

\$18 million Capital Raising

VDM Group Limited (**VDM**) advises that it has signed a conditional share placement agreement (**Share Placement Agreement**) with a sophisticated investor for the placement of 1,202,087,577 VDM shares at a price of \$0.015 per share and raising \$18 million (**Share Placement**).

The board is very pleased to have the support of this new cornerstone investor in VDM who will hold a 19.9% interest in VDM's share capital after the shares are issued.

The shares will be issued under the 15% placement capacity provided by ASX Listing Rule 7.1 and the 10% enhanced placement capacity approved by shareholders at VDM's Annual General Meeting held on 28 November 2014.

The board considers the Share Placement Agreement to be a positive outcome for all shareholders as the placement price is significantly above current trading prices, which reduces the Share Placement's dilutive effect.

The funds raised will be used for:

- VDM's investment in the Cachoeiras do Binga copper exploration project located in the Republic of Angola (**Cachoeiras do Binga Project**), including acquisition of a 65% participating interest in the Cachoeiras do Binga Project and subsequent site exploration and feasibility study work (**Acquisition**);
- other potential business growth opportunities; and
- general corporate working capital.

Key Terms

The Share Placement Agreement includes the following key terms:

- Completion of the Share Placement is conditional on VDM having entered into a mineral investment contract with the Government of the Republic of Angola, Seabank Resources LDA (**Seabank**), and Pebric Mining and Consulting LDA in relation to the Cachoeiras do Binga Project as required by the new Angolan Mining Code (**MIC Condition**).
- VDM must use all reasonable endeavours to ensure the MIC Condition is satisfied as soon as practicable and in any event before 31 December 2015 or such other date that the investor and VDM agree.

BOARD & MANAGEMENT

Mr Luk Hiuming
NON-EXECUTIVE CHAIRMAN

Dr Dongyi Hua
MANAGING DIRECTOR AND
CHIEF EXECUTIVE OFFICER

Mr Michael Fry
NON-EXECUTIVE DIRECTOR

Mr Velko (Vic) Jakovich
NON-EXECUTIVE DIRECTOR

Mr Pdraig O'Donoghue
CHIEF FINANCIAL OFFICER
COMPANY SECRETARY

REGISTERED OFFICE

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CONTACT DETAILS

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SHARE REGISTRY

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ASX CODE: VMG

- Subject to completion occurring, any future issue of securities by VDM during the period of 12 months from execution of the Share Placement Agreement is subject to the investor's prior approval. However, VDM is not required to obtain the investor's consent to issue new shares pursuant to any agreements entered into by VDM prior to the execution of the Share Placement Agreement, including the issue of 650 million shares to Seabank in connection with the Acquisition.

Additional Listing Rule 3.10.3 Information

In accordance with the requirements of Listing Rule 3.10.3, the following additional information is provided in relation the Share Placement:

- The securities to be issued to the investor are fully paid ordinary shares in VDM.
- The ordinary shares will rank equally with existing ordinary shares in VDM from allotment.
- VDM will not seek securityholder approval for the issue of shares under the Share Placement.

For further information please contact:

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