



ASX ANNOUNCEMENT

28 July 2016

VDM Exits the Equipment Business

VDM Group Limited (**VDM**) advises that it is exiting the equipment hire and sales business.

The Company has taken this decision to focus its resources on delivering positive returns on VDM's African mining assets and successfully building the Trading division, which leverages VDM's close relationships with China.

VDM provides the following brief update in relation to its operating divisions.

VDM Mining is progressing the Cachoeiras do Binga copper exploration project in Angola (**CdB**). The CdB joint venture partners have signed a technical services contract with SRK Consulting, and are making plans to mobilise an exploration team to the project site and commence the mineral exploration program.

VDM Trading is conducting business development activities to establish its Asian-focused import and export business and is in active discussions with potential large export clients.

VDM Construction and *VDM Trading* have partnered to import specialty modular and steel construction products for the Australian building and construction industries, and have recently signed a \$1.5 million structural steel supply contract.

In exiting the equipment business, VDM will also withdraw from the joint venture that it operates with Sany South East Asia Pte Ltd (**Sany**).

Sany will continue to serve the Australian equipment market. VDM's Directors extend their warm regards to the Sany team and wish them every future success.

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