation (EPBC) approvals.
- **Simple operating methodologies:** Shallow-pit mined via truck-shovel with conventional processing flowsheet.
- **100% land ownership:** VHM has acquired all land required for the Goschen Project footprint.

Review of Operations

During the period, the Company continued to progress towards the development of its flagship Goschen Project, as an Australian owned rare earths and mineral sands mine and processing developer with a globally significant critical minerals inventory, located in north west Victoria. It remains the Company's intention to bring the world-class Goschen Project into production in 2026.

Ministerial Endorsement Received

In December, the Company was pleased to advise that it had received endorsement of its Environment Effects Statement (EES) for the Company's Goschen Project from the Victorian Minister for Planning.

The recommendation places the Company in a favourable position to accelerate investment and financing discussions and develop strategic partnerships as the Company progresses to Final Investment Decision (FID) and then development of the Goschen Project. The recommendation is the result of extensive technical, environmental, and social studies conducted over several years and follows a rigorous evaluation process.

The Company's achievement in obtaining Ministerial endorsement of Goschen's EES is a major step forward in bringing online a new rare earth and minerals sands project for Victoria.

Mining Licence Application – Earth Resources Regulator

Following the receipt of Ministerial Endorsement for the EES, the Goschen Mining Licence application will now be assessed by Resources Victoria for approval, and the Ministerial terms will then inform the further development of the Goschen Project's Work Plan for subsequent approval by Resources Victoria.

Work Plan, Planning Scheme Amendment and Environment Protection Authority Development

Following the receipt of Ministerial Endorsement for the EES, the Company will now be able to progress the remaining secondary approvals, with the aim of having these submitted for approval in the first half of 2025.

Earth Resources Regulator Compliance

No reportable incidents, either environmental or exploration, occurred during the reporting period. No regulatory audits were undertaken. The Annual Technical Report and Expenditure Reports were prepared and submitted for all licences in accordance with regulatory requirements. All tenements remain in good standing with financial commitments met.

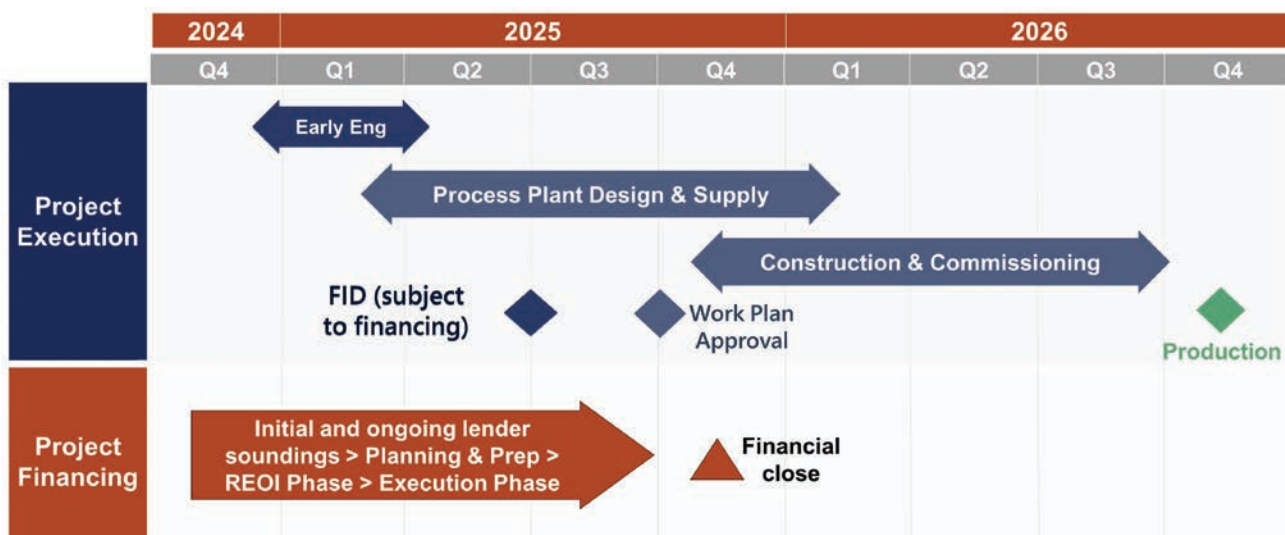
Key activities to be undertaken over the next six months

Whilst the Company awaits the results of its Mining Licence application, over the next six months its focus will remain on further derisking development of the Goschen Project and its activities will include:

Mining Licence Application	Earth Resources Regulator to assess Mining License application (submitted March 2023 however assessment was subject to EES approval received December 2024)
Work Plan Approval	Draft Work Plan exhibited as part of the EES Final Work Plan to be submitted to Earth Resources Regulator March 2025
Environmental Approval	EPBC approval <i>Environment Protection and Biodiversity Conservation Act 1999</i> (EPBC Act) — Initial assessment was completed as part of the EES process. Final sign-off is expected when the Planning Scheme Amendment is approved
Rehabilitation Bond	Rehabilitation bonds – Earth Resources Regulator, required by the <i>Mineral Resources (Sustainable Development) Act 1990</i>
Mining	Develop detailed Mining Plan
Engineering Services	Selection and award of preferred Engineering contractor for the process plant
Non-Process Infrastructure	Selection and award of contractors to deliver Non-Process Infrastructure work
Offtake	Continue the well progressed discussions with potential offtake partners
Finance	Continue discussions with export credit agencies and commercial banks for project debt whilst developing corporate approach for equity raise

Targeting production in late 2026

Following the receipt of the Minister's endorsement and subject to remaining secondary approvals, the Company is focussed on achieving its targeted 2026 production as detailed below.



Company Exploration Program

Exploration Licence Status

VHM continued to invest in exploration and evaluation work within its exploration and retention licence areas, as it is required to do under the conditions of its licences and the *Mineral Resources (Sustainable Development) Act 1990*. VHM has minimum annual spend requirements to ensure that the tenements remain in good standing.

VHM Limited's tenement licences as at 31 December 2024 are provided in Table 1.

The Goschen project has a 210Mt Ore Reserve (99Mt permitted) and 892Mt Mineral Resource, with potential exploration upside from its large tenement footprint that not only includes Goschen, but also Cannie and Nowie.

Table 1: VHM Limited tenement table as at 31 December 2024

Licence Number	Location	Registered Holder	Project	Status	Area (km ²)	Grant Date	Expiry Date
RL6806	North West Victoria	VHM Ltd	Goschen	Current	311	10/01/2020	09/01/2027
EL 6419	North West Victoria	VHM Ltd	Cannie	Current	443	18/05/2018	17/05/2028
EL 6664	North West Victoria	VHM Ltd	Cannie	Current	618	18/06/2018	17/06/2028
EL 6666	North West Victoria	VHM Ltd	Nowie	Current	447	18/06/2018	17/06/2028
EL 6769	North West Victoria	VHM Ltd	Exploration	Current	1,041	27/08/2018	27/08/2028
Total Km²					2,860		



Operations

Technical design and planning activities with engineering, mining services and non-process infrastructure partners have continued during the period.

Commercial

Research & Development Claim

The Company lodged its Research & Development claim during the half-year in respect of its exploration activities that qualified as research and development.

Subsequent to the reporting period end the Company received \$1,591,000 in relation to the Company's Research & Development activities.

Community

VHM is committed to seeking and maintaining a social licence to operate through all stages of the Goschen Project. A member of VHM's Executive team chairs the Cross-Border Industry Taskforce and was appointed to the Mallee Regional Partnership committee during the period.

Throughout the period, VHM has continued its presence within the community and continues to engage with landowners.

VHM also continued to support local sporting clubs and community assistance organisations through sponsorships and donations.

Corporate

Annual General Meeting

The Company's Annual General Meeting of shareholders was held on 1 November 2024. 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 released on 1st November 2024, "Results of Annual General Meeting".

Capital Raising

During the period the Company announced the completion of a Capital Raising via a Placement and a Share Purchase Plan (SPP) Offer, raising a combined total of \$3.43 million comprising of a:

- Placement of \$1.8 million via the issue of 4.3 million new fully paid ordinary shares at \$0.42 per new share; and
- SPP \$1.63 million via the issuing of 3,882,190 SPP Shares at \$0.42 per new share.

Proceeds from the Capital Raising were applied to funding ongoing work programs to further advance the development of the Goschen Project ahead of the anticipated Ministerial recommendation which occurred in December and Final Investment Decision (FID) expected mid-2025.

The results of the Placement and SPP, which was supported by major shareholders and institutional investors alike, demonstrated the strong support for the Company's plans for its flagship Goschen Project.

\$5 Million Institutional Investment

During the period the Company announced that it had secured an institutional investment of up to \$5 million from US-based Bulk Commodity Holdings LLC (BCH) to fund general corporate and working capital requirements.

The investment is comprised of up to three tranches, with each investment being made by the Investor by way of a prepayment for ordinary shares in the Company (issued by the Company as Placement Shares):

- Tranche 1: raised \$1,500,000 for \$1,635,000 worth of Placement Shares and was drawn down during the period.
- Tranche 2: the second investment of \$1,500,000 for Placement Shares worth \$1,635,000 to take place within the next seven months, at the option of the Company and subject to the minimum price hurdle. This remains undrawn at the reporting date.
- Tranche 3: a final investment raising of up to \$2,000,000 for Placement Shares worth an equivalent amount may occur, only by mutual consent of the Investor and the Company. This remains undrawn at the reporting date.

VHM maintains the right to opt to repay the subscription amount of each of the investments, by way of a payment to BCH equal to the market value of the Shares instead of issuing Shares to BCH. If this right is not exercised, VHM will issue Placement Shares when requested by BCH within 36 months of the date of the related payment.

All shares issued under this agreement will be allocated within the company's LR 7.1 placement capacity.

Executive Changes

In September, the Company appointed Mr Cameron Knox as Chief Finance Officer. Mr Knox has over 20 years' experience in senior finance positions for both listed and unlisted companies within the mining and resources sector, bringing to the Company a wealth of experience raising capital, financing projects, negotiating offtake agreements, and achieving governance and compliance objectives.

In December, with the Company expected to move through final approvals and into the development stage on its pathway toward production, Ben McCormick was appointed as Debt and Capital Advisor. Mr McCormick brings over 20 years' experience in the mining and resources sector, with extensive experience in debt and equity markets, treasury, insurance, M&A, business turnaround, project management and supply and logistics.

Mr Michael Sheridan completed his service to the Company as the dual Deputy Chief Executive Officer and Chief Finance Officer in July 2024, having joined the Company in 2021 and leading the Company through its Initial Public Offering.

The Goschen Project is a Tier 1 rare earth and minerals sands project, located in Victoria Australia, derisked significantly with the recent endorsement of its Environment Effects Statements, mining license and secondary approvals to follow, there is now a pathway to production Q4 2026.

Ore Reserves and Mineral Resources as at 31 December 2024

Company Ore Reserves

The Company's total Ore Reserves remain unchanged at 210.2 Mt (Proven and Probable) @ 3.8% THM (Table 2).

The Company Ore Reserves include the Goschen DFS Ore Reserve of 98.8Mt @ 4.0% THM, on which the 20 year life-of-mine Goschen Project footprint is based (Table 3).

Table 2: Company Ore Reserves

Reserve Classification	Ore	THM	Zircon	Rutile	Leucoxene	Ilmenite	Monazite	Xenotime
	(Mt)	(%)	(%)	(%)	(%)	(%)	(%)	(%)
Proved	24.5	5.4	29.9	10.8	9.0	24.7	4.3	0.8
Probable	185.7	3.6	20.9	9.8	8.4	25.7	3.4	0.6
Total	210.2	3.8	22.4	10.0	8.5	25.5	3.6	0.7

Table 3: Goschen Project DFS Ore Reserves (subset of Global Company Ore Reserves)

Reserve Classification	Ore	THM	Zircon	Rutile	Leucoxene	Ilmenite	Monazite	Xenotime
	(Mt)	(%)	(%)	(%)	(%)	(%)	(%)	(%)
Proved	25.5	5.6	29.6	10.8	9.1	24.7	4.3	0.8
Probable	73.3	3.4	20.2	9.3	8.1	25.4	3.4	0.6
Total	98.8	4.0	23.6	9.9	8.5	25.1	3.7	0.7

Notes: Any discrepancies in totals are a function of rounding

(1) THM Assemblage and Rare Earth Oxides are reported as a percentage of in-situ THM content

Company Mineral Resources

The Company's Mineral Resource remains unchanged at 892.1Mt @ 3.0% THM (Table 4).

Table 4: Company's Mineral Resources

Mineral Resource Category	THM Assemblage							
	Material	THM	Zircon	Rutile	Leucoxene	Ilmenite	Monazite	Xenotime
	(Mt)	(%)	(%)	(%)	(%)	(%)	(%)	(%)
Measured	30.7	5.70	29.9	10.8	9.0	24.7	4.3	0.8
Indicated	359.8	3.20	20.4	10.2	8.6	24.5	3.4	0.7
Inferred	501.6	2.70	20.4	12.0	15.7	12.8	3.4	0.7
Total	892.1	3.00	21.0	11.2	12.2	18.7	3.4	0.7

Notes:

Any discrepancies in totals are a function of rounding

(1) THM Assemblage and Rare Earth Oxides are reported as a percentage of in-situ THM content

Industry Events

VHM participated in the TZMI Congress in Kuala Lumpur in November, considered to be one of the world's premier networking events for the global titanium and zircon industries. Over 300 attendees were present providing VHM the opportunity to network with leading industry experts as well as present the Goschen Project to attendees through its Securing Supply of Critical Minerals for The Global Energy Transition company presentation. VHM had the opportunity to meet with Shenghe Resources, its current offtake partner, along with a number of other potential offtake and strategic partners, with which discussions continue to progress.

The Company also attended Australia's largest business event, the International Mining and Resources Conference and Expo (IMARC) in Sydney in October.

Environmental, Social and Corporate Governance

The Board of Directors is responsible for the corporate governance of the Group. VHM Limited, through its Board and executives, recognises the need to establish and maintain corporate governance policies and practices. These policies remain under constant review as the corporate governance environment and good practices evolve.

Due to the company's size, the Board also serves as the Audit Committee to ensure effective oversight and governance.

VHM considers itself a responsible company which recognises and respects the environment and the values and rights of others in the environment. The Company holds the opinion that industry can operate in harmony with minimal impact on the environment.

VHM recognises that environmental performance is a critical factor in its business performance and a measure of professionalism. The Company's approach to environmental stewardship is based upon:

- Understanding and managing the potential risks and impacts of our operations – from exploration, planning, research and project development, operation, rehabilitation and closure;
- avoiding environmental impacts where possible;
- mitigating unavoidable impacts;
- rehabilitating or restoring disturbed areas;
- offsetting to compensate for any impacts that cannot be otherwise avoided, minimised or rehabilitated;
- mitigating and minimising climate change impacts;
- striving for continuous improvement in all aspects of environmental performance against objectives and targets; and
- communicating openly with community and stakeholders about environmental issues.

Matters subsequent to the end of the financial year

In January 2025, VHM received a tax refund of \$1,591,000 relating to the Company's Research and Development activities for the 2024 financial year.

As part of the institutional investment arrangement with BCH, VHM issued 689,655 shares to BCH in relation to tranche 1 in February 2025.

Since the end of the reporting period and to the date of this report, no other matters or circumstances have arisen 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 subsequent financial years.

Significant Changes in the State of Affairs

There were no significant changes in the state of affairs of the consolidated entity during the financial half-year.

Rounding of Amounts

The amounts contained in the financial report have been rounded to the nearest \$1,000 (unless otherwise stated) pursuant to the option available to the Company under ASIC Class Order 2016/191. The Company is an entity to which the class order applies.

Compliance Statement

This report includes information that relates to Mineral Resources and Ore Reserves prepared and first disclosed under the JORC Code 2012 and a Definitive Feasibility Study. The information was extracted from the Company's previous ASX announcements as follows:

- VHM Prospectus: "Prospectus" 5 January 2023.
- Definitive Feasibility Study: "Goschen Project DFS Refresh" 28 March 2023.
- Mineral Resource Statement: "New Cannie Critical Mineral Project" 16 May 2023.
- "Outstanding Results for Area 4" 29 September 2023.
- "Quarterly Activities / Appendix 5B Cash Flow Report" 24 January 2024.
- "Approvals Progress and Increased Area 2 MRE" 9 April 2024.
- "Staged Expansion to Critical Minerals Production" 13 February 2025.

The Company confirms that it is not aware of any new information or data that materially affects the results of exploration, Mineral Resource and Ore Reserve Estimates referenced in the above-mentioned market announcements and that all material assumptions and technical parameters underpinning the Mineral Resource and Ore Reserve estimates continue to apply and have not materially changed.

Forward Looking Statements

This report contains reference to certain intentions, expectations, future plans, strategy and prospects of the Company. Those intentions, expectations, future plans, strategy and prospects may or may not be achieved. They are based on certain assumptions, which may not be met or on which views may differ and may be affected by known and unknown risks. The performance and operations of the Company may be influenced by a number of factors, many of which are outside the control of the Company. No representation or warranty, express or implied, is made by the Company, or any of its directors, officers, employees, advisors or agents that any intentions, expectations or plans will be achieved either totally or partially or that any particular rate of return will be achieved. Given the risks and uncertainties that may cause the Company's actual future results, performance or achievements to be materially different from those expected, planned or intended, recipients should not place undue reliance on these intentions, expectations, future plans, strategy and prospects. The Company does not warrant or represent that the actual results, performance or achievements will be as expected, planned or intended.

Auditor's independence declaration

A copy of the auditor's independence declaration as required under section 307C of the *Corporations Act 2001* is set out immediately after this directors' report.

This report is signed in accordance with a resolution of the Board of Directors made pursuant to s.306(3) of the *Corporations Act 2001*.

On behalf of the Directors.



Ron Douglas
Chief Executive Officer

7 March 2025
Melbourne, Victoria



AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the review of the consolidated financial report of VHM Limited for the half-year ended 31 December 2024, I declare that to the best of my knowledge and belief, there have been no contraventions of:

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

Perth, Western Australia
7 March 2025



L Di Giallonardo
Partner

hlb.com.au

HLB Mann Judd ABN 22 193 232 714

A Western Australian Partnership

Level 4, 130 Stirling Street, Perth WA 6000 / PO Box 8124 Perth BC WA 6849

T: +61 (0)8 9227 7500 **E:** mailbox@hlbwa.com.au

Liability limited by a scheme approved under Professional Standards Legislation.

HLB Mann Judd is a member of HLB International, the global advisory and accounting network.

VHM Limited

Statement of Profit or Loss and Other Comprehensive Income

For the half-year ended 31 December 2024

	Notes	Consolidated	
		Half-year 2024 \$'000	Half-year 2023 \$'000
Income			
Interest income	2	93	447
Other income		-	23
		93	470
Expenditure			
Corporate and administrative expense	3	(964)	(2,119)
Depreciation expense		(212)	(220)
Employee benefits expense		(1,430)	(1,620)
Finance costs	4	(764)	(542)
Share based payment expense	16	(25)	(305)
		(3,395)	(4,806)
Loss before income tax		(3,302)	(4,336)
Income tax expense		-	-
Loss after income tax for the half-year		(3,302)	(4,336)
Other comprehensive loss		-	-
Total comprehensive loss for the half-year		(3,302)	(4,336)
Loss per Share			
Basic loss per share (dollar per share)		(0.03)	(0.02)
Diluted loss per share (dollar per share)		(0.03)	(0.02)

The above Consolidated Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the accompanying notes.

VHM Limited

Statement of Financial Position

As at 31 December 2024

		Consolidated	
		31 December 2024 \$'000	30 June 2024 \$'000
	Notes		
ASSETS			
Current assets			
Cash and cash equivalents	5	4,484	6,249
Other assets	6	1,902	195
Total current assets		6,386	6,444
Non-current assets			
Rehabilitation bond		55	55
Deferred exploration and evaluation expenditure	7	44,118	44,278
Property, plant and equipment	8	18,574	18,615
Right-of-use assets	9	555	700
Total non-current assets		63,302	63,648
Total assets		69,688	70,092
LIABILITIES			
Current liabilities			
Trade and other payables	10	321	1,272
Lease liabilities	11	300	285
Provisions	12	88	336
Land acquisition liabilities	13	5,139	1,575
Financial liabilities at fair value	14	1,817	-
Total current liabilities		7,665	3,468
Non-current liabilities			
Lease liabilities	11	329	482
Land acquisition liabilities	13	3,313	7,761
Total non-current liabilities		3,642	8,243
Total liabilities		11,307	11,711
Net assets		58,381	58,381
EQUITY			
Issued capital	15	114,563	108,672
Reserves	17	1,762	4,351
Accumulated losses		(57,944)	(54,642)
Total equity		58,381	58,381

The above Consolidated Statement of Financial Position should be read in conjunction with the accompanying notes.

VHM Limited

Statement of Changes in Equity

For the half-year ended 31 December 2024

Consolidated	Issued capital \$'000	Share based payment reserve \$'000	Accumulated losses \$'000	Total equity \$'000
Balance at 1 July 2023	108,375	3,881	(47,496)	64,760
Loss for the half-year	-	-	(4,336)	(4,336)
Total comprehensive loss for the half-year	-	-	(4,336)	(4,336)
<i>Transactions with owners in their capacity as owners:</i>				
Shares issued on exercise of options	126	(126)	-	-
Share based payments recognised	-	314	-	314
Balance at 31 December 2023	108,501	4,069	(51,832)	60,738

Consolidated				
Balance at 1 July 2024	108,672	4,351	(54,642)	58,381
Loss for the half-year	-	-	(3,302)	(3,302)
Total comprehensive loss for the half-year	-	-	(3,302)	(3,302)
<i>Transactions with owners in their capacity as owners:</i>				
Capital Raising – net of costs	3,277	-	-	3,277
Shares issued on exercise of options	2,614	(2,614)	-	-
Share based payments recognised	-	25	-	25
Balance at 31 December 2024	114,563	1,762	(57,944)	58,381

The above Consolidated Statement of Changes in Equity should be read in conjunction with the accompanying notes.

VHM Limited

Statement of Cash Flows

For the half-year ended 31 December 2024

		Consolidated	
		Half-year 2024 \$'000	Half-year 2023 \$'000
Cash flows from operating activities			
Interest received		93	447
Payments to suppliers and employees		(3,041)	(4,581)
Net cash outflows from operating activities		(2,948)	(4,134)
Cash flows from investing activities			
Payments for exploration expenditure		(2,102)	(5,741)
Payments for property, plant and equipment		(952)	(2,042)
Cash flows from loans to other entities		-	1,226
Research and development refundable tax offset		-	4,501
Net cash outflows from investing activities		(3,054)	(2,056)
Cash flows from financing activities			
Proceeds from share issue		3,430	-
Share issue costs		(153)	-
Proceeds from prepaid share placements		1,500	-
Payment of lease liabilities		(160)	(154)
Interest and finance cost paid		(380)	(329)
Net cash inflows/(outflows) from financing activities		4,237	(483)
Net decrease in cash and cash equivalents		(1,765)	(6,673)
Cash and cash equivalents at the beginning of financial half-year		6,249	20,649
Cash and cash equivalents at the end of financial half-year	5	4,484	13,976

The above Consolidated Statement of Cash Flows should be read in conjunction with the accompanying notes.

Note 1: Material accounting policy information

These general purpose financial statements for the interim half-year reporting period ended 31 December 2024 have been prepared in accordance with Australian Accounting Standard AASB 134 *'Interim Financial Reporting'* and the *Corporations Act 2001*, as appropriate for for-profit oriented entities. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 *'Interim Financial Reporting'*.

These general purpose financial statements do not include all the notes of the type normally included in annual financial statements. Accordingly, these financial statements are to be read in conjunction with the annual report for the year ended 30 June 2024 and any public announcements made by the Company during the interim reporting period in accordance with the continuous disclosure requirements of the *Corporations Act 2001*.

The principal accounting policies and methods of computation adopted are consistent with those of the previous financial year and corresponding interim reporting period, unless otherwise stated.

Basis of preparation

The interim report has been prepared on a historical cost basis. Cost is based on the fair value of the consideration given in exchange for assets. The Group is domiciled in Australia and all amounts are presented in Australian dollars, unless otherwise noted.

The Group comprises VHM Limited and its wholly owned subsidiaries, GP Land Holdings Pty Ltd, GPB Land Holdings Pty Ltd, GPF Land Holdings Pty Ltd and GPBJ Holdings Pty Ltd.

Going Concern

The interim financial statements have been prepared on a going concern basis, which assumes the continuity of normal business and the realisation of assets and the settlement of liabilities in the normal course of business.

The Group recorded a loss of \$3,302,000 (31 December 2023: \$4,336,000) for the half-year. At balance date, the Group had net assets of \$58,381,000 (30 June 2024: \$58,381,000) which included cash and cash equivalents of \$4,484,000 (30 June 2024: \$6,249,000) and a working capital deficit of \$1,279,000 (30 June 2024: surplus of \$2,976,000).

Based on the cash and cash equivalents at balance date and, for the following reasons, management believe that the assumption of going concern is valid in the preparation of these financial statements:

- The directors have a track record of successfully raising equity capital for the expenditure required to progress the project;
- The Group has the capacity to reduce discretionary expenditure;
- There has been no withdrawal of support from creditors, the Group has had no problems paying creditors as and when they fall due and there has been no instance where credit has been declined by a supplier;
- Management does not intend to liquidate the Group; and
- The Group has been able to comply with all statutory, legal and regulatory requirements, is fully insured and has no pending legal or regulatory proceedings against it.

Management has prepared a cash flow forecast for a period exceeding 12 months from the approval date of these financial statements and believe the Group will be able to continue as a going concern and will be in a position to continue to meet its liabilities and obligations for a period of at least twelve months from the date of signing this report.

In reaching this conclusion, the directors consider that additional funds will need to be obtained via equity raisings or financing and are confident that the Group will be successful in obtaining the required funds. Should the Group be unable to raise adequate funds, there exists a material uncertainty that may cast significant doubt on the Group's ability to continue as a going concern and it may be required to realise its assets and extinguish its liabilities other than in the normal course of business and at amounts different to those stated in the financial statements. The financial statements do not include any adjustments relating to the recoverability and classification of asset carrying amounts or to the amount and classification of liabilities that might result should the Group be unable to continue as a going concern and meet its debts as and when they fall due.

Note 1: Material accounting policy information (continued)**Significant accounting judgments and key estimates**

The preparation of interim financial reports requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expense. Actual results may differ from these estimates.

In preparing this interim report, the significant judgments made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the Group financial report for the year ended 30 June 2024.

New or amended Accounting Standards and Interpretations adopted

The Consolidated Entity has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

It has been determined by the Directors that there is no impact, material or otherwise, of the new and revised Standards and Interpretations on its business in issue, and those not early adopted, and, therefore, no change is necessary to the Group's accounting policies.

Note 2: Other Revenue

	Consolidated	
	Half-year 2024 \$'000	Half-year 2023 \$'000
Interest income	93	447
Service charges	-	23
	93	470

Note 3: Corporate and Administrative Expense

	Consolidated	
	Half-year 2024 \$'000	Half-year 2023 \$'000
Professional fees	289	992
Legal fees	49	363
Auditor's remuneration	27	69
Other corporate and administrative expenses	599	695
	964	2,119

VHM Limited
Notes to the Consolidated Financial Statements
For the half-year ended 31 December 2024

Note 4: Finance Costs

	Consolidated	
	Half-year 2024 \$'000	Half-year 2023 \$'000
Interest on land acquisitions	420	507
Interest on other borrowings ¹	322	3
Interest on lease liabilities	22	32
	764	542

¹\$317,000 relates to the loss at inception of the investment agreement that VHM entered into during the year. See Note 14 for further information.

Note 5: Cash and Cash Equivalents

	Consolidated	
	31 December 2024 \$'000	30 June 2024 \$'000
Current		
Cash at bank	1,154	2,991
Term deposits	3,330	3,258
	4,484	6,249

Term deposits can be accessed within 3 days of providing notice to the bank, forfeiting an insignificant amount of interest, hence deeming it reasonable to be classified under cash and cash equivalents.

Note 6: Other Assets

	Consolidated	
	31 December 2024 \$'000	30 June 2024 \$'000
Current		
R&D tax refund receivable ¹	1,591	-
Prepayments – Insurance	237	89
Prepayments – Other	37	49
GST receivable	24	42
Cash collateralised bank guarantees	13	15
	1,902	195

¹ As stated in Note 21, the R&D tax refund was received in January 2025.

	Consolidated	
	31 December 2024 \$'000	30 June 2024 \$'000
Note 7: Deferred Exploration and Evaluation Expenditure		
Costs carried forward in respect of areas of interest in the following phases		
Exploration and evaluation phase – at cost	44,118	44,278
	44,118	44,278
	Consolidated	
	6 months to 31 December 2024 \$'000	Year to 30 June 2024 \$'000
Movement in carrying amounts		
Balance at beginning of period	44,278	39,193
Exploration expenditure incurred – current period	1,431	9,586
Eligible exploration expenditure R&D refundable tax offset – current period	(1,591)	(4,501)
Balance at end of period	44,118	44,278

The recoupment of costs carried forward in relation to the exploration and evaluation phase activities on the Group's retention and exploration licences is dependent upon the successful development and commercial exploitation or sale of the respective tenements.

VHM Limited

Notes to the Consolidated Financial Statements

For the half-year ended 31 December 2024

Note 8: Property, Plant and Equipment

31 December 2024	Land Acquisition under Contract \$'000	Land and buildings \$'000	Property and equipment \$'000	Fixtures and fittings \$'000	Motor Vehicles \$'000	Low Value Pool \$'000	Total \$'000
Carrying amount – at cost	16,980	1,280	461	29	291	41	19,082
Accumulated depreciation	-	(67)	(278)	(28)	(112)	(23)	(508)
	16,980	1,213	183	1	179	18	18,574
Reconciliation							
Opening balance – 1 July 2024	16,980	1,226	189	1	195	23	18,614
Additions	-	-	29	-	-	-	29
Disposals	-	-	(2)	-	-	-	(2)
Depreciation	-	(13)	(33)	-	(16)	(5)	(67)
Closing balance – 31 December 2024	16,980	1,213	183	1	179	18	18,574

30 June 2024	Land Acquisition under Contract \$'000	Land and buildings \$'000	Property and equipment \$'000	Fixtures and fittings \$'000	Motor Vehicles \$'000	Low Value Pool \$'000	Total \$'000
Carrying amount – at cost	16,980	1,280	435	29	291	41	19,056
Accumulated depreciation	-	(53)	(245)	(28)	(96)	(19)	(441)
	16,980	1,227	190	1	195	22	18,615
Reconciliation							
Opening balance – 1 July 2023	14,490	1,256	258	2	230	37	16,273
Additions	2,490	-	-	-	-	-	2,490
Disposals	-	-	(1)	-	-	-	(1)
Depreciation	-	(29)	(67)	(1)	(35)	(15)	(147)
Closing balance – 30 June 2024	16,980	1,227	190	1	195	22	18,615

VHM Limited

Notes to the Consolidated Financial Statements

For the half-year ended 31 December 2024

	Consolidated	
	31 December 2024 \$'000	30 June 2024 \$'000
Note 9: Right-of-use Assets		
Carrying value		
At cost	1,159	1,159
Accumulated depreciation	(604)	(459)
	555	700
	6 months to 31 December 2024 \$'000	Year to 30 June 2024 \$'000
Reconciliation		
Opening balance	700	990
Depreciation	(145)	(290)
	555	700

The Group's Right-of-Use assets comprise operating leases for office premises (refer to Note 11).

	Consolidated	
	31 December 2024 \$'000	30 June 2024 \$'000
Note 10: Trade and Other Payables		
Trade creditors	258	786
Accruals	53	483
Other	10	3
	321	1,272
	Consolidated	
	31 December 2024 \$'000	30 June 2024 \$'000
Note 11: Lease Liabilities		
Current liabilities	300	285
Non-current liabilities	329	482
	629	767

VHM Limited

Notes to the Consolidated Financial Statements

For the half-year ended 31 December 2024

	6 months to 31 December 2024 \$'000	Year to 30 June 2024 \$'000
Note 11: Lease Liabilities (continued)		
Reconciliation		
Opening balance	767	1,022
Interest	22	58
Principal repayments	(160)	(313)
Closing balance	629	767

The lease relates to the Melbourne head office and expires in November 2026.

	Consolidated 31 December 2024 \$'000	30 June 2024 \$'000
Note 12: Provisions		
Employees benefits	88	336
	88	336

	Consolidated 31 December 2024 \$'000	30 June 2024 \$'000
Note 13: Land Acquisition Liabilities		
Carrying value		
Current liabilities	5,139	1,575
Non-current liabilities	3,313	7,761
	8,452	9,336

	6 months to 31 December 2024 \$'000	Year to 30 June 2024 \$'000
Reconciliation		
Opening balance	9,336	9,287
Additions	-	2,324
Interest expense	420	796
Payments (principal and interest)	(1,304)	(3,071)
Closing balance at the end of the period	8,452	9,336

	Consolidated	
	31 December 2024 \$'000	30 June 2024 \$'000
Note 14: Financial Liabilities at Fair Value		
Current liabilities		
Financial liability relating to prepaid share placements	1,817	-
	1,817	-
	6 months to 31 December 2024 \$'000	Year to 30 June 2024 \$'000
Reconciliation		
Opening balance	-	-
Additions	1,500	-
Finance cost	317	-
Closing balance	1,817	-

Investment agreement with Bulk Commodity Holdings LLC (BCH) executed 7 October 2024, under which VHM Limited will receive up to \$5 million in three tranches. The value of the liability at the first closing is \$1.5 million with \$0.3 million (being the loss on total value to repay) recognised as an expense at inception. Investment fee shares are included as part of the first closing amount as a compound financial instrument.

Key terms

Total investment amount	Up to \$5,000,000.
First Closing	\$1,500,000 cash advanced on 15 October 2024, which entitles the Investor to a subscription amount of \$1,635,000.
Investment fee shares	333,333 shares (valued at \$140,000) issued in consideration of the Investor entering into the First closing.
Initial placement shares	Investor is entitled to 480,000 shares which if the Investor has not elected to be absorbed by settlement of the first, second or subsequent closings, the Investor will be required to purchase at 90% of selected 5-Day VWAP within 20 days of the final date of the agreement.
Floor price	If VHM share price falls below \$0.42, if the Investor elects to convert to shares, VHM can offer cash settlement at the VWAP, but cannot force settlement. The Investor can still elect for settlement in shares – shares will be issued at 90% VWAP.
Second closing	This is the pre-approval by the Investor for VHM to require the Investor to invest up to another \$1,500,000. The Second Prepayment amount will entitle the Investor 109% (\$1,635,000) of the prepayment amount as the second subscription amount, with conversion features consistent with First Closing. VHM has the Investor's commitment for the second closing, which is fully at VHM's discretion to draw upon.
Subsequent closing	By mutual agreement of the Investor and VHM, the Investor may advance additional amounts.

VHM Limited

Notes to the Consolidated Financial Statements

For the half-year ended 31 December 2024

Note 15: Issued Capital

(a) Issued Capital

Fully paid ordinary shares carry one vote per share and carry the right to dividends.

(b) Ordinary Shares

	31 December 2024 Number	30 June 2024 Number	31 December 2024 \$	30 June 2024 \$
Ordinary shares – fully paid	216,460,296	203,596,690	114,563,951	108,671,540

6 months to 31 December 2024: Movement in ordinary shares	Date	Shares	Issue Price (\$)	\$
Balance	1 July 2024	203,596,690	-	108,671,540
Shares issued upon exercise of ZEPOs	25 July 2024	826,389	-	495,833
Shares issued upon exercise of ZEPOs	29 July 2024	2,156,230	-	1,579,207
Capital Raising – net of costs	1 August 2024	4,285,714	-	1,691,100
Shares issued upon exercise of ZEPOs	19 August 2024	681,689	-	409,013
Share Purchase Placement – net of costs	20 August 2024	3,882,190	-	1,586,422
Shares issued upon exercise of ZEPOs	23 August 2024	218,061	-	130,836
Initial placement shares and investment fee shares issued	11 October 2024	813,333	-	-
		216,460,296		114,563,951

Year to 30 June 2024: Movement in ordinary shares	Date	Shares	Issue Price (\$)	\$
Balance	1 July 2023	203,101,902		108,374,667
Shares issued upon exercise of ZEPOs	26 September 2023	210,635	-	126,381
Shares issued upon exercise of ZEPOs	11 April 2024	284,153	-	170,492
		203,596,690		108,671,540

Note 15: Issued Capital *(continued)*
(c) Options

6 months to 31 December 2024	Opening balance	Issued	Exercised	(Lapsed)/ reinstated	Closing balance
Zero Exercise Price Options (ZEPOs)	3,882,369	846,774	(3,882,369)	-	846,774
Special exertion options	3,000,000	500,000	-	-	3,500,000
Adviser options	5,127,186	-	-	-	5,127,186
	12,009,555	1,346,774	(3,882,369)	-	9,473,960

Year to 30 June 2024	Opening balance	Issued	Exercised	(Lapsed)/ reinstated	Closing balance
Zero Exercise Price Options (ZEPOs)	4,377,157	-	(494,788)	-	3,882,369
Special exertion options	1,000,000	2,500,000	-	(500,000)	3,000,000
Adviser options	3,127,186	2,000,000	-	-	5,127,186
	8,504,343	4,500,000	(494,788)	(500,000)	12,009,555

Note 16: Share Based Payments
Incentive Option Plan

The Group adopted an Incentive Option Plan ("IOP") in 2019 as a way to provide incentives, assist with recruitment, reward and retain employees and provide opportunities for employees (both present and future) to participate directly in the equity of the Group. The plan was superseded when the Group adopted a new plan as set out in the prospectus. There have been no options issued under the new incentive option plan.

Other share based payments

The Group makes share based payments to Directors, consultants and/or service providers from time to time, not under any specific plan.

Share based payment expenses are recognised in the Consolidated Statement of Profit or Loss and other Comprehensive Income and, where appropriate, capitalised under exploration expenditure in the Consolidated Statement of Financial Position.

The share based payment expense for the reporting period is \$25,162 (31 December 2023: \$314,303) and relates to options over unissued shares. The expense has been recorded as follows:

	Half-year 2024 \$	Half-year 2023 \$
Expensed in Consolidated Statement of Profit or Loss and Other Comprehensive Income including shares issued in lieu of fees	25,162	305,216
Capitalised to Deferred Exploration and Evaluation Expenditure	-	9,087
	25,162	314,303

VHM Limited

Notes to the Consolidated Financial Statements

For the half-year ended 31 December 2024

Note 16: Share Based Payments (continued)

The following table illustrates the number and weighted average exercise prices of and movements in share options issued during the year under the Incentive Option Plan and in accordance with shareholder approval of the Special Exertion Options issued to Non-Executive Directors:

6 months to 31 December 2024	Number of Options	Weighted average exercise price (\$)
Outstanding at the beginning of the period	12,009,555	0.9605
Granted during the half-year	1,346,774	0.5012
Exercised during the half-year	(3,882,369)	0.0000
Outstanding at the end of the period	9,473,960	1.0128

Year to 30 June 2024	Number of Options	Weighted average exercise price (\$)
Outstanding at the beginning of the period	8,504,343	0.8622
Granted during the period	4,500,000	1.1500
Exercised during the period	(494,788)	-
Lapsed during the period	(500,000)	1.3500
Outstanding at the end of the period	12,009,555	0.9605

The following table lists the input to the Black Scholes valuation model used for the options issued during the period:

	ZEPOs	Director options
Number	846,774	500,000
Grant date	1 November 2024	1 November 2024
Expiry date	1 November 2029	1 December 2026
Vesting Date	1 November 2027	1 July 2025
Market vesting conditions	Nil	Nil
Share price	\$0.42	\$0.42
Exercise price	\$0.00	\$1.35
Risk free rate	4.13%	4.06%
Early exercise multiple	2.5x	2.5x
Expected share price volatility	69.00%	69.00%
Dividend yield	Nil	Nil
Fair value per option	\$0.415	\$0.0451

The ZEPOs issued during the year will vest provided the employee remains an employee for three years following the date of issue. The Director options will vest on 1 July 2025, provided the director remains a director until that date.

VHM Limited

Notes to the Consolidated Financial Statements

For the half-year ended 31 December 2024

	Consolidated	
	6 months to 31 December 2024 \$'000	Year to 30 June 2024 \$'000
Note 17: Share Based Payment Reserve		
Balance at beginning of period	4,351	3,881
Value of share based payments capitalised to Deferred Exploration and Evaluation Expenditure	-	76
Value of share based payments expensed	25	691
Transfer to issued capital (options exercised during current period)	(2,614)	(297)
Balance at end of period	1,762	4,351

Note 18: Segment Reporting

The Group has identified its operating segments based on the internal reports that are reviewed and used by the board of directors in assessing performance and determining the allocation of resources. Reportable segments disclosed are based on aggregating operating segments, where the segments have similar characteristics.

The reportable segment is represented by the primary statements forming these financial statements.

Note 19: Fair Value Measurement

The Directors consider that the carrying amount of financial assets and financial liabilities, as recorded in the financial statements, represent or approximate their respective fair values. The Group's financial assets and liabilities are measured at amortised cost. Therefore, the disclosures required by AASB13: *Fair Value Measurement*, of the fair value measurement hierarchy have not been made.

Note 20: Commitments and Contingent Liabilities

There have been no significant changes to the commitments and contingent liabilities with what was disclosed in the most recent financial report.

Note 21: Events Subsequent to Balance Date

In January 2025, VHM received a tax refund of \$1,591,000 relating to the Company's Research and Development activities for the 2024 financial year.

As part of the institutional investment arrangement with BCH, VHM issued 689,655 shares to BCH in relation to tranche 1 in February 2025.

Since the end of the reporting period and to the date of this report, no other matters or circumstances have arisen 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 subsequent financial years.

Directors' Declaration

In the Directors' opinion:

- the attached financial statements and notes comply with the *Corporations Act 2001*, Australian Accounting Standard AASB 134 'Interim Financial Reporting', the Corporations Regulations 2001 and other mandatory professional reporting requirements;
- the attached financial statements and notes give a true and fair view of the consolidated entity's financial position as at 31 December 2024 and of its performance for the financial half-year ended on that date; and
- there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of directors made pursuant to section 303(5)(a) of the *Corporations Act 2001*.

On behalf of the Directors

A handwritten signature in black ink, appearing to read 'Ron Douglas', with a large, stylized initial 'R' and a horizontal line extending to the right.

Ron Douglas
Chief Executive Officer

7 March 2025
Melbourne, Victoria

INDEPENDENT AUDITOR'S REVIEW REPORT

To the Members of VHM Limited

Report on the Half-Year Financial Report

Conclusion

We have reviewed the half-year financial report of VHM Limited ("the Company") and its controlled entities ("the Group"), which comprises the consolidated statement of financial position as at 31 December 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 half-year ended on that date, selected explanatory notes, and the directors' declaration, for the Group comprising the Company and the entities it controlled at the half-year end or from time to time during the half-year.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the accompanying half-year financial report of VHM Limited does not comply with the *Corporations Act 2001* including:

- (a) giving a true and fair view of the Group's financial position as at 31 December 2024 and of its performance for the half-year ended on that date; and
- (b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Basis for Conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*. Our responsibility is further described in the *Auditor's Responsibilities for the Review of the Financial Report* section of our report. We are independent of the Company 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 annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

Material Uncertainty Related to Going Concern

We draw attention to Note 1 in the financial report, which indicates that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern. Our conclusion is not modified in respect of this matter.

Responsibility of the Directors for the Financial Report

The directors of the Company are responsible for the preparation of the half-year 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 half-year financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

hlb.com.au

HLB Mann Judd ABN 22 193 232 714

A Western Australian Partnership

Level 4, 130 Stirling Street, Perth WA 6000 / PO Box 8124 Perth BC WA 6849

T: +61 (0)8 9227 7500 **E:** mailbox@hlbwa.com.au

Liability limited by a scheme approved under Professional Standards Legislation.

HLB Mann Judd is a member of HLB International, the global advisory and accounting network.

Auditor's Responsibility for the Review of the Financial Report

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Group's financial position as at 31 December 2024 and its performance for the half-year ended on that date, and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*.

HLB Mann Judd

HLB Mann Judd
Chartered Accountants

Perth, Western Australia
7 March 2025



L Di Giallonardo
Partner



VHM Limited

Level 11, 330 Collins Street
Melbourne VIC 3000
Australia

Telephone: +61 8 9388 8290

www.vhmltd.com.au

ABN 58 601 004 102