VHM Limited

2023 Financial Report

For the year ended 30 June 2023

ACN 601 004 102

Contents

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 year ended 30 June 2023.

Directors

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

Donald Runge	Non-Executive Chairman
Graham Howard	Managing Director
Maree Arnason	Non-Executive Director (appointed 18 August 2023)
Ron Douglas	Non-Executive Director (appointed 18 August 2023)
Ian Smith	Non-Executive Director (appointed 18 August 2023)
Michael Allen	Executive Director (resigned 18 August 2023)
Gamini Colless	Non-Executive Director (resigned 18 August 2023)

Company Secretary

Ian Hobson

Principal Activities

During the financial year, the principal continuing activities of the consolidated entity consisted of exploration and pre-development activity in respect of the consolidated entity's exploration and retention licences situated in Victoria, Australia.

Review of Operations

The review of the Group's operations over the last twelve months, and to the date of this Report are as follows:

Successful Initial Public Offer (IPO) to raise $30 million and listing on the Australian Securities Exchange (ASX) on 9 January 2023. The Company has actively progressed the key activities set out in its prospectus, delivering on the key objectives, and associated positive results as follows.

The Company undertook a 200-tonne bulk sample in H1 FY2023. This underpinned the Pilot Plant testwork program for both heavy minerals sands and hydromet circuit. This enabled the advancement of engineering and metallurgical programs.

The Pilot Hydromet Plant testwork was completed for the Goschen hydromet plant at Australian Nuclear Science and Technology Organisation and successfully converted the rare earth mineral concentrate to a high purity, mixed rare earth carbonate with class leading metallurgical recoveries.

Detailed engineering design for the heavy mineral sands process plant progressed during the year with preliminary technical works for the hydromet plant engineering study also commencing during the period.

This enabled the completion of the 2023 Definitive Feasibility Study Refresh which was released for the Goschen Rare Earths and Mineral Sands Project. The key outputs included an outlined +20-year mine life with strong economic metrics derived from the dual commodity product stream (ASX release 28 March 2023).

VHM made significant progress on its Environment Effects Statement (EES) for the Goschen Project approval. All chapters of the EES were completed and submitted to the Victorian Department of Transport and Planning (DTP). The DTP completed the Adequacy Review of the Goschen final environmental and social technical reports and the associated EES chapters, against the scoping requirements.

In addition to progressing the Goschen Project, the Company completed a comprehensive resource definition drilling program, that resulted in an expansion of the in-situ tonnage of the key commodities within the mineral resource inventory. As a result of the release of the maiden Cannie Mineral Resource estimate (ASX release 16 May 2023), an inventory increase occurred of 43% total rare earth oxide, 39% of zircon, 51% of rutile and 95% of leucoxene. A new discovery of high-grade rare earth, zircon, and titania ore body to the north of the Goschen Project was also discovered in the period, at the Nowie Project area.

Results

The results of the Group for the financial year ended 30 June 2023 was a loss after tax of $17.9 million (2022: $9.1 million). The loss for the financial year was driven largely by finance costs (fees and interest) in respect of the convertible notes issued, non-capitalised corporate and employee expenditure and land compensation payments. No dividends were paid during the year and the directors do not recommend payment of a dividend.

Significant Changes in the State of Affairs

On 9 January 2023, VHM commenced trading on the ASX and successfully completed the IPO of 22.22 million fully paid ordinary shares at an issue price of $1.35 each to raise gross proceeds of $30 million (before costs).

Matters Subsequent to the End of the Financial Year

Michael Allen and Gamini Colless resigned from the Board on 18 August 2023. Maree Arnason, Ron Douglas and Ian Smith were appointed to the Board as Non-Executive Directors on 18 August 2023.

Subject to shareholder approval, Don Runge, Graham Howard and the three newly appointed Board members will be granted 500,000 options each exercisable at $1.35, expiring three years from the date of issue and vesting on 17 August 2024.

Apart from the above, there are no matters or circumstances that have arisen since 30 June 2023 that have or may significantly affect the operations, results, or state of affairs of the consolidated entity in future financial periods.

Likely Developments and Expected Results of Operations

The consolidated entity intends to continue its exploration and pre-development activities on its existing projects.

Environmental Regulations

The Group is subject to and is compliant with all aspects of environmental regulation of its exploration and pre-development activities, with no reportable environmental incidents during the 2023 reporting period. The directors are not aware of any environmental law that is not being complied with.

Health and Safety

During the 2023 financial year there were no reportable injuries or high potential significant incidents. The Lost Time Injury Frequency Rate (LTIFR) for the full year 2023 remained at zero. This compares with the WorkSafe Victoria, "Victorian Mining, Exploration and Extractive Industries Health and Safety Statistics" for Exploration activities during 2021 of LTIFR 4.2 (Note: 2021 data was used, as 2022 data has not yet been released).

Risk Management

VHM Limited takes a proactive approach to risk management. The Directors are responsible for ensuring that risks and opportunities are identified on a timely basis and that the Group's objectives and activities are aligned with these risks and opportunities.

VHM operates within a dynamic environment, making it susceptible to various factors and business risks that could impact its future performance. To address these risks effectively, VHM has implemented a Risk Management Policy and a Risk Management Framework, ensuring oversight and management of significant business risks.

The risk identification process involves evaluating the inherent risk associated with different activities and determining the appropriate measures for mitigation. Regular updates on risk assessments are provided by both the operations and management teams and reported to the Board of Directors.

Outlined below are the principal risks and uncertainties that could significantly impact VHM's future results, both operationally and financially. Ascertaining the likelihood of these risks occurring with certainty is challenging. However, if any of these risks materialise, they could have a material and adverse effect on VHM's reputation, strategy, business operations, financial condition, and overall future performance. Additionally, there might be other risks that are currently unknown or considered immaterial but could later be recognised as material and adversely affect VHM, either individually or in combination.

Risks Specific to the Company

Future Capital Requirements

The Company has no operating revenue and is unlikely to generate any operating revenue unless and until its projects are successfully developed and production commences.

The Company will require ongoing funding to meet its objectives of developing and operating the Proposed Operation, meeting obligations to maintain licensing tenure and to settle on the purchase of land which the Company has contracted to buy. There can be no certainty that the Company can raise the funds to undertake the development of these projects.

Permitting Risk – Proposed Operation

The Company's ability to proceed with the Proposed Operation is dependent upon its ability to secure all necessary approvals, permits and licences. The most material approvals yet to be obtained include securing a mining lease, obtaining all necessary environmental approvals, planning approvals and an approved work plan.

Before construction can commence on the Goschen Project, part of Retention Licence 6806 needs to be converted to a mining lease. There is no certainty this will occur or if it does, that the mining lease will be subject to conditions which are acceptable to the Company.

Final Investment Decision

The Company is yet to make the FID to proceed with the Goschen Project. While the Goschen DFS was completed in March 2022 and updated in the period (DFS Refresh), there are still several other factors and hurdles that need to be adequately addressed before the economic viability of the project can be confirmed. Until these matters are addressed, it would not be prudent for the Board to commit the Company to proceeding with the Project.

Life of Mine (LOM) Plan

The Goschen Project LOM Plan is based on Goschen DFS independent commodity marketing analysis and a range of other factors. The Company is undertaking further engineering and design as part of ongoing refinement of accuracy and precision of engineering, capital and operating estimates that are used as inputs into the LOM Plan. This work will further test base case inputs and outputs which could lead to adjustments in proposed development plans and the LOM Plan. As the Company moves through its further assessment and preparatory work in relation to the Goschen Project, there is a risk that key assumptions on which the LOM Plan is based may prove to be untrue or require adjustment. This could result in material changes to expected Capex or Opex, financing costs, commodity prices and other factors, which could either significantly change the expected financial outcomes or jeopardise the economic viability of the Goschen Project.

Currently the Company has developed its plant design based on the Goschen DFS, results of JORC 2012 Ore Reserve statement and approvals program. There is a risk that the design may be inappropriate, but it is intended that progressive programs of engineering and procurement should de-risk the development of further stages of the Goschen˜Project.

Regulatory Risk

The availability and rights to explore and produce REM, the ability to develop the Proposed Operation, as well as operational profitability generally, can be affected by changes in government policy which are beyond the control of the Company. The governments of the relevant States in which the Company has interests conduct reviews from time to time of policies in connection with the granting and administration of exploration and mining tenements and related permits and approvals. Changing attitudes to environmental matters, land care, cultural heritage, and indigenous rights; together with the nature of the political process, provide the possibility for future policy changes. There is a risk that such changes may affect the Company's current or planned operations.

Offtake Risk

The Company has signed a legally binding MOU with Shenghe in respect of 60% of its nameplate production, for an initial three year term. This commitment is however subject to certain conditions first being met and there is no guarantee that these conditions will be met.

Additionally, the Company is yet to secure offtake arrangements for the balance of its expected production from the Proposed Operation. The Company's ability to generate sufficient revenue or to secure debt financing for the Goschen Project is dependent upon its ability to secure offtake partners for all or most of its production. There can be no certainty the Company can enter into offtake contracts covering all of its production, at prices or on terms which support the economics or funding of the Company's projects.

Land Acquisition Risk

Certain of the Company's wholly owned subsidiaries are party to land acquisition contracts for freehold land on which many of the Company's projects are located, including the Goschen Project. Control of the land is critical to being able to conduct the proposed mining operations. These subsidiaries currently owe the vendors an aggregate amount of approximately $9.3 million under the contracts, payable in monthly instalments over five years in the case of one contract and ten years in the case of two others.

If the subsidiaries are unable to make these payments, there is a risk that the contracts will be terminated, and the subsidiaries will not acquire the land.

Likewise, if any counterparty defaults in the performance of their obligations, it may be necessary for the Company to seek a legal remedy, which can be costly. Either of these outcomes could result in a potential delay to project development and may deny the Company access to the Ore Reserves located on those properties.

These contracts have however been structured to be binding on the vendors (and are no longer conditional) with long dated settlement dates, providing flexibility for the Company to determine when to complete the acquisitions based on operational requirements.

Native Title Risk

In relation to the Tenements, there may be areas over which legitimate common law native title rights of Aboriginal Australians exist. Where native title rights do exist, the ability of the Company to gain access to the affected parts of a Tenement or to progress from exploration to development and mining operations may be adversely affected. Generally, risk associated with native title for mining activities centres on the validity of 'future acts', being something that is done on land / waters, or the authorisation of such activities, which would be inconsistent with native title.

The grant of mining authorisations (such as a mining licence for the land covered by a retention licence) typically constitutes a 'future act.' A 'future act' can be lawfully undertaken if it is validated pursuant to certain procedures set out in the *Native Title Act 1993* (Cth) (NT Act). Native title risk associated with future acts typically crystallises when a 'future act' undertaken in non-conformity with the procedures in the NT Act is invalid to the extent of inconsistency with native title, and compensation may be payable for actions that impair the exercise of native title rights.

Native title risk also arises in relation to tenements which are yet to be granted to the Company (this includes any mining licences sought in the future for the land covered by retention licence RL6806 or any of the other Tenements). This risk can be managed by following appropriate 'future act' validation procedures under the NT Act, such as the 'right to negotiate' process or entry into an Indigenous Land Use Agreement (ILUA) with registered native title holders or claimants. Project scheduling must, therefore, consider and address any need to comply with 'future act' procedures.

The Company's Tenements currently overlap a native title claim, native title determination and two ILUAs to varying degrees, outlined in the Solicitor's Tenement Report. It is possible the terms and conditions of any such ILUAs may be unfavourable for, or restrictive against, the Company.

Any delays or costs in respect of conflicting third-party rights, obtaining necessary consents, or compensation obligations may adversely impact the Company's ability to carry out exploration or mining activities within the affected areas.

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Mineral Resource and Ore Reserve Estimates

The Company's present Mineral Resources and Ore Reserves estimates are compliant with the JORC Code 2012. Mineral Resources and Ore Reserves estimates involve subjective judgement from competent persons on a number of modifying factors including the resource definition drilling parameters tenor and grade distribution of mineral assemblages, geological interpretation of the drilling and assay data ability to economically extract and process mineralisation as well tailings management, future commodity prices, geotechnical and hydrogeology assessments, transport and logistics parameters, permitting and approvals, ESG parameters, operating and capital expenditure and royalties. Variability of these factors may result in reductions of the Company's Mineral Resource and Ore Reserve estimates which could adversely affect the Life of Mine Plans and may impact on the value of the Company's Mineral Resource and or Ore Reserve mineral inventory and or the assessment of realisable value of one or more of the Company's assets. Mineral Resource and Ore Reserve restatements could negatively affect the Company's operating and financial results.

No assurances can be given that the Company Mineral Resource and Ore Reserves can be recovered at the forecast mineral assemblages or product yields and qualities. There are no assurances that Company Mineral Resources are capable of being assessed and classified as Ore Reserves under the JORC 2012 Code, or that those Mineral Resources can be economically mined.

Occupational Health and Safety

Safety is a fundamental risk for any exploration and production company particularly concerning personal injury, damage to property and equipment and other losses. The occurrence of any of these risks could result in legal proceedings against the Company and substantial losses to the Company due to injury or loss of life, damage or destruction of property, regulatory investigation, and penalties or suspension of operations.

R&D Claims

As an explorer, the Company has previously claimed material amounts of tax offsets in respect of its research and development activities. These claims have been self-assessed but are subject to comprehensive criteria and may be subject to future audit and adjustment or claw-back.

Mining Industry Risks

Title Risk

Interests in all tenements in Victoria are governed by State legislation and are evidenced by the granting of licenses or leases. Each license or lease is for a specific term and carries with it annual expenditure and reporting commitments, as well as other conditions requiring compliance. Failure to comply with these conditions may result in forfeiture of the Company's tenements.

Further, the Company's tenements are subject to periodic renewal. While there is no reason to believe such renewals will not be granted, the Company cannot guarantee this will occur. New conditions may also be imposed on the tenements under the renewal process which may adversely affect the Company.

Consequently, the Company could be exposed to additional costs, have its ability to explore or mine the tenements reduced or lose title to or its interest in the tenements if license conditions are not met or if insufficient funds are available to meet expenditure commitments.

The Company also cannot give any assurance that title to such tenements will not be challenged or impugned. Accordingly, there is a residual risk that, despite the Company's investigations, the tenements may be subject to prior unregistered agreements or transfers, or title may be affected by unregistered encumbrances, third party interests or defects.

Aboriginal Cultural Heritage Risk

There are Aboriginal heritage objects and/or places within the area of the Company's tenements which are either registered or have been lodged for registration.

There is a risk that additional Aboriginal objects or places may exist on the land the subject of the tenements, and it is an offence to disturb or damage such objects or places without a cultural heritage permit or approved cultural heritage management plan. The existence of such objects or places may preclude or limit mining activities in certain areas of the tenements or cause delays in the progression of the development of a mine.

Exploration and Development Risks

Mineral exploration and development are a speculative and high-risk undertaking which may be impeded by circumstances and factors beyond the control of the Company. Even where apparently viable mineral resources are identified, there is no guarantee that they can be economically exploited due to changes in parameters such as downward commodity price fluctuations.

The delivery of the Goschen DFS and subsequent DFS Refresh is a significant de-risking step which informs the project definition and commercial packages which are to be taken forward. Further refinement will continue to be taken through the Detailed Engineering Design phases of the project to better define the commercial work packages. Even with the delivery of the Goschen DFS and DFS Refresh, there are future risks such as negative change in commodity prices, which could potentially delay economic exploitation of the Ore Reserves.

The exploration and development activities of the Company may be adversely affected by a range of factors including geological conditions, unanticipated technical and operational difficulties, seasonal weather patterns, contracting risk from third parties providing essential services and changing government laws and regulations.

Metallurgy

Metal and/or mineral recoveries are dependent upon the metallurgical process that is required to liberate economic minerals and produce a saleable product and by nature contain elements of significant risk such as:

- identifying a metallurgical process through test work to produce a saleable metal and/or concentrate;
- developing an economic process route to produce a metal and/or concentrate; and
- changes in mineralogy in the ore deposit can result in inconsistent metal recovery, affecting the economic viability of the project.

Resource Estimation Risks

The Company has already defined a resource at its Goschen Project and intends to undertake further exploration activities at Goschen and to develop the ore bodies at its Cannie and Nowie projects. However, no assurances can be given that the exploration will result in the determination of any additional resources. Even if such resources are expanded or identified, no assurance can be provided that this can be economically extracted.

Minerals and Currency Price Volatility

The Company's ability to proceed with the development of the Proposed Operation and its other projects, and benefit from any future mining operations will depend on market factors, some of which may be beyond its control.

As the Company's potential earnings will be largely derived from the sale of REM and heavy mineral sands, the Company's future revenues and cash flows will be impacted by changes in the prices and available market for these commodities. The price for heavy mineral sands and REM are negotiated prices and so any substantial decline in the prices of these commodities or increase in transport or distribution costs may have a material adverse effect on the Company and the value of its Shares.

Commodity prices fluctuate and are affected by numerous factors beyond the control of the Company. These factors include current and expected future supply and demand, forward selling by producers, production cost levels in major mineral producing centres and macroeconomic conditions such as inflation and interest rates.

Exchange Rate Risk

The international prices of most commodities are denominated in United States dollars while the Company cost base will be in Australian dollars. Consequently, changes in the Australian dollar exchange rate will impact on the earnings of the Company.

Competition Risk

The industry in which the Company will be involved is subject to domestic and global competition and the Company will have no influence or control over the activities or actions of its competitors. Other companies may develop new projects or expand their existing projects which result in greater supply coming into the market which adversely affects the price the Company will receive for its production.

Environmental Risk

The Company’s activities are subject to State and Federal laws and regulations concerning the environment. As with most exploration projects and mining operations, the Company's activities are expected to have an impact on the environment, particularly if advanced exploration or field development proceeds.

The Company's tenements are subject to conditions, including in respect of environmental matters. Such conditions are on standard terms setting out the minimum operating requirements which the licence holder must comply with.

The Company intends to conduct its activities in an environmentally responsible manner and in compliance with all applicable laws, including all conditions of its environmental approvals. Areas disturbed by the Company’s activities will be rehabilitated as required by regulatory authorities.

The disposal of mining and process waste and mine water discharge are under constant legislative scrutiny and regulation. There is a risk that environmental laws and regulations become more onerous making the Company’s operations more expensive.

Approvals are required for land clearing and for ground disturbing activities. However, the Company may be unsuccessful in obtaining an approval, or may obtain an approval on unacceptable conditions or even with an approval, the Company may be the subject of accidents or unforeseen circumstances that could subject the Company to extensive liability.

Climate Change Risks

Mining of mineral resources is relatively energy intensive and is dependent on the consumption of fossil fuels. As a mining development company, the Company is exposed to both transition risks and physical risks associated with climate change.

Climate change is a risk the Company has considered, particularly related to its operations in the mining industry. The climate change risks particularly attributable to the Company include:

- transitioning to a lower-carbon economy may entail extensive policy, legal, technology and market changes. Increased regulation and government policy designed to mitigate climate change may adversely affect the Company’s cost of operations and adversely impact the financial performance of the Company; and
- physical risks resulting from climate change can be acute or chronic. Acute physical risks refer to those that are event-driven, including increased severity of extreme weather events, such as cyclones or floods. Chronic physical risks refer to longer term shifts in climate patterns (for example, sustained higher temperatures) that may cause sea level rises or chronic heat waves. The transition and physical risks associated with climate change (including also regulatory responses to such issues and associated costs) may significantly affect the Company’s operating and financial performance.

General Risks

Economic Risks

The future viability of the Company is also dependent on a number of other factors affecting performance of all industries and not just the exploration and mining industries.

Market Conditions

The market price of the shares can fall as well as rise and may be subject to varied and unpredictable influences on the market for equities in general and resource exploration stocks in particular.

Further, share market conditions may affect the value of the Company's quoted Shares regardless of the Company's operating performance. Share market conditions are affected by many factors such as:

- general economic outlook;
- interest rates and inflation rates;
- currency fluctuations;
- changes in investor sentiment;
- the demand for, and supply of, capital; and
- terrorism or other hostilities.

Neither the Company nor the Directors warrant the future performance of the Company or any return on an investment in the Company.

Technology

Any failure or delay in developing new technology or an inability to exploit technology as successfully or cost-effectively as competitors could result in a decrease in customer demand, which could have a material adverse effect on the Company's business and cash flows, prospects for growth, financial condition, and results of its operations.

Force Majeure

Events may occur within or outside the markets in which the Company operates that could impact upon the global or Australian economies and the operations of the Company. These events include acts of terrorism, outbreaks of international hostilities, fires, pandemics, floods, earthquakes, labour strikes, civil wars, natural disasters, outbreaks of disease, and other man-made or natural events or occurrences that can have an adverse effect on the Company's ability to conduct business.

Litigation Risks

The Company is exposed to possible litigation risks including native title claims, tenure disputes, environmental claims, occupational health and safety claims and employee claims. Further, the Company may in the ordinary course of business become involved in litigation and disputes, for example with service providers, customers or third parties infringing the Company's intellectual property rights. Any such claim or dispute if proven, may impact adversely on the Company's operations, financial performance, and financial position.

Changes to Legislation or Regulations

The Company may be affected by changes to laws and regulations in Australia. Such changes could have adverse impacts on the Company from a financial and operational perspective.

Other Risks

This list of risk factors is not an exhaustive list of the risks faced by the Company or by investors in the Company. The risk factors described in this Section as well as risk factors not specifically referred to above may in the future materially affect the financial performance of the Company and the value of its securities.

Indemnity and Insurance of Officers

The Company has indemnified the directors and executives of the Company for costs incurred, in their capacity as a director or executive, for which they may be held personally liable, except where there is a lack of good faith.

During the financial year, the Company paid a premium in respect of a contract to insure the directors and executives of the Company against a liability to the extent permitted by the *Corporations Act 2001*. The contract of insurance prohibits disclosure of the nature of the liability and the amount of the premium.

Indemnity and Insurance of Auditor

The Company has not, during or since the end of the financial year, indemnified or agreed to indemnify the auditor of the Company or any related entity against a liability incurred by the auditor.

During the financial year, the Company has not paid a premium in respect of a contract to insure the auditor of the Company or any related entity.

Proceeding on Behalf of the Company

No person has applied to the Court under section 237 of the *Corporations Act 2001* for leave to bring proceedings on behalf of the Company, or to intervene in any proceedings to which the Company is a party for the purpose of taking responsibility on behalf of the Company for all or part of those proceedings.

Non-Audit Services

During the year the Company has not used its auditors, HLB Mann Judd, to complete any non-audit related work (2022: nil).

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.

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.

Auditor

HLB Mann Judd continues in office in accordance with section 327 of the *Corporations Act 2001*.

Information on Directors and Company Secretary

The names and details of the Company's directors who were in office during or since the end of the financial year are as set out below. All directors were in office for this entire period unless otherwise stated.

Donald Runge	Non-Executive Chairman
Qualifications:	BE (Mining), MAusIMM
Experience:	Mr Runge has over 40 years operational and project experience including industrial minerals where he managed the development of the Uley Graphite Project in South Australia. He has previously held executive management positions for Newcrest Mining Limited, including Manager for Ridgeway Underground Project Development and General Manager of Cracow Gold Mine. He has also managed a team of expats advising Philix Mining Corporation on development of their Silangan Au/Cu Project.
Other current directorships:	None
Former directorships (last 3 years):	None
Special responsibilities:	Chairman of the Operations, Safety and ESG Committee Member of the Nomination and Remuneration Committee Member of the Audit and Risk Committee
Interests in shares:	4,498,287 ordinary shares
Interests in options:	500,000 options with an exercise price of $1.00
Contractual rights to shares:	None

Graham Howard	Managing Director
Qualifications:	BAppSc (Geology), FAusIMM
Experience:	Mr Howard has significant corporate experience as Chief Executive Officer and Managing Director of ASX listed gold companies with major project experience including Telfer, Boddington (Newcrest) and Silangan Au/Cu Project (Philex/Silangan). Mr Howard has managed the development of VHM Limited since September 2016.
Other current directorships:	None
Former directorships (last 3 years):	None
Special responsibilities:	Member of the Operations, Safety and ESG Committee Member of the Nomination and Remuneration Committee
Interests in shares:	4,515,515 ordinary shares
Interests in options:	2,156,230 zero exercise price options
Contractual rights to shares:	None

Maree Arnason	Non-Executive Director (appointed 18 August 2023)
Qualifications:	BA, FAICD
Experience:	Ms Arnason has over 35 years' experience across the resources, energy and manufacturing sectors and is highly experienced in the areas of governance, strategy, sustainability, risk, corporate affairs, stakeholder relations, transformations, divestments and integrations. Her broad commodity experience includes iron ore, gold, copper, timber, coal, mineral sands, and natural gas. Ms Arnason serves on the Corporate Governance Consultative Panel for Australian Securities and Investments Commission (ASIC).
Other current directorships:	NED – Gold Road Resources Limited (appointed 15 June 2020) NED – Ardea Resources Limited (appointed 10 July 2023)
Former directorships (last 3 years):	NED – Trigg Minerals Limited (17 December 2021 - 24 May 2023)
Special responsibilities:	None
Interests in shares:	None
Interests in options:	None
Contractual rights to shares:	None

Ron Douglas	Non-Executive Director (appointed 18 August 2023)
Qualifications:	BE, FAIM, MAusIMM, MAICD
Experience:	Mr Douglas has extensive executive and operations delivery experience gained over a 40 year career with publicly listed global mining, energy, and manufacturing companies. Mr Douglas expertise is in executive operations delivery positions with strengths in major capital program execution, and running corporate profit/loss centres, involving strategic program directorship, safety leadership and corporate transaction negotiations.
Other current directorships:	None
Former directorships (last 3 years):	NED – Rex Minerals Limited (18 February 2019 - 21 April 2022)
Special responsibilities:	None
Interests in shares:	168,400 ordinary shares
Interests in options:	None
Contractual rights to shares:	None

Ian Smith	Non-Executive Director (appointed 18 August 2023)
Qualifications:	BE Mining (Honours), BFinAdmin, FAusIMM, FIEAust
Experience:	Mr Smith is a highly experienced executive and board member with a career spanning over 40 years in domestic and international mining and mining services companies. Mr Smith's technical, operational and commercial discplines have been attributes of his successful delivery of major capital projects and business growth for a number of listed companies including Orica Limited, Rio Tinto and Newcrest Mining Limited.
Other current directorships:	Chair – Rex Minerals Limited (appointed NED on 18 February 2019, and appointed Chairman on 1 June 2021)
Former directorships (last 3 years):	None
Special responsibilities:	None
Interests in shares:	400,000 ordinary shares
Interests in options:	None
Contractual rights to shares:	None

Michael Allen	Executive Director (resigned 18 August 2023)
Qualifications:	BA Accounting, CA
Experience:	Mr Allen is a Chartered Accountant and experienced Chief Financial Officer with more than 30 years' experience in businesses such as KPMG, Walt Disney International, Opportunity International and Engineers Australia.
Other current directorships:	None
Former directorships (last 3 years):	None
Special responsibilities:	Member of the Audit and Risk Committee
Interests in shares:	2,255,102 ordinary shares
Interests in options:	None
Contractual rights to shares:	None

Gamini Colless	Non-Executive Director (resigned 18 August 2023)
Qualifications:	BA, LLB
Experience:	Mr Colless has been practising as a solicitor for over 30 years and is highly experienced in the key areas of corporate finance, project finance, structured finance, major property, and infrastructure projects.
Other current directorships:	Partner, HWL Ebsworth Lawyers
Former directorships (last 3 years):	None
Special responsibilities:	Chairman of the Nomination and Remuneration Committee Chairman of the Audit and Risk Committee
Interests in shares:	918,831 ordinary shares
Interests in options:	500,000 options with an exercise price of $1.00
Contractual rights to shares:	None

Other current directorships' quoted above are current directorships for listed entities only and excludes directorships of all other types of entities, unless otherwise stated.

'Former directorships (last 3 years)' quoted above are directorships held in the last 3 years for listed entities only and excludes directorships of all other types of entities, unless otherwise stated.

Company Secretary

Ian Hobson	Company Secretary
Qualifications:	B.Bus FCA ACIS MAICD
Experience:	Mr Ian Hobson is a fellow chartered accountant and chartered secretary with 38 years' experience who acts as independent director and company secretary to ASX listed companies. Prior to commencing his own practice, Mr Hobson held senior positions with large international chartered accounting firms together with commercial experience in Australia, UK, and Canada.

Meetings of Directors

The number of meetings of the Company's Board of Directors ('the Board') and Committees held during the year ended 30 June 2023, and the number of meetings attended by each director were:

	Full board		Nomination and Remuneration Committee		Audit and Risk Committee	
	Attended	Held	Attended	Held	Attended	Held
Don Runge	13	13	1	1	2*	2*
Graham Howard	12	13	-	-	2*	2*
Michael Allen	12	13	-	-	2*	2*
Gamini Colless	13	13	1	1	2*	2*

** Business of the Audit and Risk Committee was carried out in the context of the full board meetings over the course of the year. All Board members were invited and attended those discussions.*

Interests in the Shares and Options of the Company

The following relevant interests in shares and options of the Company were held by the Directors as at the date of this report.

Directors	Fully paid ordinary shares	Share options	Options subject to shareholder approval*
Don Runge	4,498,287	500,000	500,000
Graham Howard	4,515,515	2,156,230	500,000
Maree Arnason	-	-	500,000
Ron Douglas	168,400	-	500,000
Ian Smith	400,000	-	500,000
Michael Allen	2,255,102	-	
Gamini Colless	918,831	500,000	

** Shareholder approval will be sought in respect of these options at the upcoming AGM.*

Shares Under Option or Issued on Exercise of Options

At the date of this report, unissued Ordinary shares or interests of the Company under option are:

Date options granted	Number of shares under option	Exercise price of option	Expiry of option
2 November 2018	2,017,475	-	19/05/2027
31 December 2019	634,375	-	31/12/2024
1 March 2021	423,938	-	28/02/2026
25 March 2022	1,097,917	-	19/05/2027
25 March 2022	203,452	-	28/02/2026
19 April 2022	1,000,000	$1.00	31/07/2025
1 February 2023	1,563,593	$1.89	01/08/2025
1 February 2023	1,563,593	$2.16	01/08/2025

Remuneration Report (audited)

The remuneration report details the key management personnel remuneration arrangements for the consolidated entity, in accordance with the requirements of the Corporations Act 2001 and its Regulations. This Remuneration Report forms part of the Directors' Report.

Key management personnel are those persons having authority and responsibility for planning, directing, and controlling the activities of the entity, directly or indirectly, including all directors.

The remuneration report is set out under the following main headings:

- Principles used to determine the nature and amount of remuneration
- Details of remuneration
- Service agreements
- Share-based compensation
- Additional information
- Additional disclosures relating to key management personnel

Principles Used to Determine the Nature and Amount of Remuneration

The objective of the consolidated entity's executive reward framework is to ensure reward for performance is competitive and appropriate for the results delivered. The framework aligns executive reward with the achievement of strategic objectives and the creation of value for shareholders, and it is considered to conform to the market best practice for the delivery of reward. The Board ensures that executive reward satisfies the following key criteria for good reward governance practices:

- competitiveness and reasonableness
- acceptability to shareholders
- performance linkage / alignment of executive compensation
- transparency

The Nomination and Remuneration Committee is responsible for determining and reviewing remuneration arrangements for its directors and executives. The performance of the consolidated entity depends on the quality of its directors and executives. The remuneration philosophy is to attract, motivate and retain high performance and high quality personnel.

In consultation with external remuneration consultants (refer to section Use of Remuneration Consultants), the Nomination and Remuneration Committee has structured an executive remuneration framework that is market competitive and complementary to the reward strategy of the consolidated entity.

The reward framework is designed to align executive reward to shareholders' interests. The Board have considered that it should seek to enhance shareholders' interests by:

- having economic profit as a core component of plan design while incorporating alternative criteria appropriately reflecting the Company's near term objectives during the exploration and development phases of the Company's life cycle
- focusing on sustained growth in shareholder wealth, consisting of project implementation, ore reserve replacement and growth, dividends (when appropriate) and growth in share price, and delivering constant or increasing return on assets as well as focusing the executive on key non-financial drivers of value
- attracting and retaining high calibre executives

Additionally, the reward framework should seek to enhance executives' interests by:

- rewarding capability and experience
- reflecting competitive reward for contribution to growth in shareholder wealth
- providing a clear structure for earning rewards

In accordance with best practice corporate governance, the structure of non-executive director and executive director remuneration is separate.

Non-Executive Directors' Remuneration

Fees and payments to non-executive directors reflect the demands and responsibilities of their role. Non-executive directors' fees and payments are reviewed annually by the Nomination and Remuneration Committee. The Nomination and Remuneration Committee may, from time to time, receive advice from independent remuneration consultants to ensure non-executive directors' fees and payments are appropriate and in line with the market. The chairman's fees are determined independently from the fees of other non-executive directors based on comparative roles in the external market. The chairman is not present at any discussions relating to the determination of his own remuneration. Non-executive directors do not generally receive share options or other incentives. However, in certain circumstances, share options may be considered as additional remuneration, where warranted for the assumption of activities in addition to those generally undertaken by non-executive directors. The grant of such options is subject to shareholder approval.

ASX listing rules require the aggregate non-executive directors' remuneration be determined periodically by a general meeting. The latest determination was at a general meeting of the Company on 27 March 2018 when shareholders approved aggregate remuneration of $450,000 per year.

Executive Remuneration

The consolidated entity aims to reward executives based on their position and responsibility, with a level and mix of remuneration which has both fixed and variable components.

The executive remuneration and reward framework has four components:

- base pay and non-monetary benefits
- short-term performance incentives
- share-based payments
- other remuneration such as superannuation and long service leave

The combination of these comprises the executive's total remuneration.

Fixed remuneration, consisting of base salary, superannuation, and non-monetary benefits, are reviewed annually by the Nomination and Remuneration Committee based on individual and business unit performance, the overall performance of the consolidated entity and comparable market remuneration.

Executives may receive their fixed remuneration in the form of cash or other fringe benefits (for example motor vehicle benefits) where it does not create any additional costs to the consolidated entity and provides additional value to the executive.

The short-term incentives ('STI') program is designed to align the targets of the Company with the performance hurdles of executives. STI payments are granted to executives based on specific annual objectives and key performance indicators ('KPIs') being achieved. KPIs for the 2023 financial year included matters such as achievement of satisfactory HSE measures, demerger of VP Minerals Limited, successful completion of the Company's listing on the IPO and completion of the Goschen Project definitive feasibility study refresh.

The long-term incentives ('LTI') include share-based payments established under an Incentive Options Plan that addresses the practicalities of a pre-development/pre-production listed entity.

The Nomination and Remuneration Committee reviewed the long-term equity-linked performance incentives specifically for executives during the year ended 30 June 2023 and no options were awarded during the year. The review recognised the importance of transition to a short and long term remuneration award structure consistent with publicly listed entities. As a consequence of this review, the Board has resolved to phase out awards under the legacy remuneration program and implement a revised program in the 2024 financial year. The Company expects options to be awarded during the 2024 year in respect of 2023.

At this point in the Company's development, the Board considers it more appropriate to link executive officers' remuneration with specific corporate and project objectives rather than the Company's financial performance.

Use of Remuneration Consultants

During the financial year ended 30 June 2022, the consolidated entity, through the Nomination and Remuneration Committee, engaged Guerdon Associates, remuneration consultants, to review its remuneration policies and provide recommendations on how to improve both the STI and LTI programs. There were no material changes to the structure proposed during the year ended 30 June 2023. The Company subsequently engaged BDO to structure a new LTI plan now that the Company is listed. BDO was paid $61,187 for these services.

An agreed set of protocols was put in place to ensure that the remuneration recommendations would be free from undue influence from key management personnel. These protocols include requiring that the consultant not communicate with affected key management personnel without a member of the Nomination and Remuneration Committee being present, and that the consultant not provide any information relating to the outcome of the engagement with the affected key management personnel, without Board approval. The Board is also required to make inquiries of the consultant's processes at the conclusion of the engagement to ensure that they are satisfied that any recommendations made have been free from undue influence. The Board is satisfied that these protocols were followed and as such there was no undue influence.

Voting and Comments Made at the Company's 2022 Annual General Meeting ('AGM')

The Company was an unlisted public company in the first half of 2023 and the 2022 financial year. Accordingly, a shareholder vote on remuneration was not undertaken at the 2022 annual general meeting. The Company did not receive any specific feedback at the AGM regarding its remuneration practices.

Details of Remuneration

Amounts of Remuneration

Details of remuneration of key management personnel of the consolidated entity are set out in the following tables.

Directors and other key management personnel of the Company consisted of the following:

Directors	
Current Directors	
Donald Runge	Non-Executive Chairman
Graham Howard	Managing Director
Maree Arnason	Non-Executive Director (appointed 18 August 2023)
Ron Douglas	Non-Executive Director (appointed 18 August 2023)
Ian Smith	Non-Executive Director (appointed 18 August 2023)
Former Directors retiring FY23	
Gamini Colless	Non-Executive Director (resigned 18 August 2023)
Michael Allen	Executive Director (resigned 18 August 2023)
Former Directors retiring FY22	
Tim Lehany	Non-Executive Director (resigned 26 July 2021)
Ayten Saridas	Non-Executive Director (appointed 23 July 2021, resigned 24 February 2022)
Samantha Tough	Non-Executive Director (resigned 29 July 2021)
Dr. Mark Bennett	Non-Executive Director (resigned 19 July 2021)
Other Key Management Personnel	
Michael Sheridan	Chief Financial Officer and Deputy Chief Executive Officer
Carly O'Regan	Executive General Manager, Strategy and Corporate Affairs
Bernard Hyde	Executive General Manager, Operations Readiness (appointed 16 November 2022)
Michael Reynolds	Executive General Manager, Projects (resigned 30 November 2022)

Changes since the end of the reporting period:

- Michael Allen resigned as an Executive Director on 18 August 2023.
- Gamini Colless resigned as a Non-Executive Director on 18 August 2023.
- Ian Smith, Ron Douglas and Maree Arnason were appointed as Non-Executive Directors on 18 August 2023.

	Short-term benefits			Post-employment benefits	Long-term benefit	Share based payments		
	Cash salary and fees	Cash Bonus	Non-monetary	Super-annuation	Long service leave	Equity settled shares	Equity settled options	Total
2023	**$**	**$**	**$**	**$**			**$**	**$**
Non-Executive Directors								
Donald Runge	117,647	-	-	12,353	-	-	71,084	201,084
Gamini Colless[1]	81,263	-	-	8,646	-	-	71,084	160,993
Executive Directors								
Graham Howard[10]	519,537	116,250	-	25,292	-	-	706,941	1,368,020
Michael Allen[2,10]	343,997	78,750	-	25,292	-	-	483,487	931,526
Other Key Management Personnel								
Michael Sheridan[10]	474,708	87,500	-	25,292	-	-	468,287	1,055,787
Carly O'Regan[10]	375,000	56,048	-	25.292	-	-	330,431	786,771
Bernard Hyde[3]	255,307	-	-	17,714	-	-	-	273,021
Michael Reynolds[4]	97,942	-	-	6,446	-	-	-	104,388
Total	**2,265,401**	**338,548**	**-**	**146,327**	**-**	**-**	**2,131,314**	**4,881,590**

1 ***Gamini Colless****: FY2022 represents remuneration from 23 July 2021 to 30 June 2022. Mr Colless' 2022 renumeration including equity settled sign-on bonus approved by shareholders on 31 May 2022. Fees accrued for the period from January 2022 to June 2022 amounting to $45,000 were paid in July 2022. Gamini resigned as a Non-Executive Director effective 18 August 2023.*

2 ***Michael Allen****: Resigned as Executive Director effective 18 August 2023.*

3 ***Bernard Hyde****: Represents remuneration from 16 November 2022 to 30 June 2023.*

4 ***Michael Reynolds****: Represents remuneration from 1 July 2022 to 30 November 2022. 2022 represents remuneration from 28 March 2022 to 30 June 2022.*

10 *The cash bonuses paid to employees Mr Howard, Mr Allen, Mr Sheridan and Ms O'Regan were awarded in respect of performance for FY2022, subject to deferral of payment until the listing of VHM Limited in January 2023. As at 30 June 2023, no bonuses were awarded*

	Short-term benefits			Post-employment benefits	Long-term benefit	Share based payments		
	Cash salary and fees	Cash Bonus	Non-monetary	Super-annuation	Long service leave	Equity settled shares	Equity settled options	Total
2022								
Non-Executive Directors								
Donald Runge	115,152	-	-	11,515	-	-	5,924	132,591
Gamini Colless[1]	40,909	-	-	4,091	-	109,699	5,924	160,623
Ayten Saridas[5]	52,500	70,000	-	-	-	-	-	122,500
Tim Lehany[6]	9,848	-	-	985	-	-	-	10,833
Samantha Tough[7]	6,818	-	-	682	-	-	-	7,500
Dr Mark Bennett[8]	6,818	-	-	682	-	-	-	7,500
Executive Directors								
Graham Howard	493,099	-	-	23,568	-	-	343,416	860,083
Michael Allen	351,432	-	-	23,568	-	-	249,643	624,643
Other Key Management Personnel								
Michael Sheridan[9]	391,613	-	-	21,105	-	-	27,546	440,264
Carly O'Regan	288,333	-	-	23,149	-	-	170,371	481,853
Michael Reynolds[4]	111,243	-	-	5,892	-	-	-	117,135
Total	**1,867,765**	**70,000**	**-**	**115,237**	**-**	**109,699**	**802,824**	**2,965,525**

1 ***Gamini Colless**: FY2022 represents remuneration from 23 July 2021 to 30 June 2022. Mr Colless' 2022 remuneration including equity settled sign-on bonus approved by shareholders on 31 May 2022. Fees accrued for the period from January 2022 to June 2022 amounting to $45,000 were paid in July 2022. Gamini resigned as a Non-Executive Director effective 18 August 2023.*

4 ***Michael Reynolds**: Represents remuneration from 1 July 2022 to 30 November 2022. 2022 represents remuneration from 28 March 2022 to 30 June 2022.*

5 ***Ayten Saridas**: Represents remuneration from 1 July 2021 to 24 February 2022*

6 ***Tim Lehany**: Represents remuneration from 1 July 2021 to 26 July 2021*

7 ***Samantha Tough**: Represents remuneration from 1 July 2021 to 29 July 2021*

8 ***Dr Mark Bennett**: Represents remuneration from 1 July 2021 to 19 July 2021*

9 ***Michael Sheridan**: Represents remuneration from 6 September 2021 to 30 June 2022*

The proportion of remuneration linked to performance and the fixed proportion are as follows:

	Fixed remuneration		At risk – STI		At risk – LTI	
	2023	2022	2023	2022	2023	2022
Non-Executive Directors						
Donald Runge	65%	96%	-	-	35%	4%
Gamini Colless	56%	28%	-	-	44%	72%
Ayten Saridas	N/A	43%	N/A	57%	-	-
Tim Lehany	N/A	100%	N/A	-	N/A	-
Samantha Tough	N/A	100%	N/A	-	N/A	-
Dr Mark Bennett	N/A	100%	N/A	-	N/A	-
Executive Directors						
Graham Howard	40%	60%	8%	-	52%	40%
Michael Allen	40%	60%	8%	-	52%	40%
Other Key Management Personnel						
Michael Sheridan	48%	94%	8%	-	44%	6%
Carly O'Regan	51%	65%	7%	-	42%	35%
Bernard Hyde	100%	N/A	-	N/A	-	N/A
Michael Reynolds	100%	100%	-	-	-	-

The proportion of cash bonus paid/ payable or forfeited is as follows:

	Cash bonus paid / payable		Cash bonus forfeited	
	2023	2022	2023	2022
Graham Howard	96%	0%	4%	100%
Michael Allen	100%	0%	0%	100%
Michael Sheridan	97%	0%	3%	100%
Carly O'Regan	83%	0%	17%	100%
Ayten Saridas	N/A	100%	N/A	0%

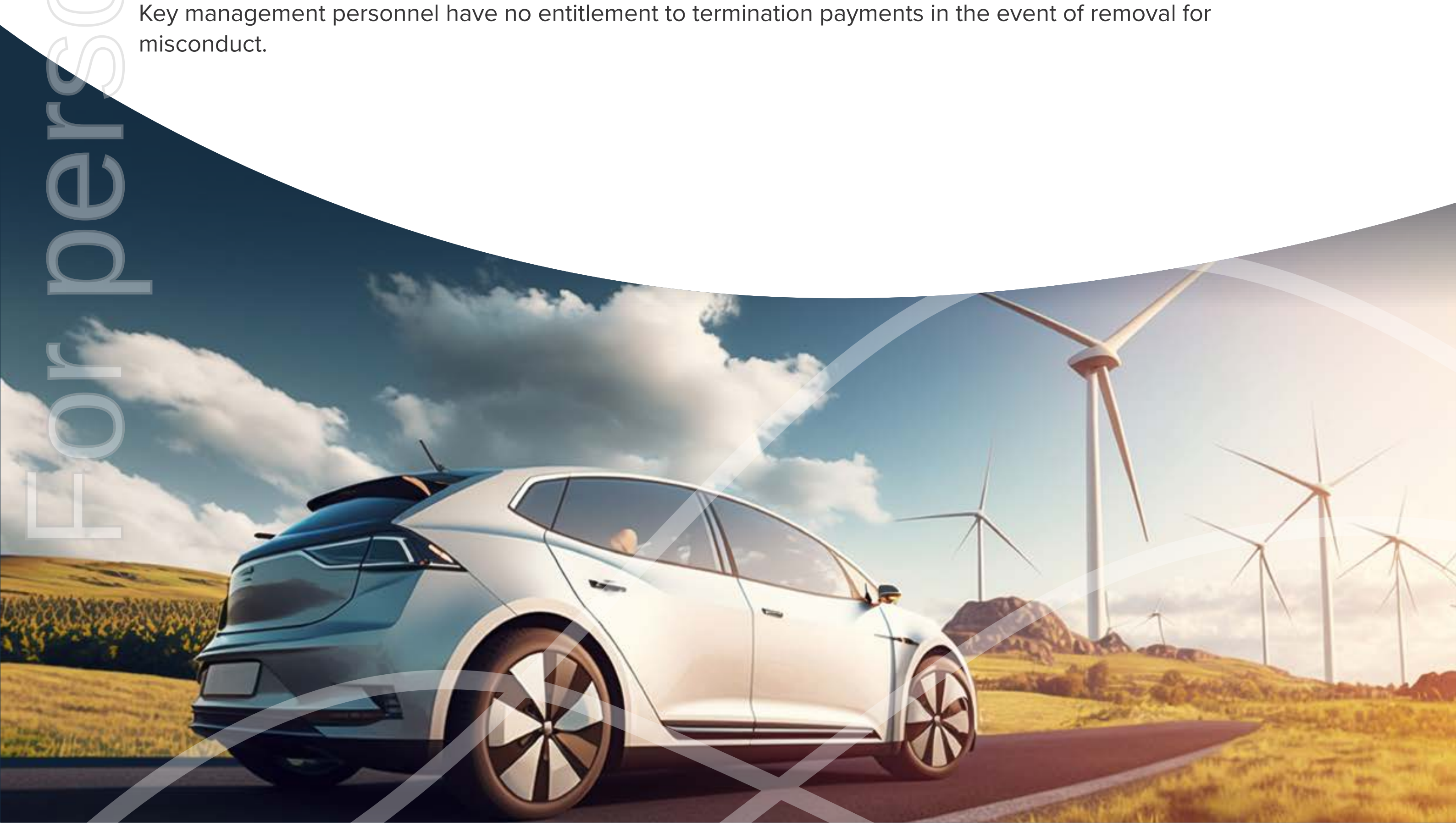
Service Agreements

Remuneration and other terms of employment for key management personnel are formalised in service agreements. Details of these agreements are as follows:

Name:	**Graham Howard**
Title:	Managing Director
Agreement commencement:	1 March 2018
Terms of agreement:	Indefinite
Details:	Base salary for the year ending 30 June 2023 is $525,000 inclusive of superannuation, to be reviewed annually by the Nomination and Remuneration Committee. Six months termination notice by either party. Employee entitled to participate in the Company's short and long term incentive programs.
Name:	**Michael Allen**
Title:	Executive Director
Agreement commencement:	1 February 2018
Terms of agreement:	Indefinite
Details:	Base salary for the year ending 30 June 2023 of $375,000 inclusive of superannuation, to be reviewed annually by the Nomination and Remuneration Committee. Four months termination notice by either party. Employee entitled to participate in the Company's short and long term incentive programs. Michael has resigned from his position effective 17 August 2023.
Name:	**Michael Sheridan**
Title:	Chief Financial Officer and Deputy Chief Executive Officer
Agreement commencement:	6 September 2021
Terms of agreement:	Indefinite
Details:	Base salary for the year ending 30 June 2023 of $500,000 inclusive of superannuation, to be reviewed annually by the Nomination and Remuneration Committee. Six months termination notice by either party. Employee entitled to participate in the Company's short and long term incentive programs.

Name:	**Carly O'Regan**
Title:	Executive General Manager, Strategy and Corporate Affairs
Agreement commencement:	22 January 2018
Terms of agreement:	Indefinite
Details:	Base salary for the year ending 30 June 2023 of $375,000 plus superannuation, to be reviewed annually by the Nomination and Remuneration Committee. Six months termination notice by either party. Employee entitled to participate in the Company's short and long term incentive programs.
Name:	**Bernard Hyde**
Title:	Executive General Manager, Operations Readiness
Agreement commencement:	16 November 2022
Terms of agreement:	Indefinite
Details:	Base salary for the year ending 30 June 2023 of $450,000 including superannuation, to be reviewed annually by the Nomination and Remuneration Committee. Four months termination notice by either party. Employee entitled to participate in the Company's short and long term incentive programs.

Key management personnel have no entitlement to termination payments in the event of removal for misconduct.



Share-Based Compensation

Issue of shares

No shares were issued to directors and other key management personnel during the year ended 30 June 2023. As noted below, shares were issued as a result of the conversion of options exercised during the year.

Options

No share options were granted to directors or other key management personnel during the year ended 30 June 2023. Options granted in prior years carry no dividend or voting rights.

All options that were granted in prior years were over unissued fully paid ordinary shares in the Company. The number of options granted were determined taking into account reasonable compensation for the material additional activities to be undertaken by Messrs Runge and Colless in the period to final investment decision in respect of the Goschen Project and an independent valuation of the options.

Options vest based on the provision of service over the vesting period whereby the executive becomes beneficially entitled to the option on vesting date. Options are exercisable by the holder as from the vesting date. There has not been any alteration to the terms or conditions of the grant since the grant date.

There are no amounts paid or payable by the recipient in relation to the granting of such options other than on their potential exercise. All employee options vested as a result of the successful IPO in January 2023.

The value of options over ordinary shares granted, exercised, and lapsed for directors and other key management personnel as part of compensation during the year ended 30 June 2023 are set out in the Value of Options table below.

Fair Value of Options Granted

The fair value at grant date of options issued was determined by an independent corporate valuations expert using a binomial option pricing model that takes into account factors including the exercise price, the term of the options the share price at grant date and expected price volatility of the underlying share, the expected dividend yield, and the risk-free interest rate for the term of the options. The binomial model is applied on the basis that the options are not subject to any market based vesting conditions given the vesting of the options is not dependent on the future market price of VHM's ordinary shares and the options are exercisable at any time prior to the Expiry Date. The model inputs for options granted are disclosed in Note 26 of the financial statements.

Value of Options

	Value of options granted during the year	Value of options exercised during the year	Value of options lapsed during the year	Remuneration consisting of options for the year
	$	$	$	%
Donald Runge	-	-	-	35%
Graham Howard	-	-	-	52%
Michael Allen	-	1,519,102	-	52%
Gamini Colless	-	-	-	44%
Michael Sheridan	-	-	-	44%
Carly O'Regan	-	349,305	-	42%

Additional Disclosures Relating to Key Management Personnel

Shareholdings

The numbers of shares in the Company held during the financial years ended 30 June 2023 and 2022 by Key Management Personnel, including shares held by entities they control, are set out below:

	Opening balance	Options exercised	Other movements	Balance on commencement or cessation of office	Closing balance
2023					
Donald Runge	4,498,287	-	-	-	4,498,287
Graham Howard	4,515,515	-	-	-	4,515,515
Michael Allen	736,000	1,519,102	-	-	2,255,102
Gamini Colless	918,831	-	-	-	918,831
Carly O'Regan	288,000	349,305	-	-	637,305
Michael Sheridan	-	-	79,012	-	79,012
Bernard Hyde	-	-	-	-	-
2022					
Donald Runge	4,498,287	-	-	-	4,498,287
Graham Howard	4,131,515	384,000	-	-	4,515,515
Michael Allen	384,000	352,000	-	-	736,000
Gamini Colless	-	-	918,831	-	918,831
Carly O'Regan	-	288,000	-	-	288,000
Dr Mark Bennett	480,000	-	-	(480,000)	-
Tim Lehany	2,176,000	-	-	(2,176,000)	-

Option holdings

The numbers of options over ordinary shares in the Company held during year ended 30 June 2023 by Key Management Personnel, including options over ordinary shares held by entities they control, are set out below:

	Opening balance	Granted	Exercised	Expired/ forfeited	Closing balance
2023					
Donald Runge	500,000	-	-	-	500,000
Graham Howard	2,156,230	-	-	-	2,156,230
Michael Allen	1,519,102	-	(1,519,102)	-	-
Gamini Colless	500,000	-	-	-	500,000
Michael Sheridan	826,389	-	-	-	826,389
Carly O'Regan	1,030,994	-	(349,305)	-	681,689
Bernard Hyde	-	-	-	-	-
2022					
Donald Runge	-	500,000	-	-	500,000
Graham Howard	1,442,313	1,097,917	(384,000)	-	2,156,230
Michael Allen	1,127,352	743,750	(352,000)	-	1,519,102
Gamini Colless	-	500,000	-	-	500,000
Michael Sheridan	-	826,389	-	-	826,389
Carly O’Regan	789,650	529,344	(288,000)	-	1,030,994

Other Transactions with Key Management Personnel

HWL Ebsworth Lawyers, a law firm of which Mr Colless is a partner, has provided legal services to the Company, including advice on matters relating to the initial public offering of VHM Limited, material service and land purchase contracts, remuneration and employment agreements, corporate restructure, and taxation. Total fees of $612,559 were paid or were payable to HWL Ebsworth for the financial year ended 30 June 2023, including $429,069 paid in respect of the IPO. Transactions between HWL Ebsworth and the Company are on normal commercial terms and conditions unless otherwise stated. At balance date, $39,377 (2022: $3,253) was outstanding to HWL Ebsworth Lawyers.

Loans to Directors and Executives

During the financial year ended 30 June 2023, no loans were provided to Directors or Executives (30 June 2022: Nil).

This concludes the remuneration report which has been audited.

This report is made in accordance with a resolution of the directors made pursuant to s 298(2)(a) of the *Corporations Act 2001*.

On behalf of the Directors.

Graham Howard
Managing Director

20 September 2023

AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the audit of the consolidated financial report of VHM Limited for the year ended 30 June 2023, 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 audit; and

b) any applicable code of professional conduct in relation to the audit.

Perth, Western Australia
20 September 2023

L Di Giallonardo
Partner

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VHM Limited

Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the year ended 30 June 2023

	Notes	Consolidated	
		2023 $'000	2022 $'000
Revenue			
Interest income		226	4
Other income	3	111	2
		337	6
Expenditure			
Employee benefits expense		(3,115)	(1,788)
Corporate and administrative expenses	4	(6,313)	(3,764)
Land compensation	21	(2,002)	-
Depreciation expense	13	(279)	(126)
Share based payment expense	26	(2,090)	(1,047)
Finance costs	6	(4,454)	(2,431)
		(18,253)	(9,156)
Loss before income tax		**(17,916)**	(9,150)
Income tax expense	8	**-**	-
Loss after income tax		**(17,916)**	(9,150)
Other comprehensive (loss)			
Items that may be reclassified to profit or loss:		**-**	-
Total comprehensive (loss) for the year		**(17,916)**	(9,150)
Loss per Share			
Basic loss per share (dollar per share)	7	**(0.10)**	(0.07)
Diluted loss per share (dollar per share)	7	**(0.10)**	(0.07)

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

VHM Limited

Consolidated Statement of Financial Position

As at 30 June 2023

	Notes	Consolidated 2023 $'000	Consolidated 2022 $'000
ASSETS			
Current assets			
Cash and cash equivalents	9	20,649	24,366
Loans and advances	11	1,201	-
Other assets	10	405	919
Total current assets		**22,255**	25,285
Non-current assets			
Rehabilitation bond		55	20
Deferred exploration and evaluation expenditure	12	39,193	27,217
Property, plant and equipment	13	16,273	10,733
Right-of-use assets	14	990	5
Total non-current assets		**56,511**	37,975
Total assets		**78,766**	63,260
LIABILITIES			
Current liabilities			
Trade and other payables	15	3,091	3,636
Convertible notes liability	17	-	349
Lease liabilities	18	255	-
Provisions	19	606	395
Land acquisition liabilities	20	4,029	1,046
Total current liabilities		**7,981**	5,426
Non-current liabilities			
Convertible notes liability	17	-	34,073
Lease liabilities	18	767	-
Land acquisition liabilities	20	5,258	6,416
Total non-current liabilities		**6,025**	40,489
Total liabilities		**14,006**	45,915
Net assets		**64,760**	17,345
EQUITY			
Issued capital	22	108,375	41,287
Reserves	23	3,881	5,638
Accumulated losses	24	(47,496)	(29,580)
Total equity		**64,760**	17,345

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

VHM Limited

Consolidated Statement of Changes in Equity

For the year ended 30 June 2023

Consolidated	Issued capital $'000	Share based payment reserve $'000	Accumulated losses $'000	Total equity $'000
Balance at 1 July 2021	40,193	4,940	(20,849)	24,284
Loss for the period	-	-	(9,150)	(9,150)
Total comprehensive loss for the period	-	-	(9,150)	(9,150)
Transactions with owners in their capacity as owners:				
Shares issued during the period	984	(984)	-	-
Transfer from reserve	-	(419)	419	-
Share based payments recognised	110	2,101	-	2,211
Balance at 30 June 2022	41,287	5,638	(29,580)	17,345

Consolidated	Issued capital $'000	Share based payment reserve $'000	Accumulated losses $'000	Total equity $'000
Balance at 1 July 2022	**41,287**	**5,638**	**(29,580)**	**17,345**
Loss for the period			(17,916)	**(17,916)**
Total comprehensive loss for the period	-	-	(17,916)	**(17,916)**
Transactions with owners in their capacity of owners:				
Equity capital raising (net of fees)	28,127	-	-	28,127
Shares issued on exercise of options	5,302	(4,298)	-	1,004
Conversion of notes into share capital	35,530	-	-	35,530
Capital reduction on in-specie distribution of shares in VP Minerals	(1,871)	-	-	(1,871)
Share based payments recognised	-	2,541	-	2,541
Balance at 30 June 2023	**108,375**	**3,881**	**(47,496)**	**64,760**

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

VHM Limited

Consolidated Statement of Cash Flows

For the year ended 30 June 2023

	Notes	Consolidated 2023 $'000	2022 $'000
Cash flows from operating activities			
Interest received		185	4
Payments to suppliers and employees		(10,672)	(3,993)
Net cash outflows from operating activities	27	**(10,487)**	(3,989)
Cash flows from investing activities			
Payments for exploration expenditure		(19,708)	(12,182)
Payments for property, plant and equipment		(2,815)	(359)
Proceeds from sale of property, plant and equipment		-	9
Advances to VP Minerals		(1,050)	-
Repayments of land acquisition liabilities		(1,056)	(911)
Research and development tax offset		4,441	3,044
Net cash outflows from investing activities		**(20,188)**	(10,399)
Cash flows from financing activities			
Proceeds from share issue		30,000	-
Share issue costs		(1,383)	-
Proceeds from convertible notes issue		-	31,840
Convertible notes issue costs		-	(1,948)
Payment of lease liabilities		(137)	(80)
Proceeds from borrowings		3,480	99
Repayment of borrowings		(3,480)	(650)
Interest and finance cost paid		(1,522)	(1,382)
Net cash inflows from financing activities		**26,958**	27,879
Net (decrease)/increase in cash and cash equivalents		**(3,717)**	13,491
Cash and cash equivalents at the beginning of financial year		**24,366**	10,875
Cash and cash equivalents at the end of financial year	9	**20,649**	24,366

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

Notes to the Financial Statements

For the year ended 30 June 2023

General information

The financial statements cover VHM Limited as a consolidated entity consisting of VHM Limited and the entities it controlled at the end of, or during, the year (collectively known as the Group or consolidated entity). The financial statements are presented in Australian dollars, which is VHM Limited's functional and presentation currency.

VHM Limited is a listed public company limited by shares, incorporated, and domiciled in Australia. Its registered office and principal place of business are:

Registered office
Suite 8, 110 Hay Street
Subiaco, Western Australia 6008

Principal place of business
Suite 1, Level 11, 330 Collins Street
Melbourne, Victoria 3000

A description of the nature of the Group's operations and its principal activities are included in the directors' report, which is not part of the financial statements.

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. During the year, a former wholly owned subsidiary, VP Minerals Limited, was demerged as detailed in Note 11.

The financial statements were authorised for issue, in accordance with a resolution of directors, on 20 September 2023. The directors have the power to amend and reissue the financial statements.

Note 1: Summary of Significant Accounting Policies

The principal accounting policies adopted in the preparation of the financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

New or amended Accounting Standards and Interpretations adopted

The Group has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory in 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.

Basis of preparation

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') and the Corporations Act 2001, as appropriate for for-profit oriented entities. These financial statements also comply with International Financial Reporting Standards as issued by the International Accounting Standards Board ('IASB').

Historical cost convention

This financial report has been prepared on an accruals basis under the historical cost convention. Cost is based on the fair values of the consideration given in exchange for assets.

Going concern

The financial statements have been prepared on a going concern basis which assumes the commercial realisation of the future potential of the Group's assets and discharge of its liabilities in the normal course of business.

The Group recorded a loss of $17,916,000 (2022: $9,150,000) for the year. At balance date, the Group had net assets of $64,760,000 (2022: $17,345,000) which included cash and cash equivalents of $20,649,000 (2022: $24,366,000) and a working capital surplus of $14,274,000 (2022: $19,859,000).

Based on the working capital surplus and cash and cash equivalents at balance date and, for the following reasons, the Directors 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. As at the date of this report, the Company has mandated brokers to assist the Company in its capital raising endeavours; and
- The Company also has the capacity to reduce discretionary expenditure in line with available funding.

Critical accounting estimates

The preparation of the financial statements requires the use of certain critical accounting estimates.It also requires management to exercise its judgement in the process of applying the consolidated entity's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in Note 2.

Parent entity information

In accordance with the Corporations Act 2001, these financial statements present the results of the consolidated entity only. Supplementary information about the parent entity is disclosed in Note 30.

Principles of consolidation

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of VHM Limited ('company' or 'parent entity') as at 30 June 2023 and the results of all subsidiaries for the year then ended. VHM Limited and its subsidiaries together are referred to in these financial statements as the 'group'.

Subsidiaries are all those entities over which the consolidated entity has control. The consolidated entity controls an entity when the consolidated entity is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the consolidated entity. They are de-consolidated from the date that control ceases.

Intercompany transactions, balances, and unrealised gains on transactions between entities in the consolidated entity are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of the impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the consolidated entity.

The acquisition of subsidiaries is accounted for using the acquisition method of accounting. A change in ownership interest, without the loss of control, is accounted for as an equity transaction, where the difference between the consideration transferred and the book value of the share of the non-controlling interest acquired is recognised directly in equity attributable to the parent.

Non-controlling interest in the results and equity of subsidiaries are shown separately in the statement of profit or loss and other comprehensive income, statement of financial position and statement of changes in equity of the consolidated entity. Losses incurred by the consolidated entity are attributed to the non-controlling interest in full, even if that results in a deficit balance.

Where the consolidated entity loses control over a subsidiary, it derecognises the assets including goodwill, liabilities, and non-controlling interest in the subsidiary together with any cumulative translation differences recognised in equity. The consolidated entity recognises the fair value of the consideration received and the fair value of any investment retained together with any gain or loss in profit or loss.

Deferred exploration and evaluation expenditure

Exploration and evaluation expenditures in relation to each separate area of interest are recognised as an exploration and evaluation asset in the year in which they are incurred where the following conditions are satisfied:

i. the rights to tenure of the area of interest are current; and

ii. at least one of the following conditions is also met:

   a. the exploration and evaluation expenditures are expected to be recouped through successful development and exploration of the area of interest, or alternatively, by its sale; or

   b. exploration and evaluation activities in the area of interest have not at the reporting date reached a stage which permits a reasonable assessment of the existence or otherwise of economically recoverable reserves, and active and significant operations in, or in relation to, the area of interest are continuing.

Exploration and evaluation assets are initially measured at cost and include acquisition of rights to explore, studies, exploratory drilling, trenching, and sampling and associated activities and an allocation of depreciation and amortisation of assets used in exploration and evaluation activities. General and administrative costs are only included in the measurement of exploration and evaluation costs where they are related directly to operational activities in a particular area of interest.

Exploration and evaluation assets are assessed for impairment when facts and circumstances suggest that the carrying amount of an exploration and evaluation asset may exceed its recoverable amount. The recoverable amount of the exploration and evaluation asset (for the cash generating unit(s) to which it has been allocated being no larger than the relevant area of interest) is estimated to determine the extent of the impairment loss (if any). Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but only to the extent that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in previous years.

Revenue and other income

Revenue is recognised to the extent that it is probable that the Group will collect the consideration to which it will be entitled in exchange for the goods or services that will be transferred to the customer.

Interest income is recognised on a proportional basis taking into account the interest rates applicable to the financial assets.

Cash and cash equivalents

Cash reserves in the statement of financial position comprise cash at bank and in hand.

Goods and services tax (GST)

Revenues, expenses, and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the taxation authority. In this case it is recognised as part of the cost of acquisition of the net asset or part of the expense.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the taxation authority is included with other receivables or payables in the Consolidated Statement of Financial Position.

Cash flows are presented on a gross basis. The GST component of cash flows arising from investing or financing activities which are recoverable from, or payable to, the taxation authority, are presented as operating cash flows.

Trade and other payables

Trade and other payables are carried at cost and represent liabilities for goods and services provided to the Group prior to the end of the financial year that are unpaid and arise when the Group becomes obliged to make future payments in respect of the purchase of these goods and services. The amounts are unsecured and are usually paid within 30 days of recognition.

Borrowings

Recognition and measurement

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortised cost using the effective interest rate method. Any difference between the proceeds and the redemption value is recognised in the Consolidated Statement of Profit or Loss and Other Comprehensive Income over the period of borrowings using the effective interest rate.

The component of the convertible notes that exhibits characteristics of a liability is recognised as a liability in the statement of financial position, net of transaction costs.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the end of the reporting period.

Trade and other receivables

Trade receivables, which generally have 30-90 day terms, are recognised, and carried at original invoice amount less an allowance for any uncollectible amounts. An allowance for expected credit losses is made when collection of the full amount is no longer probable. Bad debts are written off when identified.

Contributed equity

Ordinary shares and options are classified as contributed equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

Share based payment expense

The Group measures the cost of equity settled transactions with employees and consultants by reference to the fair value of the equity instruments at the date at which they are granted. The fair value of options is determined using a binomial model, using the assumptions detailed in Note 26.

Income tax

The income tax expense or benefit for the period is the tax payable on that period's taxable income based on the applicable income tax rate for each jurisdiction, adjusted by the changes in deferred tax assets and liabilities attributable to temporary differences, unused tax losses and the adjustment recognised for prior periods, where applicable.

Deferred tax assets and liabilities are recognised for temporary differences at the tax rates expected to be applied when the assets are recovered or liabilities are settled, based on those tax rates that are enacted or substantively enacted, except for:

- When the deferred income tax asset or liability arises from the initial recognition of goodwill or 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 nor taxable profits; or
- When the taxable temporary difference is associated with interests in subsidiaries, associates or joint ventures, and the timing of the reversal can be controlled, and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

The carrying amount of recognised and unrecognised deferred tax assets are reviewed at each reporting date. Deferred tax assets recognised are reduced to the extent that it is no longer probable that future taxable profits will be available for the carrying amount to be recovered. Previously unrecognised deferred tax assets are recognised to the extent that it is probable that there are future taxable profits available to recover the asset.

Deferred tax assets and liabilities are offset only where there is a legally enforceable right to offset current tax assets against current tax liabilities and deferred tax assets against deferred tax liabilities; and they relate to the same taxable authority on either the same taxable entity or different taxable entities which intend to settle simultaneously.

VHM Limited (the 'head entity') and its wholly owned Australian subsidiaries have formed an income tax consolidated group under the tax consolidation regime. The head entity and each subsidiary in the tax consolidated group continue to account for their own current and deferred tax amounts. The tax consolidated group has applied the 'separate taxpayer within group' approach in determining the appropriate amount of taxes to allocate to members of the tax consolidated group.

In addition to its own current and deferred tax amounts, the head entity also recognises the current tax liabilities (or assets) and the deferred tax assets arising from unused tax losses and unused tax credits assumed from each subsidiary in the tax consolidated group.

Assets or liabilities arising under tax funding agreements with the tax consolidated entities are recognised as amounts receivable from or payable to other entities in the tax consolidated group. The tax funding arrangement ensures that the intercompany charge equals the current tax liability or benefit of each tax consolidated group member, resulting in neither a contribution by the head entity to the subsidiaries nor a distribution by the subsidiaries to the head entity.

Property, plant and equipment

Items of property, plant and equipment are carried at cost less accumulated depreciation and impairment losses (see accounting policy “Impairment”).

Land

Land is initially recognised at cost. After initial recognition at cost, the Group will continue to carry the land, which is acquired primarily for its mineral resources, at its cost less any accumulated impairment losses.

Plant and equipment

Plant and equipment, including fixture and fittings acquired are initially recorded at their cost of acquisition at the date of acquisition, being the fair value of the consideration provided plus incidental costs directly attributable to the acquisition.

Motor vehicles

Motor vehicles are recorded at cost of acquisition at the date of acquisition, being the fair value of the consideration provided plus incidental costs directly attributable to the acquisition.

Subsequent costs are included in the asset’s carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the statement of comprehensive income during the financial period in which they are incurred.

Depreciation

Depreciation is calculated on a straight-line basis to write off the net cost of each item of property, plant, and equipment (excluding land) over their expected useful lives as follows:

Buildings	30-40 years
Leasehold improvements	20-30 years
Motor vehicles	8 years
Plant and equipment	3-7 years

Depreciation and amortisation rates and methods are reviewed annually for appropriateness. When changes are made, adjustments are reflected prospectively in current and future periods only.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains and losses are included in the statement of comprehensive income. When revalued assets are sold, amounts included in the revaluation reserve relating to that asset are transferred to accumulated losses.

Impairment

The carrying amount of the Group's assets, other than deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. Where such an indication exists, a formal assessment of recoverable amount is then made and where this is in excess of carrying amount, the asset is written down to its recoverable amount.

Recoverable amount is the greater of fair value less costs to sell and value in use. Value in use is the present value of the future cash flows expected to be derived from the asset or cash generating unit. In estimating value in use, a pre-tax discount rate is used which reflects current market assessments of the time value of money and the risks specific to the asset. Any resulting impairment loss is recognised immediately in the statement of comprehensive income.

Impairment losses are reversed when there is an indication that the impairment loss may no longer exist and there has been a change in the estimate used to determine the recoverable amount. An impairment loss is reversed only to the extent that the carrying amount of the asset(s) does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

Right-of-use assets

A right-of-use asset is recognised at the commencement date of a lease. The right-of-use asset is measured at cost, which comprises the initial amount of the lease liability, adjusted for, as applicable, any lease payments made at or before the commencement date net of any lease incentives received.

Right-of-use assets are depreciated on a straight-line basis over the unexpired period of the lease or the estimated useful life of the asset, whichever is the shorter. Where the consolidated entity expects to obtain ownership of the leased asset at the end of the lease term, the depreciation is over its estimated useful life. Right-of-use assets are subject to impairment or adjusted for any remeasurement of lease liabilities.

The consolidated entity has elected not to recognise a right-of-use asset and corresponding lease liability for short-term leases with terms of 12 months or less and leases of low-value assets. Lease payments on these assets are expensed to profit or loss as incurred.

Employee benefits

Wages, salaries and other employee benefits

Liabilities for wages and salaries, including non-monetary benefits, annual leave and long service leave to be settled wholly within 12 months of the reporting date are recognised in provisions in respect of employees' services up to the reporting date. They are measured at the (undiscounted) amounts expected to be paid when the liabilities are settled.

Contributions are made by the Group to superannuation funds as stipulated by statutory requirements and are charged as expenses when incurred.

Earnings/ loss per share

Basic earnings/ loss per share are determined by dividing the net result attributable to members, adjusted to exclude costs of servicing equity (other than dividends), by the weighted average number of ordinary shares, adjusted for any bonus element.

Diluted earnings/ loss per share are determined by dividing the net result attributable to members, adjusted to exclude costs of servicing equity (other than dividends) and any expenses associated with dividends and interest of dilutive potential ordinary shares, by the weighted average number of ordinary shares (both issued and potentially dilutive) adjusted for any bonus element.

Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Board of Directors of VHM Limited.

Financial instruments

Financial instruments, incorporating financial assets and liabilities, are recognised when the entity becomes a party to the contractual provisions of the instrument. Trade data accounting is adopted for financial assets that are delivered within timeframes established by marketplace convention.

Financial instruments are initially recognised at fair value plus transaction costs where the instrument is not classified at fair value through profit and loss. Transaction costs related to instruments classified as at fair value through profit and loss are expensed to profit and loss immediately. Financial instruments are classified and measured as set out below.

Derecognition

Financial assets are derecognised where the contractual rights to receipt of cash flows expires, or the asset is transferred to another party whereby the entity no longer has any significant continuing involvement in the risks and benefits associated with the asset. Financial liabilities are derecognised where the related obligations are either discharged, cancelled, or expire. The difference between the carrying value of the financial liability extinguished or transferred to another party and their fair value of consideration paid, including the transfer of non-cash assets or liabilities assumed, is recognised in profit or loss.

Classification and subsequent measurement

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are subsequently measured at amortised cost using the effective interest rate method.

Financial liabilities

Non-derivative financial liabilities (excluding financial guarantees) are subsequently measured at amortised cost using the effective interest rate method.

Impairment of financial assets

The consolidated entity assesses at the end of each reporting period whether there is any objective evidence that a financial asset or group of financial assets is impaired. Objective evidence includes significant financial difficulty of the issuer or obligor; a breach of contract such as default or delinquency in payments; the lender granting to a borrower concessions due to economic or legal reasons that the lender would not otherwise do; it becomes probable that the borrower will enter bankruptcy or other financial reorganisation; the disappearance of an active market for the financial asset; or observable data indicating that there is a measurable decrease in estimated future cash flows.

The amount of the impairment allowance for financial assets carried at cost is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the current market rate of return for similar financial assets.

Fair value

When an asset or liability, financial or non-financial, is measured at fair value for recognition or disclosure purposes, the fair value is based on the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date; and assumes that the transaction will take place either: in the principle market; or in the absence of a principal market, in the most advantageous market.

Fair value is measured using the assumptions that market participants would use when pricing the asset or liability, assuming they act in their economic best interest. For non-financial assets, the fair value measurement is based on its highest and best use. Valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, are used, maximising the use of relevant observable inputs, and minimising the use of unobservable inputs.

Assets and liabilities measured at fair value are classified, into three levels, using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. Classifications are reviewed each reporting date and transfers between levels are determined based on a reassessment of the lowest level input that is significant to the fair value measurement.

For recurring and non-recurring fair value measurements, external valuers may be used when internal expertise is either not available or when the valuation is deemed to be significant. External valuers are selected based on market knowledge and reputation. Where there is a significant change in fair value of an asset or liability from one period to another, an analysis is undertaken, which includes a verification of the major inputs applied in the latest valuation and a comparison, where applicable, with external sources of data.

Lease liabilities

A lease liability is recognised at the commencement date of a lease. The lease liability is initially recognised at the present value of the lease payments to be made over the term of the lease, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the consolidated entity's incremental borrowing rate. Lease payments comprise of fixed payments less any lease incentives receivable, variable lease payments that depend on an index or a rate, amounts expected to be paid under residual value guarantees, exercise price of a purchase option when the exercise of the option is reasonably certain to occur, and any anticipated termination penalties. The variable lease payments that do not depend on an index or a rate are expensed in the period in which they are incurred.

Lease liabilities are measured at amortised cost using the effective interest method. The carrying amounts are remeasured if there is a change in the following: future lease payments arising from a change in an index or a rate used; residual guarantee; lease term; certainty of a purchase option and termination penalties. When a lease liability is remeasured, an adjustment is made to the corresponding right-of-use asset, or to profit or loss if the carrying amount of the right-of-use asset is fully written down.

Note 2: Critical 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, estimates and assumptions on historical experience and on other various factors, including expectations of future events, management believes to be reasonable under the circumstances. The resulting accounting judgements and estimates will seldom equal the related actual results. The judgements, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities (refer to the respective notes) within the next financial year are discussed below.

Refundable research and development tax offset

To the extent that research and development costs are eligible activities under the “Research and development tax incentive” programme, a refundable tax offset is available for companies with annual turnover of less than $20 million. The Group recognises refundable tax offsets received in the financial year directly against capitalised exploration expenditure, in the statement of financial position, resulting from the monetisation of available tax losses that otherwise would have been carried forward. These amounts are recognised at their fair value only to the extent that there is reasonable assurance that the incentive will be received.

Exploration and evaluation expenditure

The Board of Directors determines when an area of interest should be abandoned. When a decision is made that an area of interest is not commercially viable, all costs that have been capitalised in respect of that area of interest are written off. The Directors’ decision is made after considering the likelihood of finding commercially viable reserves.

Share-based payment expense

The Company measures the cost of equity-settled transactions with employees and consultants by reference to the fair value of the equity instruments at the date at which they are granted. The fair value of these equity instruments is determined using a binomial model, using various assumptions detailed in the notes to the financial statements.

	Consolidated	
Note 3: Other Revenue	**2023 $'000**	2022 $'000
Interest income	226	4
Service charges[1]	110	-
Profit on disposal of assets	-	2
Other income	1	-
	337	6

1 *Service charges charged to VP Minerals as further explained in Note 11.*

Note 4: Corporate and Administrative Expense	Consolidated 2023 $'000	Consolidated 2022 $'000
IPO related costs:		
Professional fees (Standard Chartered Bank financial advisory services)	1,485	267
Legal fees	600	497
Listing and filing fees	333	12
	2,418	776
Other corporate and administrative expenses:		
Professional fees	2,262	1,671
Legal fees	206	275
Audit fees	79	46
Accounting fees	106	111
Other corporate and administrative expenses (rent, insurance etc)	1,242	885
	3,895	2,988
	6,313	3,764

Note 5: Auditor's Remuneration	Consolidated 2023 $	Consolidated 2022 $
Auditors – HLB Mann Judd (WA) Partnership - audit and review of financial reports	79,000	31,000
	79,000	31,000

Note 6: Finance Costs	Consolidated 2023 $'000	Consolidated 2022 $'000
Unwinding of convertible note issue costs	1,810	369
Interest on convertible notes	1,709	1,051
Interest on land acquisitions	850	972
Interest on other borrowings	44	35
Interest on lease liabilities	41	4
	4,454	2,431

Note 7: Loss Per Share	Consolidated 2023 $	2022 $
Loss after tax for the year	**(17,916)**	(9,150)
	No. '000	No. "000
Weighted average number of ordinary shares used in the calculation of basic loss per share	**170,836**	138,321
	Cents	Cents
Basic loss per share	**10.4**	7.0

Note 8: Income Tax Expense	Consolidated 2023 $'000	2022 $'000
Income tax expense		
The major components of tax expense are:		
Accounting loss before tax from continuing operations	(17,916)	(9,150)
Income tax (benefit) calculated at 25% (2022 - 25%)	(4,479)	(2,287)
Non-deductible expenses	1,408	315
Other deferred tax assets and tax liabilities not recognised	3,071	1,973
Income tax expense	**-**	-

Unrecognised deferred tax balances

Potential deferred tax assets attributable to tax losses carried forward of $14,400,000 (2022: $7,100,000) have not been brought to account at 30 June 2023 because the directors do not believe it is appropriate to regard realisation of the deferred tax assets as probable at this point in time. These tax losses will be available if future assessable income is derived of a nature and of an amount sufficient to enable the benefit to be realised and the conditions for deductibility imposed by the relevant tax legislation continue to be complied with and no changes in tax legislation adversely affect the Group in realising the benefit.

Note 9: Cash and Cash Equivalents	Consolidated 2023 $'000	2022 $'000
Current		
Cash at bank	4,932	24,365
Term Deposit	15,715	-
Petty cash	2	1
	20,649	24,366

Notes to the Financial Statements

For the year ended 30 June 2023

Note 10: Other Assets	Consolidated 2023 $'000	2022 $'000
Current		
Prepayments – IPO	-	302
Prepayments – Insurance	89	67
Prepayments – Other	52	7
GST receivable	233	532
Cash collateralised bank guarantees	31	11
	405	919

Note 11: Related Party Transactions	Consolidated 2023 $'000	2022 $'000
Loan to VP Minerals	1,201	-
	1,201	-

Under the terms of the Intercompany Agreement and Loan Facility Agreement between the Company and its former subsidiary, VP Minerals Limited, certain services were provided, and third-party costs were incurred by VHM Limited. Such amounts were credited under the terms of the Loan Facility Agreement. At balance date, the loan receivable includes services charged to VP Minerals amounting to $110,000 that have been identified in the Statement of Profit or Loss and Other Comprehensive Income and Note 3 as Other Income. Interest is charged on the loan balance on a monthly basis at a rate of BBSW + 10%. The loan is secured and expected to be recoverable within 3 months of report date. VP Minerals is still a related party due to common Directors.

HWL Ebsworth Lawyers, a law firm of which non-executive director Mr Colless is a partner, has provided legal services to the Company, including advice on matters relating to the initial public offering of VHM Limited, material service and land purchase contracts, remuneration and employment agreements, corporate restructure, and taxation. Total fees of $612,559 were paid or were payable to HWL Ebsworth for the financial year ended 30 June 2023. Transactions between HWL Ebsworth and the Company are on normal commercial terms and conditions unless otherwise stated. At balance date, $39,377 (2022: $3,253) was outstanding to HWL Ebsworth Lawyers.

Note 12: Deferred Exploration and Evaluation Expenditure

	Consolidated	
Note 12: Deferred Exploration and Evaluation Expenditure	**2023 $'000**	2022 $'000
Costs carried forward in respect of areas of interest in the following phases:		
Exploration and evaluation phase – at cost	39,193	27,217
	39,193	27,217
Movement in carrying amounts		
Exploration and evaluation phase at cost – inception to period commencement	38,467	25,232
Exploration expenditure incurred (including share based payment expense) – current year	18,289	13,237
Eligible exploration expenditure tax offset rebate – prior years	(11,251)	(8,208)
Eligible exploration expenditure tax offset rebate – current year	(4,441)	(3,044)
Sale of licences to VP Minerals Limited[1]	(1,871)	-
	39,193	27,217

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.

Expenditure incurred includes employee expenses related to share-based payments of $1,265,275 (2022: $1,054,253) for options issued to employees directly engaged in exploration activities.

1 *In accordance with the agreement signed on 18 July 2022, four exploration licenses – EL6895, EL6923, EL6926 and EL6915 were transferred to VP Minerals Limited, a wholly-owned subsidiary of the Company. An agreed consideration of $1,871,000 was payable of which $1,400,000 was the base consideration payable in shares, together with the aggregate amount of expenditure incurred by VHM from 1 January 2022 to the completion date. The demerger of VP Minerals was completed in August 2022, via the in-specie distribution of shares in VP Minerals to VHM shareholders.*

Note 13: Property, Plant and Equipment

Consolidated 30 June 2023	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	14,490	1,280	436	29	292	42	16,569
Accumulated depreciation	-	(24)	(178)	(27)	(62)	(5)	(296)
	14,490	**1,256**	**258**	**2**	**230**	**37**	**16,273**
Reconciliation							
Opening balance – 1 July 2022	10,307	-	157	3	267	-	10,734
Additions	4,183[1]	1,280	136	3	-	42	5,644
Disposals	-	-	-	-	-	-	-
Depreciation	-	(24)	(35)	(4)	(37)	(5)	(105)
Closing balance – 30 June 2023	**14,490**	**1,256**	**258**	**2**	**230**	**37**	**16,273**

1 Additions relate to purchase price adjustments. See Note 20 for further details.

Consolidated 30 June 2022	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	10,307	-	299	25	291	-	10,922
Accumulated depreciation	-	-	(142)	(23)	(24)	-	(189)
	10,307	**-**	**157**	**2**	**267**	**-**	**10,733**
Reconciliation							
Opening balance – 1 July 2021	10,307	-	39	79	97	-	10,522
Additions	-	-	161	7	191	-	359
Disposals	-	-	(10)	(73)	-	-	(83)
Depreciation	-	-	(33)	(11)	(21)	-	(65)
Closing balance – 30 June 2022	**10,307**	**-**	**157**	**2**	**267**	**-**	**10,733**

Note 14: Right-of-Use Assets	Consolidated 2023 $'000	2022 $'000
Carrying value:		
At cost	270	270
Additions	1,159	-
Accumulated depreciation	(439)	(265)
	990	5
Reconciliation:		
Opening balance	5	67
Additions	1,159	-
Depreciation	(174)	(62)
	990	5

The Group's Right-of-Use assets comprise operating leases for office premises (refer to Note 18).

Note 15: Trade and Other Payables	Consolidated 2023 $'000	2022 $'000
Trade creditors	2,497	2,785
Accruals	575	495
Others	19	356
	3,091	3,636

Trade and other payables amount represent liabilities for goods and services provided to the Group prior to the end of the financial period which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition.

Note 16: Borrowings

On 19 October 2022, Radium Capital provided a loan of $3,480,000 to the Company in respect of eligible R&D expenditure. The loan was repaid on 21 November 2022.

Note 17: Convertible Notes Liability	Consolidated 2023 $'000	2022 $'000
Current		
Convertible notes – face value	-	349
Interest capitalised	-	9
Convertible notes – issue costs	-	(9)
Carrying value at period end	**-**	349
Non-Current		
Convertible notes – face value	-	35,180
Interest capitalised	-	693
Convertible notes – issue costs	-	(1,800)
Carrying value at period end	**-**	34,073

In December 2022, 35,069,753 shares were issued upon the conversion of the Convertible Notes, with 34,745,679 of these shares being issued at a price of $1.0125 per share and 324,074 at $1.08.

	Consolidated 2023 $'000	2022 $'000
Reconciliation		
Opening balance	34,422	3,532
Issue of notes	-	31,840
Interest capitalised	1,108	629
Unamortised issue costs	-	(1,579)
Conversion to shares	(35,530)	-
Closing balance	-	34,422

Note 17: Convertible Notes Liability (continued)

The table below provides a summary of all the convertible notes before conversion:

Security Class	2021 Convertible Notes	2022 Convertible Notes T1	2023 Convertible Notes T2
Number of securities	35	1,839	1,679
Face value ($)	10,000	10,000	10,000
Issue date	29/03/2021	15/03/2022	12/05/2022
Maturity Date	31/03/2023	31/01/2024	31/01/2024
Conversion right	convertible at the election of the issuer	convertible at the election of the issuer	convertible at the election of the issuer
Conversion price	20% discount to the Offer Price	20% discount to the Offer Price if Conversion occurred prior to 30 June 2022; 25% discount to the Offer Price if Conversion occurs prior to 31 December 2022, otherwise 30% discount if Conversion occurs prior to Maturity Date	20% discount to the Offer Price if Conversion occurred prior to 30 June 2022; 25% discount to the Offer Price if Conversion occurs prior to 31 December 2022, otherwise 30% discount if Conversion occurs prior to Maturity Date
Redemption at maturity	In the event conversion does not occur prior to Maturity Date, 110% of the face value of the notes	In the event conversion does not occur prior to Maturity Date, 110% of the face value of the notes	In the event conversion does not occur prior to Maturity Date, 110% of the face value of the notes

Note 18: Lease Liabilities	Consolidated 2023 $'000	Consolidated 2022 $'000
Current liabilities	255	-
Non-current liabilities	767	-
	1,022	-
Reconciliation		
Opening balance	-	76
Additions	1,159	-
Interest	41	4
Principal repayments	(178)	(80)
Closing balance	**1,022**	-

The Group entered into one lease during the year in December 2022 for the Melbourne office. The lease expires in November 2026.

Note 19: Provisions	Consolidated 2023 $'000	Consolidated 2022 $'000
Employee benefits (annual leave and long service leave)	606	395
	606	395

The current provision for employee benefits includes all unconditional entitlements where employees have completed the required period of service. The long service leave is presented as current given the known departures after year end.

Based on past experience, the Group does not expect all employees to take the full amount of accrued leave or require payment within the next 12 months.

Note 20: Land Acquisition Liabilities	Consolidated 2023 $'000	2022 $'000
Carrying value:		
Current liabilities	4,029	1,046
Non-current liabilities	5,258	6,416
	9,287	7,462
Reconciliation		
Opening balance	7,462	8,326
Purchase price adjustment	2,830	-
Plus: Interest expense	851	972
Less: Repayments (principal plus interest)	(1,856)	(1,836)
Closing balance at the end of the year	**9,287**	7,462

Key terms of the acquisition contracts are detailed in the below table:

Contract	No.1	No.2	No.3
Purchase Price	$6,550,000	$2,819,229	$1,416,403
Purchase Price adjustment		$2,829,614	$1,353,914
Payments made	$3,969,229	$434,225	$1,575,973
Balance	$2,580,771	$5,214,608	$1,194,344
Terms	Monthly instalment commencing January 2021 and ending December 2025	Monthly instalment commencing December 2020 and ending December 2030	Monthly instalment commencing December 2020 and ending December 2030
Total cash instalments over period of purchase contract (including interest)	$6,000,000	$7,603,766	$3,744,687
Discount rate per annum[1]	12%	12%	12%
Tenure	5 years	10 years	10 years
Notes	(a), (b)	(c), (d)	(e), (f)

1 *The discount rate has been used to estimate liabilities on a net present value basis.*

Note 20: Land Acquisition Liabilities (continued)

Other key terms and conditions of the new contracts:

a) If within 3 years after settlement GPB Land Holdings Pty Ltd acquires land from a third party within 10km of the land under Contract No.1 above a specified threshold amount, it must pay the contract No.1 vendor a price differential.

b) If GPB Land Holdings Pty Ltd determines to dispose the land under Contract No.1 after settlement, it must first offer it back to the vendor for the nominal amount of $1.

c) GPF Land Holdings Pty Ltd can effect early settlement by giving 9 months notice, but in that case a minimum of $3,394,301 (inclusive of all preceding monthly instalments) is payable at settlement with that settlement amount rising to $4,774,152 (inclusive of all preceding monthly instalments) as settlement approaches December 2030.

d) A one-off adjustment payment will be payable by GPF Land Holdings Pty Ltd under Contract No. 2 to reflect movement in land values from the initial date of the rescinded contract to February 2023, as calculated by an independent valuer.

e) A one-off adjustment payment was paid by GPF Land Holdings Pty Ltd under Contract No.3 to reflect movement in land values from the initial date of the rescinded contract to February 2023, as calculated by an independent valuer.

f) GPF Land Holdings Pty Ltd can effect early settlement by giving 9 months notice, but in that case a minimum of $1,699,779 (inclusive of all preceding monthly instalments) is payable at settlement with that settlement amount rising to $2,390,773 (inclusive of all preceding monthly instalments) as settlement approaches December 2030.

Settlement of all properties will occur upon the payment of the final instalment under the relevant contract.

	Consolidated	
Note 21: Land Compensation	**2023 $'000**	2022 $'000
Land Compensation	2,002	-
	2,002	-

The Company entered into a Compensation Deed dated 19 August 2022 concerning approximately 2,500 acres of land which comprises a portion of the area required for the proposed operation of the Goschen mine. Compensation amounting to $2 million was paid to the landowner.

As noted in the Company's Prospectus dated 21 November 2022, the Company will pay the landowner $150 per acre per annum from the date the operational period of the mine commences, amounting to an aggregate total of approximately $368,667 per annum. The Company will also pay the landowner $12,500 per annum towards travel expenses.

Note 22: Issued Capital

Issued capital

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

Ordinary Shares

	2023 Number	2022 Number	**2023 $**	2022 $
Ordinary shares - fully paid	**203,101,902**	139,141,273	**108,374,667**	41,287,027

2023: Movement in ordinary shares

	Date	**Shares**	**Issue Price ($)**	**$**
Balance	1 July 2022	139,141,273		41,287,027
Capital reduction due to in-specie distribution of shares in VP Minerals[1]	17 August 2022	-	-	(1,870,869)
Shares issued upon exercise of adviser options	23 August 2022	320,000	0.22	69,710
Shares issued upon exercise of adviser options	23 August 2022	320,000	0.37	119,502
Transfer of options exercised from share based payment reserve	23 August 2022	-	-	176,134
Convertible notes converted into shares (net of costs)	23 December 2022	35,069,753	1.01	35,530,000
Capital raising – net of costs	9 January 2023	22,222,222	1.35	28,126,591
Shares upon exercise of ZEPOs	20 January 2023	5,140,865	0.00	-
Transfer of options exercised from share based payment reserve	20 January 2023	-	-	4,328,096
Shares upon exercise of ZEPOs	13 February 2023	587,789	0.00	-
Transfer to options exercised from share based payment reserve	13 February 2023	-	-	428,476
Shares upon exercise of ZEPOs	24 May 2023	300,000	0.00	-
Transfer of options exercised from share based payment reserve	24 May 2023	-	-	180,000
		203,101,902		**108,374,667**

1 Refer to Note 11 for further details of the demerger of VP Minerals.

Note 22: Issued Capital (continued)

2022: Movement in ordinary shares

	Date	Shares	Issue Price ($)	$
Balance	1 July 2021	137,107,627		40,193,238
Shares upon exercise of options	23 August 2021	432,440	1.05	454,061
Shares upon exercise of options	23 August 2021	1,344,000	0.38	503,999
Shares upon exercise of options	23 August 2021	74,375	0.35	26,030
Shares issued in lieu of salary	7 June 2022	182,831	0.60	109,699
		139,141,273		**41,287,027**

Options

2023	Opening balance	Issued	Exercised	(Lapsed)/ reinstated	Closing balance
Zero Exercise Price Options (ZEPOs)	10,405,811	-	(6,028,654)	-	4,377,157
Special exertion options	1,000,000	-	-	-	1,000,000
Adviser options	640,000	3,127,186	(640,000)	-	3,127,186
	12,045,811	**3,127,186**	**(6,668,654)**	**-**	**8,504,343**

2022	Opening balance	Issued	Exercised	(Lapsed)/ reinstated	Closing balance
Zero Exercise Price Options (ZEPOs)	7,932,806	4,159,142	(1,850,815)	164,678	10,405,811
Special exertion options	-	1,000,000	-	-	1,000,000
Adviser options	640,000	-	-	-	640,000
	8,572,806	5,159,142	(1,850,815)	164,678	12,045,811

Note 23: Share Based Payment Reserve

	Consolidated	
	2023 **$**	2022 $
Balance at beginning of year	5,638,150	4,939,923
Value of share based payments capitalised to Deferred Exploration and Evaluation Expenditure	1,265,275	1,054,253
Value of share based payments expensed	2,090,156	1,046,797
Transfer to accumulated losses	-	(418,733)
Transfer to issued capital (options exercised during current year)	(5,112,706)	(984,090)
Balance at end of period	**3,880,875**	5,638,150

Note 24: Accumulated Losses

	Consolidated	
	2023 **$'000**	2022 $'000
Accumulated losses at the beginning of the year	(29,580)	(20,849)
Loss for the year	(17,916)	(9,150)
Transfer from share based payment reserve	-	419
	(47,496)	(29,580)

Note 25: Controlled Entities

Name	Date of incorporation	Principal place of business/country of incorporation	Ownership interest 2023 %	Ownership interest 2022 %
Parent entity				
VHM Limited (Previous Name: VHM Exploration Limited)	31 July 2014	Australia	-	-
Controlled entities				
GP Land Holdings Pty Ltd	5 February 2018	Australia	100%	100%
GPB Land Holdings Pty Ltd	3 July 2020	Australia	100%	100%
GPF Land Holdings Pty Ltd	3 July 2020	Australia	100%	100%
GPBJ Holdings Pty Ltd	11 May 2022	Australia	100%	100%
VP Minerals Limited[1]	26 November 2021	Australia	0%	100%

1 Refer to Note 11 for further details of the demerger of VP Minerals.

Note 26: 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 Company. The plan was superseded during the year when the Company adopted a new plan as set out in the prospectus.

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 $3,355,431 (30 June 2022: $2,210,749) and relates to options over unissued shares. The expense has been recorded as follows:

	Consolidated 2023 $'000	Consolidated 2022 $'000
Expensed in Consolidated Statement of Profit or Loss and Other Comprehensive Income	2,090	1,157
Capitalised to Deferred Exploration and Evaluation Expenditure (Note 12)	1,265	1,054
	3,355	2,211

Note 26: Share Based Payments (continued)

The following table illustrates the number and weighted average exercise prices 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:

2023	**Number of Options**	**Weighted average exercise price ($)**
Outstanding at the beginning of the period	12,045,811	0.0988
Granted during the period	3,127,186	2.0250
Exercised during the period	(6,668,654)	0.0285
Lapsed during the period	-	-
Outstanding at the end of the period	**8,504,343**	**0.8622**

The share options outstanding at the end of the year had a weighted average exercise price of $0.86 and a weighted average time to maturity of 2.7 years.

2022	**Number of Options**	**Weighted average exercise price ($)**
Outstanding at the beginning of the period	8,572,806	0.0219
Granted during the period	5,159,142	0.1938
Exercised during the period	(1,850,815)	-
Reinstated during the period	164,678	-
Outstanding at the end of the period	**12,045,811**	**0.0988**

The share options outstanding at the end of the year had a weighted average exercise price of $0.85 and a weighted average time to maturity of 2.7 years.

During the year ended 30 June 2023, the following options were issued:

Adviser options: 3,127,186 unlisted options allotted to CG Nominees (Australia) Pty Ltd for ongoing market advisory work.

Note 26: Share Based Payments (continued)

The following table lists the inputs to the binomial valuation model used to value the options issued to the adviser during the year:

	Adviser options	
	Tranche 1	**Tranche 2**
Number	1,563,593	1,563,593
Grant date	1 February 2023	1 February 2023
Expiry date	1 August 2025	1 August 2025
Market vesting conditions	Nil	Nil
Share price	$0.96	$0.96
Exercise price	$1.89	$2.16
Risk free rate	3.19%	3.19%
Early exercise multiple	2.5x	2.5x
Expected share price volatility	75%	75%
Dividend yield	Nil	Nil
Fair value per option	$0.2756	$0.2457

Note 27: Cashflow Information

Reconciliation of cash flows from operating activities with loss from ordinary activities after income tax:

	Consolidated	
	2023 $'000	2022 $'000
Loss for the year	**(17,916)**	(9,150)
Add back non-cash items:		
Depreciation	279	126
Surrender of lease expense	-	76
Shares issued in lieu of fees	-	110
Share based payment expense	2,090	1,047
Loss on disposal of property, plant and equipment	-	(2)
Service charge VP Minerals	(110)	-
Borrowing and interest expense (financing outflow)	4,454	2,431
Changes in assets and liabilities:		
Decrease/(Increase) in other assets	191	(681)
(Increase)/Decrease in prepayments	(55)	246
Increase in annual leave liability	211	24
Increase in operating payables	369	1,784
Net cash outflows from operating activities	**(10,487)**	(3,989)

Note 28: Segment Information

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 29: Key Management Personnel Disclosures

Compensation

The aggregate compensation made to directors and other members of key management personnel of the consolidated entity is set out below:

	Consolidated	
	2023 $	2022 $
Short-term employee benefits	2,603,949	1,937,765
Post-employment benefits	146,327	115,237
Share-based payments	2,131,314	912,523
	4,881,590	2,965,525

Note 30: Parent Entity Disclosures	**2023 $'000**	2022 $'000
Balance sheet		
Current assets	22,255	25,285
Non-Current assets	56,511	37,975
Total assets	**78,766**	63,260
Current liabilities	7,981	5,426
Non-Current liabilities	6,025	40,489
Total liabilities	**14,006**	45,915
Net assets	**64,760**	17,345
Equity		
Issued capital	108,375	41,287
Reserves	3,881	5,638
Accumulated losses	(47,496)	(29,580)
	64,760	17,345
Loss after income tax	**(17,916)**	(9,150)
Total comprehensive loss for the year	**(17,916)**	(9,150)

Note 31: Commitments and Contingencies

Exploration commitments:

Under the terms of mineral tenement licences held by the Group, minimum annual expenditure obligations are required to be expended during the forthcoming financial year in order for the tenements to maintain a status of good standing.

This expenditure may be subject to variation from time to time in accordance with the relevant state department's regulations. The Group may at any time relinquish tenements and as such avoid the requirement to meet applicable expenditure requirement or may seek exemptions from the relevant authority.

Expenditure commitments at the reporting date but not recognised as liabilities are as follows:

	Consolidated	
	2023 $'000	2022 $'000
Within one year	1,800	2,349
Later than a year but not later than five years	5,399	3,587
Later than five years	-	-
Total	**7,199**	5,936

Commitment for land compensation

As disclosed in Note 21, the Company will pay the landowner $150 per acre per annum from the date the operational period of the mine commences, amounting to an aggregate total of approximately $368,667 per annum. The Company will also pay the landowner $12,500 per annum towards travel expenses.

Contingent liabilities

A liability for payroll tax will arise in respect of certain of the Company's employee options issued in prior financial years on the exercise of those employee options. The Company's present estimate of potential liability is approximately $355,000. The extent and timing of any liability will be dependent on the Company's share price as at the time of exercise of the employee options.

Note 32: Financial Risk Management and Financial Instruments

The activities of the Group expose it to a variety of financial risks, including market risk, credit risk and liquidity risks. The Group's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the business. The Group employs different methods to measure different types of risk to which it is exposed. These methods include sensitivity analysis in the case of interest rate, and other price risks and ageing analysis for credit risk.

This note presents information about the Group's exposure to each of the above risks, their objectives, policies, and processes for measuring and managing risk, and the management of capital.

The Board of Directors has overall responsibility for the establishment and oversight of the risk management framework. Management monitors and manages the financial risks relating to the operations of the Group through regular reviews of the risks.

Note 32: Financial Risk Management and Financial Instruments (continued)

Market Risk

Interest Rate Risk

The Group may be exposed to interest rate risk through financial assets and liabilities. The risk is measured using sensitivity analysis and cash flow forecasting.

At 30 June 2023, if interest rates had increased/decreased by 100 basis points from the weighted average effective rate for the year, with other variables constant, the (loss)/profit for the year would have been $247,058 lower (June 2022: $121,802)/ $247,058 higher (June 2022: $121,802).

None of the financial assets and financial liabilities are readily traded on organised markets in standardised form. The carrying amounts of financial assets and financial liabilities are materially in line with their fair values.

The Group manages its capital to ensure that entities in the Group will be able to continue as a going concern while maximising the return to stakeholders through the optimisation of the debt and equity balance.

The Group's overall strategy remains unchanged from 2022.

The capital structure of the Group consists of cash and cash equivalents, and equity attributable to equity holders of the parent, comprising issued capital, reserves and retained earnings.

None of the Group's entities are subject to externally imposed capital requirements.

Operating cash flows are used to maintain and expand operations, as well as to make routine expenditures such as tax, dividends, and general administrative outgoings.

The following table summarises interest rate risk for the Group, together with effective interest rates as at balance date.

2023	Weighted average effective interest rate	Floating interest rate $'000	1 year or less $'000	Over 1 year $'000	Non-interest bearing $'000	Total $'000
Financial Assets						
Cash and cash equivalents	2.89%	4,672	15,715	-	263	**20,650**
Loans and advances		1,201	-	-	-	**1,201**
Other receivables		-	-	55	264	**319**
Total Financial Assets		**5,873**	**15,715**	**55**	**527**	**22,170**
Financial Liabilities						
Trade and other payables		-	-	-	3,091	**3,091**
Lease liabilities	6.46%	-	313	833	-	**1,146**
Land acquisition liabilities	12%	-	1,875	6,635	297	**8,807**
Total Financial Liabilities		**-**	**2,188**	**7,468**	**3,388**	**13,044**

Note 32: Financial Risk Management and Financial Instruments (continued)

2022	Weighted average effective interest rate	Floating interest rate $'000	1 year or less $'000	Over 1 year $'000	Non-interest bearing $'000	Total $'000
Financial Assets						
Cash and cash equivalents	1.3%	24,251	-	-	115	24,366
Other receivables		-	-	-	563	563
Total Financial Assets		24,251	-	-	678	24,929
Financial Liabilities						
Trade and other payables		-	-	-	3,635	3,635
Convertible Notes	10%	-	349	34,073	-	34,422
Land acquisition liabilities	12%	-	1,819	8,509	256	10,584
Total Financial Liabilities		-	2,168	42,582	3,891	48,641

Credit Risk Exposures

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Group is exposed to credit risk from its operating activities and from its financing activities, including deposits with banks and financial institutions, foreign exchange transactions and financial instruments.

As the Group is exclusively involved in exploration rather than trading there is currently very little credit risk. For banks and financial institutions, only reputable institutions with sound financial positions are dealt with.

Liquidity and Capital Risk

The Group's total capital is defined as the shareholders' net equity plus any net debt. The objective when managing the Group's capital is to safeguard the business as a going concern, to maximise returns to shareholders and to maintain an optimal capital structure in order to reduce the cost of capital.

The Group does not have a target debt/equity ratio but has a policy of maintaining a flexible financing structure so as to be able to take advantage of investment opportunities when they arise. There are no externally imposed capital requirements. Whilst the Group is in an exploration phase, it is unlikely to operate with debt capital, although this may change as projects become more advanced.

There have been no changes in the strategy adopted by management to control the capital of the Group since the prior year.

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

The risk is measured using sensitivity analysis and cash flow forecasting. The Group manages liquidity risk by maintaining adequate reserves by continuously monitoring its forecasted and actual cash flows.

Note 32: Financial Risk Management and Financial Instruments (continued)

If the Group anticipates a need to raise additional capital in the next 12 months to meet forecast operational activities, then the decision on how the Group will raise future capital will depend on market conditions existing at that time.

Typically, the Group ensures that it has sufficient cash on demand to meet expected operational expenses for a period of 60 days, including the servicing of financial obligations; this excludes the potential impact of extreme circumstances that cannot reasonably be predicted, such as natural disasters.

Fair Value Estimation

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 33: Events Subsequent To Balance Date

Michael Allen and Gamini Colless resigned from the Board on 18 August 2023. Maree Arnason, Ron Douglas and Ian Smith were appointed to the Board as Non-Executive Directors on 18 August 2023.

Subject to shareholder approval, Don Runge, Graham Howard and the 3 newly appointed Board members will be granted 500,000 options exercisable at $1.35, expiring 3 years from the date of issue and vesting on 17 August 2024.

Apart from the above, there are no matters or circumstances that have arisen since 30 June 2023 that have or may significantly affect the operations, results, or state of affairs of the consolidated entity in future financial periods.

Directors' Declaration

In the Directors' opinion:

- the attached financial statements and notes comply with the *Corporations Act 2001*, the Accounting Standards, the Corporations Regulations 2001, and other mandatory professional reporting requirements;
- the attached financial statements and notes comply with International Financial Reporting Standards as issued by the International Accounting Standards Board as described in Note 1 to the financial statements;
- the attached financial statements and notes give a true and fair view of the consolidated entity's financial position as at 30 June 2023 and of its performance for the financial 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.

The directors have been given the declarations required by section 295A of the *Corporations Act 2001*.

Signed in accordance with a resolution of directors made pursuant to section 295(5)(a) of the *Corporations Act 2001*.

On behalf of the Directors

Graham Howard
Managing Director

20 September 2023

HLB MANN JUDD
ADVISORY AND ACCOUNTING

INDEPENDENT AUDITOR'S REPORT
To the Members of VHM Limited

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of VHM Limited ("the Company") and its controlled entities ("the Group"), which comprises the consolidated statement of financial position as at 30 June 2023, 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 a summary of significant accounting policies, and the directors' declaration.

In our opinion, the accompanying financial report of the Group is in accordance with the *Corporations Act 2001*, including:

(a) giving a true and fair view of the Group's financial position as at 30 June 2023 and of its financial performance for the year then ended; and

(b) 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 Group 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* ("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.

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. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

We have determined the matter described in the next page to be the key audit matter to be communicated in our report.

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Key Audit Matter	How our audit addressed the key audit matter
Deferred exploration and evaluation expenditure Refer to Note 12 of the financial report	
In accordance with AASB 6 *Exploration for and Evaluation of Mineral Resources*, the Group capitalises all exploration and evaluation expenditure, including acquisition costs and subsequently applies the cost model after recognition. Deferred exploration and evaluation expenditure was determined to be a key audit matter as it is important to the users' understanding of the financial statements as a whole and was an area which involved the most audit effort and communication with those charged with governance.	Our procedures included but were not limited to the following: - Obtaining an understanding of the key processes associated with management's review of the carrying value of deferred exploration and evaluation expenditure; - Considering the Directors' assessment of potential indicators of impairment in addition to making our own assessment; - Obtaining evidence that the Group has current rights to tenure of its areas of interest; - Considering the nature and extent of future planned ongoing activities; - Checking the impact of the application of the research and development tax incentive refund offset against the capitalised exploration and evaluation expenditure balance; - Substantiating a sample of expenditure by agreeing to supporting documentation; and - Examining the disclosures made in the financial report.

Information Other than the Financial Report and Auditor's Report Thereon

The directors are responsible for the other information. The other information comprises the information included in the Group's annual report for the year ended 30 June 2023, 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.

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.

In preparing the financial report, the directors are responsible for assessing the ability of the Group 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 Group or to cease operations, or have 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 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 Group'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 Group'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 Group 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.

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 2023.

In our opinion, the Remuneration Report of VHM Limited for the year ended 30 June 2023 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 section 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.

HLB Mann Judd

HLB Mann Judd
Chartered Accountants

L Di Giallonardo
Partner

Perth, Western Australia
20 September 2023

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