

QUARTERLY ACTIVITIES REPORT

During the Quarter

- On-the-ground activity at the Company's Angolan projects (Cachoerias do Binga and Cage Bengo) remained suspended during the entirety of the quarter.
- VDM remains in discussions with its joint venture partners with respect to the exploration programs to be conducted at each of the Company's projects and the funding of such. These discussions are ongoing and not yet complete. The joint venture partners are the same for each project.
- It is hoped these discussions can be finalised in the near term such that exploration can recommence.
- The Company will provide further information in due course.

Cachoerias do Binga (CdB) Copper Project

The Company's CdB Copper Project is located in Angola within the central portion of West Congo Copper Belt (WCCB) and is highly prospective for sediment-hosted copper mineralisation.

Early (19th Century) explorers discovered oil seeps and oxide copper occurrences along the WCCB, close to the contact with the Precambrian Basement.

During the 1970's, drilling conducted by the Institute of Geology in Angola outlined copper mineralisation.

More recently, VDM has undertaken two drill programs culminating in a maiden copper Mineral Resource Estimate for CdB Copper Project of 18.4 Mt @ 1.0% Cu for 183,845t of copper.

Only an estimated 1% of the project area has been subject to exploration activities to date.

For further information – refer Appendix A.

Cage Bengo Project

The Company's Cage Bengo Project is located in Angola and largely within the Uige Province.

The Project area is home to copper, gold, manganese and iron deposits according to historical records.

The Cage Bengo Project is extremely large and best described as an early-stage exploration play.

For further information – refer Appendix B.

BOARD & MANAGEMENT

Mr Luk Hiuming
NON-EXECUTIVE CHAIRMAN

Dr Dongyi Hua
NON-EXECUTIVE DIRECTOR

Mr Huadong Guo
NON-EXECUTIVE DIRECTOR

Dr Colin Noid
NON-EXECUTIVE DIRECTOR

Mr Michael Fry
DIRECTOR
COMPANY SECRETARY

REGISTERED OFFICE

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East Perth, WA 6892

CONTACT DETAILS

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WEBSITE

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SHARE REGISTRY

Computershare Investor
Services Pty Limited
GPO Box 2975
Melbourne, VIC 3001
Tel: 1300 850 505

ASX CODE

VMG

Schedule of Mineral Tenements

In accordance with the requirements of ASX Listing Rule 5.3.3 the Company provides the following information:

Project	Location	Tenement Type	Tenement Reference	VDM's Interest (%)
Cage Bengo	Angola	Prospecting Title	048/07/03	55.25%
Cachoeiras do Binga	Angola	Prospecting Title	N09/72/PC/AB	55.25%

No tenements were acquired or disposed of during the quarter ended 31 March 2023 and there were no changes in the ownership percentage (of existing tenements) since the end of the previous quarter.

Exploration Activities During the Quarter

In accordance with the requirements of ASX Listing Rule 5.3.1 the Company advises that there was ***no exploration activity conducted during the quarter.***

Cash Position

The Company's cash reserves as at 31 March 2023 were \$1.481m (31 December 2022: \$1.565m).

Mandurah Apartment

The Company holds a 100% interest in an apartment located at 20/15 the Palladio, Mandurah. The property was valued back in May 2021 at around \$1.1 million.

Related Party Payment Information

In accordance with the requirements of ASX Listing Rule 5.3.5 the Company advises that during the quarter ended 31 March 2023, the Company paid a total of \$21k to directors of the Company and their associates in respect of directors' fees (inclusive of superannuation) and consulting fees.

AUTHORISATION FOR RELEASE

This report has been authorised for release by Michael Fry – Director/Company Secretary.

For further information please contact:

Michael Fry
Company Secretary
VDM Group Limited
+61 417 996 454

Appendix 1: About Cachoerias do Binga (CdB) Copper Project

- 55.25% owned by VDM;
- Project area covers 3,854kms², and is ~32kms from East to West and ~129kms from North to South;
- Geology shows characteristics of a typical central African sediment-hosted copper deposit.

Location

The CdB Project is located in the central coastal region of Angola ~385km south of the Angolan capital city of Luanda.

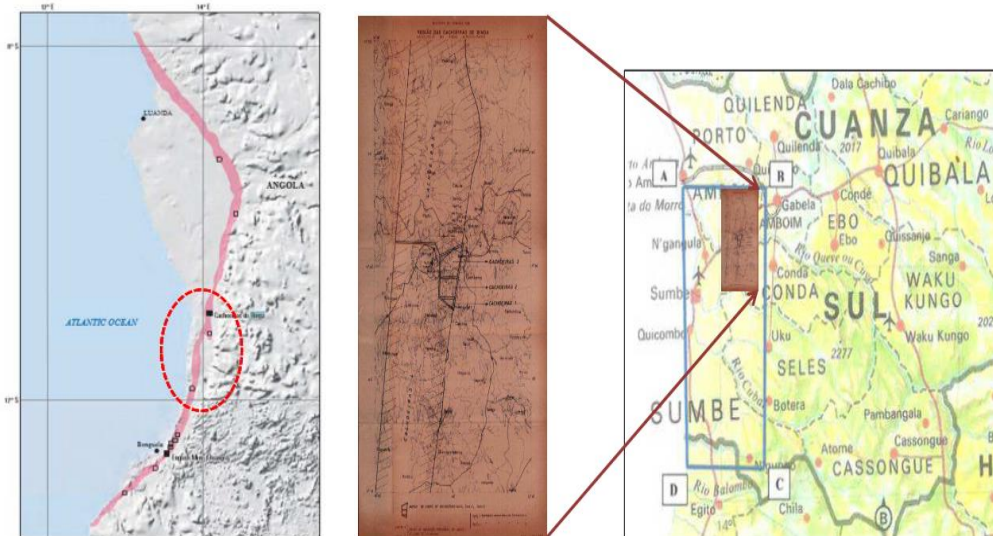


Figure 1: Location Map - CdB Project

Work Performed by VDM

- VDM's Phase 1 drilling program at CdB was conducted during calendar year 2018 and comprised 41 holes for a total of 3,903.30 metres. 843 samples were collected and sent for assay with the results released to market via ASX announcement on 15 March 2019 confirming presence of high-grade copper mineralisation.
- VDM's Phase 2 drilling program commenced on 6 May 2019 and was completed in late November 2019 with a total of ninety-three (93) holes having been drilled for 5,690.70 metres.
- Phase 2 drill-holes were largely to a depth of about 60 metres and were targeting near to surface mineralisation. Of the 93 holes drilled, four holes were of between 120m and 150m in length and were drilled for structural and hydrological purposes.
- 779 samples were prepared for assay and despatched to a Chinese laboratory.
- Assay results from the Phase 2 Drill Program were received and reported to ASX on 26 November 2020, and the highlights were:
 - Fifty-four (54) of the ninety-three (93) holes returned assays grading better than 0.5% Cu.
 - High-grade mineralisation generally intersected in a 40m zone that extends from ~40m below surface to ~80m beneath surface.
 - Results overall were better for Phase 2 with 13.9% of samples returning grades of more than 1% copper, as compared to 5.7% under Phase 1.
- Better assays include:
 - 8.64m @ 2.60% Cu from 53.961m, including 1.1m @ 4.98% Cu from 61.47m in Hole 10 (located in Area 3);
 - 3.15m @ 3.60% Cu from 35.20, including 1.08m @ 5.5% Cu from 37.27m in Hole 25 (located in Area 3); and
 - 4m @t 2.13% Cu from 34m in Hole 16 (located in Area 3).

A map illustrating the grade distribution of assay results from both Phase 1 and 2 is set out as Figure 2 below:

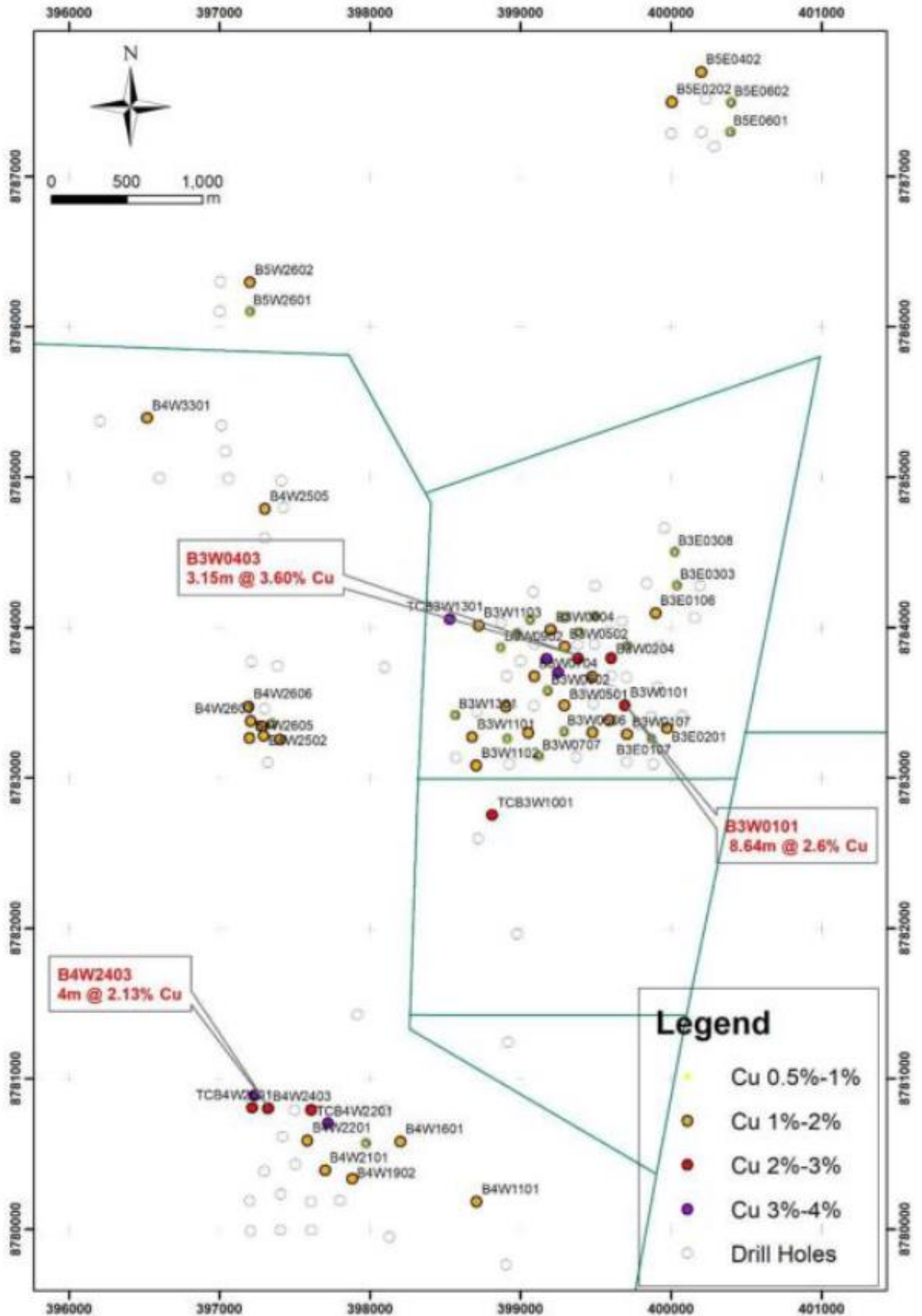


Figure 2: Map illustrating assay results for Phases 1 and 2

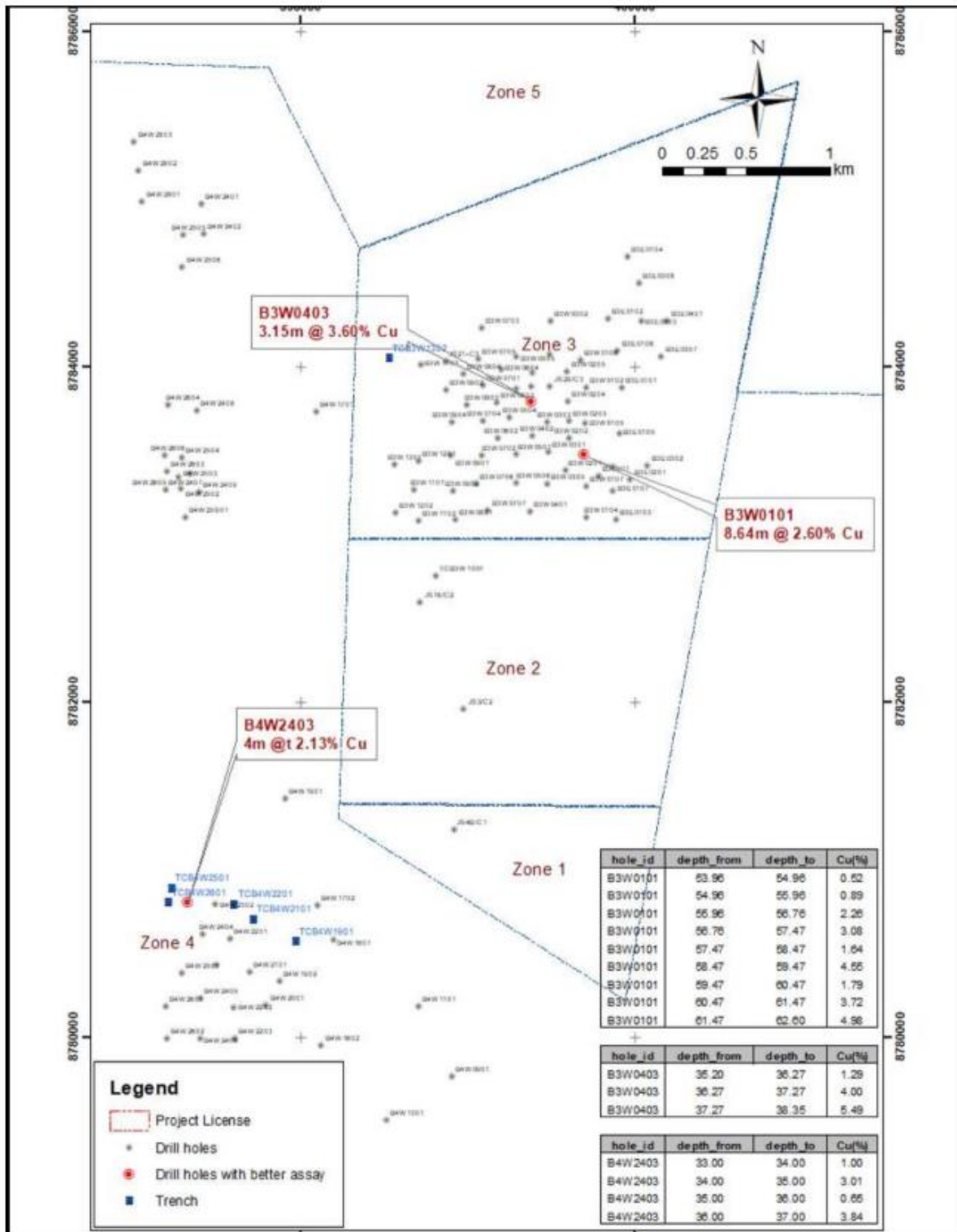


Figure 3: Map of drill hole locations with results of three best holes of Phase 2 overlaid

- On 26 November 2020, VDM announced its maiden copper Mineral Resource Estimate for CdB Copper Project of 18.4 Mt @ 1.0% Cu for 183,845t of copper, comprising:
 - Measured + Indicated: 13.467Mt @ 1.02% Cu for 137,590t of copper;
 - Inferred: 4.937Mt @ 0.94% Cu for 46,355t of copper.

- The CdB MRE is summarised as follows:

Resource Category	Million tonnes (Mt)	Cu %	Contained Cu (t)
Measured	0.875	1.62	14,179
Indicated	12.592	0.98	123,411
Inferred	4.937	0.94	46,355
Total	18.404	1.00	183,845

Notes: 1. Reported above a Cu cut-off grade of 0.2%;
2. Discrepancies may occur due to rounding.

- The exploration database used for the resource estimation consists of 134 diamond coreholes and 7 trenches. A total of 1,658 intervals were sampled at the deposit. All the available data was input into a Geovia Surpac (Surpac) database for the estimation procedure.

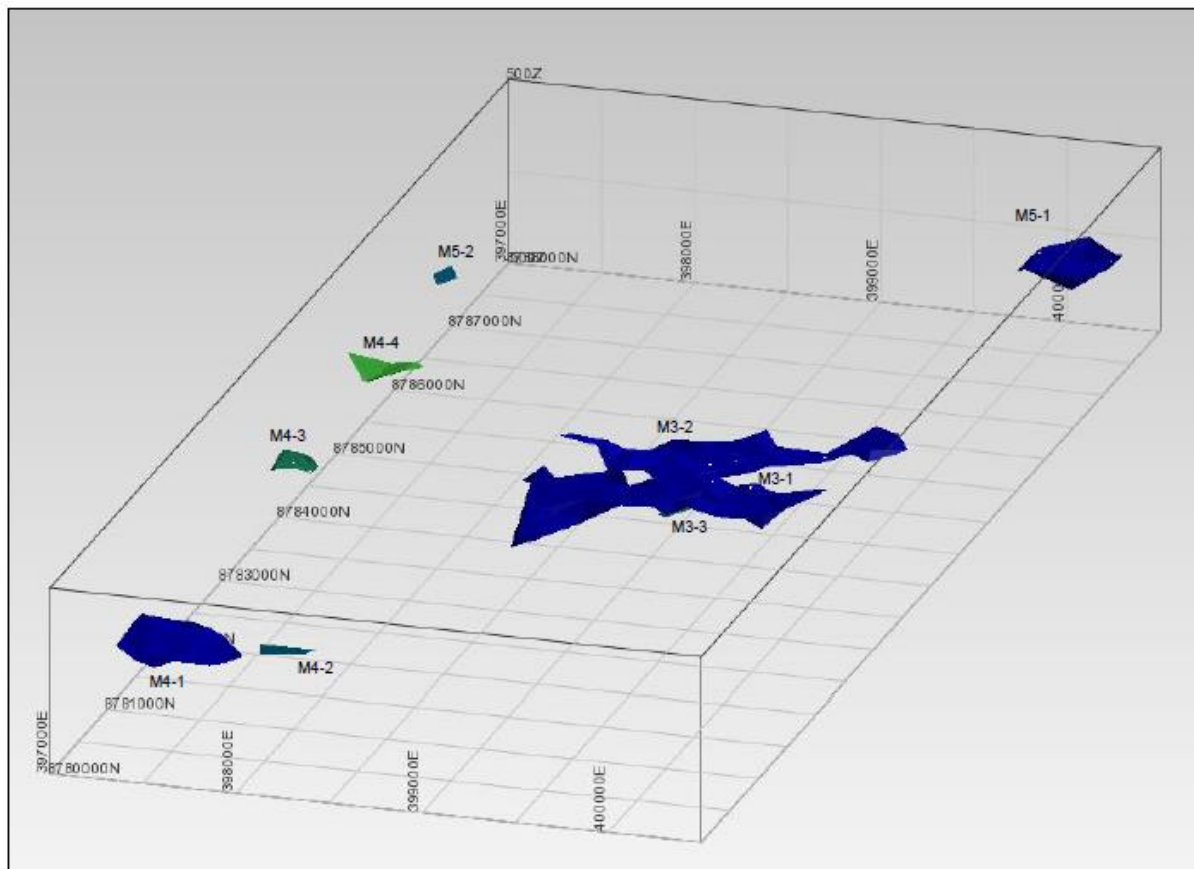


Figure 4: Three-Dimensional View of Mineralised Bodies, of which M3-1 is the largest

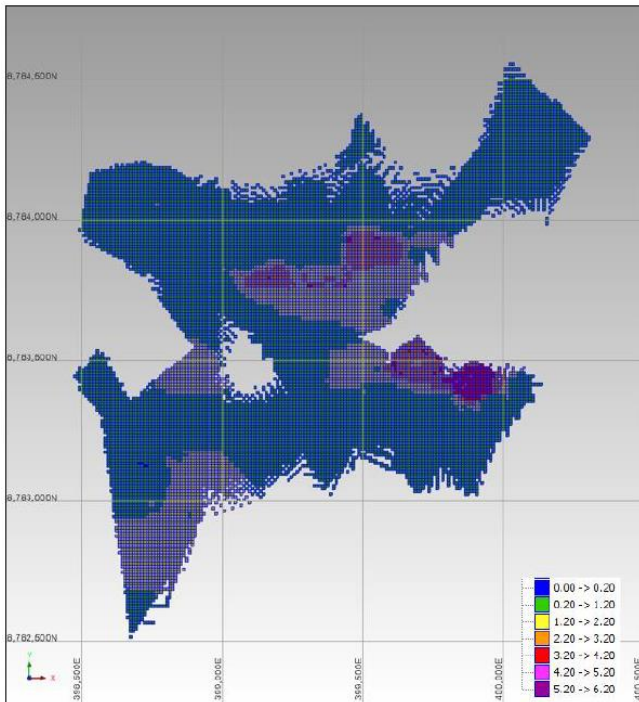


Figure 5: Plan View of Block Model for Mineralised Body 3-1

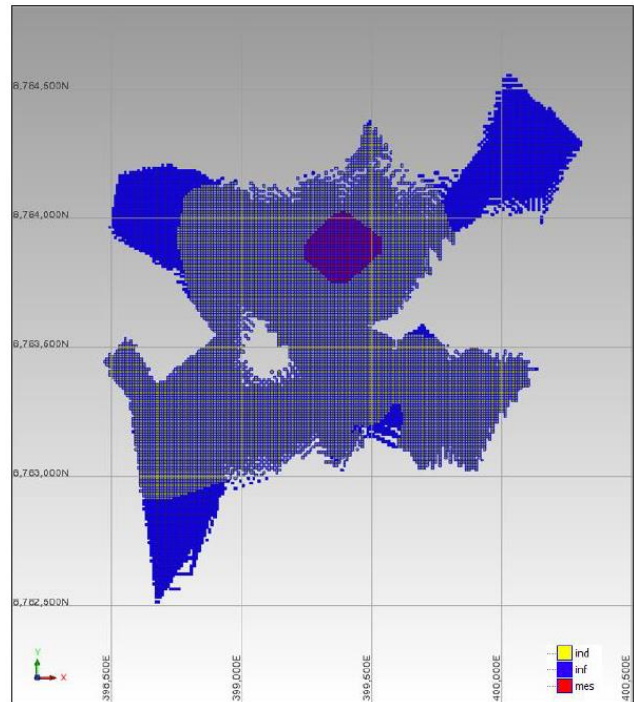


Figure 6: Resource Categories of Mineralised Body M3-1

Cut-off Grades

A cut-off grade of 0.2% Cu has been chosen to represent the portion of the resource that may be considered for eventual economic extraction by open-pit mining and can be processed into copper concentrate. This cut-off grade was selected by VDM in consultation with SRK and SDGM based on experience with similar sediment hosted copper deposits and is consistent with reporting cut-off grades used in recent large-scale global copper estimates.

Mining Factors

SRK considers that portions of the CdB mineralisation are amenable to open pit extraction. In order to determine the quantities of material offering “reasonable prospects for eventual economic extraction” by an open pit, SRK used a set of mining and processing assumptions/parameters provided by VDM, in consultation with SDGM, to evaluate the proportions of the block model (Measured, Indicated and Inferred blocks) that could be “reasonably expected” to be mined from open pit.

Metallurgical Factors

The mineralisation is assumed to be copper sandstone and samples for metallurgical testing have been taken, however testing has not yet been completed. VDM, in consultation with SDGM, considers that the copper ore can be economically extracted by open-pit mining and can be processed into copper concentrate with a grade of 20% Cu and recovery rate of 85%.

Since July 2022, joint venture partners have been in discussion about exploration program to take the project forward and funding requirements (overall and each party’s contribution).

Note: On-the-ground activity at the CdB Copper Project presently is suspended whilst joint venture partners negotiate terms, program and funding.

Appendix 2: About Cage Bengo Gold Project

- In August 2019, VDM entered into a Mining Investment Contract (MIC) providing exclusive rights to explore for gold and other minerals at the Cage Bengo Project located in Angola.
- VDM's ownership interest in the Cage Bengo Project is 55.25%.
- The Cage Bengo Project covers an extremely large area of approximately 9,904km² and is located in the north-west of Angola – refer location map below.

Location

The Cage Bengo Project is located in the north-west of Angola between the provinces of Uige and Bengo, from which it derives its name, and is approximately 300km north-east of the capital city of Luanda. Luanda is Angola's capital and its largest city. It is Angola's primary port and its major industrial, cultural and urban centre.

Access to the Project is via the road that connects the city of Caxito to Muxiluando (Nambuangongo Municipality headquarters) with the city of Uige (Capital of Uige Province).

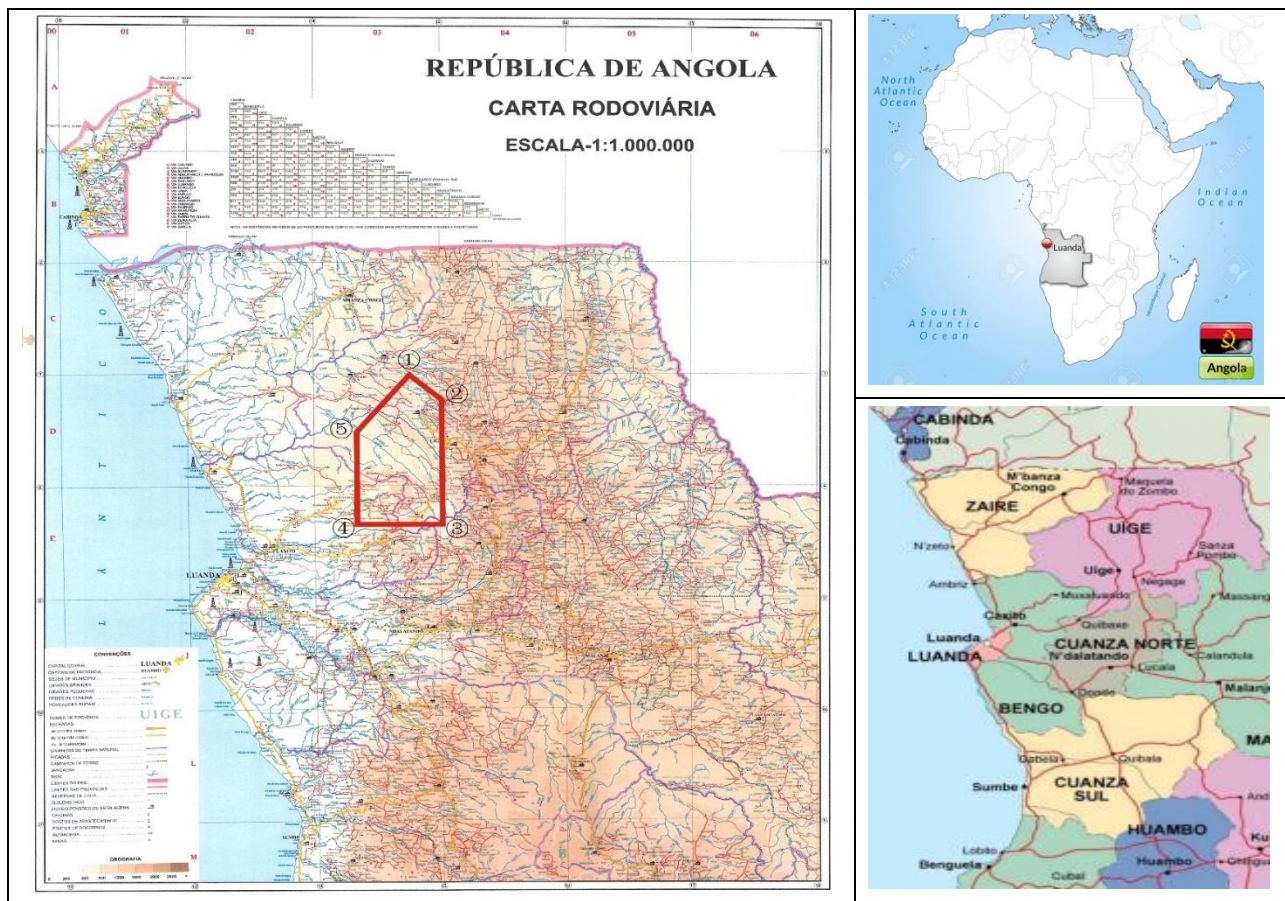


Figure 2 – Location of Cage Bengo Project

Work Performed by VDM

- On 15 April 2020, Prospecting Title 048/07/03 over the Cage Bengo Project was issued by the Angolan Government, allowing work to commence.
- From the time of the Prospecting Title being issued, until July 2022, on-the-ground activity at the Cage Bengo Project was suspended due to travel restrictions and safety concerns arising from the COVID-19 pandemic.
- **Since July 2022, joint venture partners have been in discussion about exploration program to take the project forward and funding requirements (overall and each party's contribution).**

Note: On-the-ground activity at the Cage Bengo Project presently is suspended whilst joint venture partners negotiate terms, program and funding.

Competent Person Statement

Mineral Resources

The information in this report which relates to Mineral Resources for the Cachoeiras do Binga Project is extracted from a report released to the Australian Securities Exchange (ASX) on 26 November 2020 titled “VDM Delivers Maiden Copper Resource at CdB Copper Project” which was based on information compiled by Ms Bonnie (Yanfang) Zhao and Dr Yiefei Jia, full time employees of SRK Consulting (China) Ltd and respectively, a Member and a Fellow of the Australasian Institute of Mining and Metallurgy. Each has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which they are undertaking to qualify as Competent Persons as defined in the 2012 Edition of the “Australasian Code for Reporting of Exploration Results, Mineral Resources, and Ore Reserves”. Ms Zhao and Dr Jia consented to the reporting of the information in the form and context in which it appears. Those consents remain in place for subsequent releases by the Company of the same information in the same form and context, until the consent is withdrawn or replaced by a subsequent report and accompanying consent.

The Company confirms that is not aware of any new information or data that materially affects the information included in the original ASX announcement released on 26 November 2020, and, in the case of estimates of Mineral Resources, that all material assumptions and technical parameters underpinning the estimates in the original ASX announcement continue to apply and have not materially changed. The Company confirms that the form and context in which the Competent Persons’ findings are presented have not been materially modified from the original ASX announcement.

Disclaimer

This report has been prepared by VDM Group Limited (“Company”). The material contained in this report is for information purposes only. This release is not an offer or invitation for subscription or purchase of, or a recommendation in relation to, securities in the Company and nether this release nor anything contained in it shall form the basis of any contract or commitment.

This report may contain forward-looking statements. Forward-looking statements include, but are not limited to, statements concerning VDM Group Limited’s business plans, intentions, opportunities, expectations, capabilities and other statements that are not historical facts. Forward-looking statements include those containing such words as could-plan-target-estimate-forecast-anticipate-indicate-expect-intend-may-potential-should or similar expressions. Such forward-looking statements are not guarantees of future performance and involve known and unknown risks, uncertainties, assumptions and other important factors, many of which are beyond the control of the Company, and which could cause actual results to differ from those expressed in this report. Because actual results might differ materially to the information in this report, the Company does not make, and this report should not be relied upon as, any representation or warranty as to the accuracy, or reasonableness, of the underlying assumptions and uncertainties. Investors are cautioned to view all forward-looking statements with caution and to not place undue reliance on such statements.

The report has been prepared by the Company based on information available to it, including information from third parties, and has not independently verified. No representation or warranty, express or implied, is made to the fairness, accuracy or completeness of the information or opinions contained in this report.

The Company estimates its reserves and resources in accordance with the Australasian Code for Reporting of Identified Mineral Resources and Ore Reserves 2012 Edition (“JORC Code”), which governs such disclosures by companies listed on the Australian Securities Exchange.

Appendix 5B

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Name of entity

VDM GROUP LIMITED

ABN

95 109 829 334

Quarter ended ("current quarter")

31 MARCH 2023

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (9 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	1	3
1.2 Payments for		
(a) exploration & evaluation		
(b) development		
(c) production		
(d) staff costs	(32)	(106)
(e) administration and corporate costs	(55)	(255)
1.3 Dividends received (see note 3)		
1.4 Interest received	1	1
1.5 Interest and other costs of finance paid		
1.6 Income taxes paid		
1.7 Government grants and tax incentives		
1.8 Other (provide details if material)		
- Settlement of legal claim	-	(66)
- BAS Refunds		19
1.9 Net cash from / (used in) operating activities	(85)	(404)
2. Cash flows from investing activities		
2.1 Payments to acquire or for:		
(a) entities		
(b) tenements		
(c) property, plant and equipment		
(d) exploration & evaluation	-	-
(e) investments		

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (9 months) \$A'000
2.2	(f) other non-current assets Proceeds from the disposal of:		
	(a) entities		
	(b) tenements		
	(c) property, plant and equipment	-	740
	(d) investments		
	(e) other non-current assets		
2.3	Cash flows from loans to other entities		
2.4	Dividends received (see note 3)		
2.5	Other (provide details if material)		
2.6	Net cash from / (used in) investing activities	-	740
3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)		
3.2	Proceeds from issue of convertible debt securities		
3.3	Proceeds from exercise of options		
3.4	Transaction costs related to issues of equity securities or convertible debt securities		
3.5	Proceeds from borrowings		
3.6	Repayment of borrowings		
3.7	Transaction costs related to loans and borrowings		
3.8	Dividends paid		
3.9	Other (provide details if material)		
3.10	Net cash from / (used in) financing activities	-	-
4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	1,566	1,145
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(85)	(404)
4.3	Net cash from / (used in) investing activities (item 2.6 above)		740
4.4	Net cash from / (used in) financing activities (item 3.10 above)	-	-

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (9 months) \$A'000
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of period	1,481	1,481

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1	Bank balances	1,481	1,566
5.2	Call deposits		
5.3	Bank overdrafts		
5.4	Other (provide details)		
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	1,481	1,566

6.	Payments to related parties of the entity and their associates	Current quarter \$A'000
6.1	Aggregate amount of payments to related parties and their associates included in item 1	21
6.2	Aggregate amount of payments to related parties and their associates included in item 2	

Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments.

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

7. Financing facilities	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
<i>Note: the term "facility" includes all forms of financing arrangements available to the entity. Add notes as necessary for an understanding of the sources of finance available to the entity.</i>		
7.1 Loan facilities	11,177	11,177
7.2 Credit standby arrangements		
7.3 Other (please specify) - Bank guarantees		
7.4 Total financing facilities	11,177	11,177
7.5 Unused financing facilities available at quarter end		-
7.6 Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.		
<p>Loan facilities relate to loans provided by Australia Kengkong Investments Co Pty Ltd, VDM's largest shareholder and a company owned and control by Chairman Hiuming Luk. The loans were advanced under the terms of a Framework Loan Agreement which stipulates an interest rate of 6% per annum, and a default rate of interest of 20% in the event of default by VDM. The loans are secured over the assets of the Company and no maturity date has been set. For further information refer Page 50 of the Company's Annual Report for the year ended 30 June 2020.</p> <p>Credit standby facilities relate to credit cards.</p> <p>Bank guarantees relate to guarantees given in relation to office lease.</p>		

8. Estimated cash available for future operating activities	\$A'000
8.1 Net cash from / (used in) operating activities (item 1.9)	(85)
8.2 (Payments for exploration & evaluation classified as investing activities) (item 2.1(d))	-
8.3 Total relevant outgoings (item 8.1 + item 8.2)	(85)
8.4 Cash and cash equivalents at quarter end (item 4.6)	1,481
8.5 Unused finance facilities available at quarter end (item 7.5)	-
8.6 Total available funding (item 8.4 + item 8.5)	1,481
8.7 Estimated quarters of funding available (item 8.6 divided by item 8.3)	17.42
<i>Note: if the entity has reported positive relevant outgoings (ie a net cash inflow) in item 8.3, answer item 8.7 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.7.</i>	
8.8 If item 8.7 is less than 2 quarters, please provide answers to the following questions:	
8.8.1 Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?	
Answer: N/a	

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

8.8.2 Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?

Answer: N/a

8.8.3 Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?

Answer: N/a

Note: where item 8.7 is less than 2 quarters, all of questions 8.8.1, 8.8.2 and 8.8.3 above must be answered.

Compliance statement

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

28 APRIL 2023

Date:

MICHAEL FRY (DIRECTOR)

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

Notes

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