

**VHM Limited
ACN 601 004 102
(Company)**

Notice of Meeting of Noteholders

Time and date: 11am AEST, Wednesday 1 June 2022

Location: Virtual Online Meeting

If you wish to virtually attend the meeting (which will be broadcast as a live webinar), please **pre-register** in advance for the virtual meeting here:

https://us02web.zoom.us/webinar/register/WN_1eFnRv1QsGanYvqtdoZ2Q

After registering, you will receive a confirmation containing information on how to attend the virtual meeting on the day of the meeting.

The Directors have determined that the persons eligible to vote at the Meeting are those who are registered as Noteholders at 7pm AEST on 30 May 2022.

The Explanatory Statement provides additional information on matters to be considered at the Meeting. The Explanatory Statement and the Proxy Form form part of the Notice.

Terms and abbreviations used in the Notice are defined in Schedule 1.

Special Business

The purpose of the meeting is to consider and, if thought fit, to pass the following resolutions:

Resolution 1 – Approval to issue options to Mr Don Runge as special exertion fees

To consider and, if thought fit, to pass the following as an ordinary resolution:

'That, for the purposes of paragraph(b)(i) of Schedule 4 of the Note Deed Poll and for all other purposes, Noteholders approve the issue of 500,000 options (with an exercise price of \$1.00 each) to Mr Don Runge as a special exertion fee, on the terms and conditions set out in the Explanatory Statement.'

Resolution 2 – Approval to issue options to Mr Gamini Colless as special exertion fees

To consider and, if thought fit, to pass the following as an ordinary resolution:

'That, for the purposes of paragraph(b)(i) of Schedule 4 of the Note Deed Poll and for all other purposes, Noteholders approve the issue of 500,000 options (with an exercise price of \$1.00 each) to Mr Gamini Colless as a special exertion fee, on the terms and conditions set out in

the Explanatory Statement.'

Resolution 3 – Approval of a sign-on fee to Mr Gamini Colless

To consider and, if thought fit, to pass the following ordinary resolution:

'That, for the purposes of paragraph(b)(i) of Schedule 4 of the Note Deed Poll and for all other purposes, Noteholders approve the payment of a \$70,000 sign-on fee to Mr Gamini Colless, to be paid by the issue of 116,667 fully paid ordinary shares at an issue price of \$0.60 each, on the terms and conditions set out in the Explanatory Statement.'

Resolution 4 – Approval of a sign-on fee to Ms Ayten Saridas

To consider and, if thought fit, to pass the following ordinary resolution:

'That, for the purposes of paragraph(b)(i) of Schedule 4 of the Note Deed Poll and for all other purposes, Noteholders approve the payment of a \$70,000 sign-on fee to Ms Ayten Saridas, to be paid in cash, on the terms and conditions set out in the Explanatory Statement.'

Resolution 5 – Approval to issue shares to Mr Gamini Colless in lieu of annual director remuneration

To consider and, if thought fit, to pass the following ordinary resolution:

'That, for the purposes of paragraph(b)(i) of Schedule 4 of the Note Deed Poll and for all other purposes, Noteholders approve the issue of 66,164 fully paid ordinary shares (with an issue price of \$0.60 each) to Mr Gamini Colless in lieu of payment of \$39,698.40, being a portion of his annual remuneration as a non-executive director, on the terms and conditions set out in the Explanatory Statement.'

By order of the Board



Ian Hobson
Company Secretary
VHM Limited
Dated: 11 May 2022

Information Note

A document entitled 'Majority Noteholder Approval', setting out the Resolutions for approval, also accompanies this Notice of Meeting. **If Noteholders holding at least 50.1% of the notes on issue in the Company sign that document before the date of the meeting, the meeting will be cancelled and not be held.** Noteholders will be notified, in advance of the meeting, if this occurs. Please see item 5 of the Explanatory Statement for further information.

IMPORTANT INFORMATION REGARDING MEETING ATTENDANCE AND VOTING

Pursuant to section 249R of the Corporations Act and clause 15.7 of the Company's Constitution, the Company will hold the Meeting as a virtual meeting via a web-based meeting portal.

The Company considers that the health, safety and welfare of the Company's staff, its Noteholders and other stakeholders is of paramount importance given the dynamic nature of the COVID-19 pandemic, current restrictions on travel and gatherings, and the ability of both the Federal and State Governments to impose further restrictions.

All resolutions at the Meeting will be voted on by poll and Noteholders who are entitled to vote may vote either at the Meeting by poll during the Meeting electronically or prior to the Meeting by appointing a proxy.

Further details of the voting methods open to Noteholders are set out in detail below.

Noteholders are strongly encouraged to either vote prior to the Meeting or to appoint the Chair as their proxy.

The Board will continue to monitor the Covid-19 situation closely and details of any alternative arrangements for the Meeting will be issued to Noteholders electronically by no later than 10 days prior to the date of the Meeting or at shorter notice, depending on the circumstances.

The Company is aware that, at present, there are significant delays in the Australian postal system due to COVID-19, which may adversely affect both the receipt and return of voting forms by Noteholders. The Company will not be dispatching physical copies of the Notice of General Meeting and Explanatory Statement to all Noteholders. Instead, these documents will be emailed to all Noteholders who have provided an email address to the Company's registrar and are otherwise available on the Company's website. Only Noteholders who have made an election to receive physical copies of meeting materials will be provided with a physical copy.

If you wish to virtually attend the Meeting (which will be broadcast as a live webinar), please **pre-register** in advance for the virtual meeting here:

https://us02web.zoom.us/webinar/register/WN_1eFnRv1QsGanYvqtdoZ2Q

After registering, you will receive a confirmation containing information on how to attend the virtual meeting on the day of the Meeting.

Noteholders will be able to vote (see the "Voting virtually at the Meeting" section of this Notice of Meeting below) and ask questions at the virtual meeting. Noteholders are also encouraged to submit questions in advance of the Meeting to the Company. Questions must be submitted in writing to the Company Secretary at ian.hobson@vhmltd.com.au at least 48 hours before the Meeting.

The Company will also provide Noteholders with the opportunity to ask questions during the Meeting in respect to the formal items of business as well as general questions in respect to the Company and its business.

VHM Limited
ACN 601 004 102
(Company)

Explanatory Statement

This Explanatory Statement forms part of the Notice of Meeting dated 11 May 2022 and should be read in conjunction with that Notice as this Explanatory Statement contains important information on the Resolutions.

The purpose of this Explanatory Statement is to provide Noteholders with an explanation of the Resolution proposed to be considered at the meeting and to assist Noteholders in determining how they wish to vote on the Resolution.

1. Resolution 1 and Resolution 2 - Approval to issue options to Messrs Don Runge and Gamini Colless as special exertion fees

1.1 Introduction

The Company is proposing, subject to obtaining Shareholder and Noteholder approvals, to issue 500,000 options (with an exercise price of \$1.00 each) to each of Messrs Don Runge and Gamini Colless (being non-executive directors of the Company) as a special exertion fee (**Special Exertion Options**).

The Company has on issue existing convertible notes pursuant to the Convertible Note Deeds Poll by the Company dated on or about 15 March 2022 and Further Deed Poll dated 22 April 2022 (**Note Deed Poll**). Pursuant to paragraph (b)(i) of Schedule 4 of the Note Deed Poll, the Company must not, without obtaining prior 'Majority Noteholder Approval', conduct a related party transaction which requires Shareholder approval under the Corporations Act without also obtaining Noteholder approval.

The Note Deed Poll defines '**Majority Noteholder Approval**' as the vote in favour of a resolution by Noteholders holding 50.1% of the votes cast at a meeting of Noteholders.

The Company is seeking Shareholder approval pursuant to Chapter 2E of the Corporations Act for the issue of the Special Exertion Options. Accordingly, the Company also needs to seek Majority Noteholder Approval pursuant to paragraph (b)(i) of Schedule 4 of the Note Deed Poll.

1.2 Purpose of Special Exertion Options

In July 2021, the Board adopted a materially changed pathway for the development of the Company and in particular, the fast-tracked development of the Goschen Zircon and Rare Earth Minerals Project (**Goschen Project**) to achieve earliest possible production and cash flow. As a result, the Company's staffing hierarchy was immediately minimised to a skeleton senior executive group and offices across Australia were closed.

An outsourcing policy for all work required to deliver a Definitive Feasibility Study for the Goschen Project (**Project DFS**) and Approvals & Permitting was adopted ensuring Tier 1 best of class consultants were retained to deliver the required outcomes for the specific disciplines. In addition, a new pathway to ensuring a successful IPO and ASX listing was forged which included pre-IPO fund raising as part of that plan.

At that time, the Board constituted two long term existing executive directors, two newly appointed non-executive directors (including Gamini Colless) and one long term non-executive director (Don Runge) who assumed the role of Chair.

The Board considered that with the Company's newly minimised personnel structure, not only the small remaining executive and staff, but also the non-executive directors would be required to undertake significant additional duties and workload to ensure the fast-tracked pathway was maintained and that the corporate objectives as announced to Shareholders could be achieved. Core amongst these objectives were delivery of the Project DFS in record time to better support an IPO and ASX listing in mid-2022.

In support of this path, Mr Runge assumed a full time unpaid "executive support role" to assist driving the work required for the Project DFS to timely completion, and Mr Colless assumed unpaid legal and commercial roles to expedite the pathway to IPO and the pre-IPO raising of capital to support the program of works. As a result, Messrs Runge and Colless have, at the Board's request, undertaken additional work for the Company, above and beyond the usual duties of a non-executive director.

In light of this, the Board recognised it was appropriate to compensate the non-executive Directors for the substantial additional activities which were envisaged to ensue for a minimum of 18 months, taking into account that approvals and permitting would take at least until early 2023.

Pursuant to the Company's Constitution, if a Director, at the Board's request, performs extra services or makes special exertions, the Company may pay that Director a fixed sum set by the Board for doing so, which may be in addition to the usual remuneration of the director.

As allowed under the Company's Constitution, the Board wishes to issue the Special Exertion Options to Messrs Runge and Colless as consideration for their provision of extra services to the Company. The Board believes it is important to offer these Special Exertion Options to reward and remunerate Messrs Runge and Colless for undertaking activities for the Company which are above and beyond the usual duties of a non-executive director.

The Board believes that providing the special exertion fee in the form of options is in the best interest of Shareholders, as the issue of options:

- is a prudent means of conserving the Company's available cash reserves;
- aligns the reward to the non-executive Directors with Shareholder interests, particularly in light of the fact that the Special Exertion Options (and any Shares issued upon exercise) will be subject to ASX escrow conditions for a period of two years; and
- is consistent with expert advice received on the Special Exertion Option, which stated that the issue of these Special Exertion Options was reasonable.

1.3 Terms of Special Purpose Options

The Special Exertion Options will be issued on the following material terms:

- (i) Each Special Exertion Option entitles the holder to subscribe for and be allotted one Share which will rank equally in all respects with the Company's existing Shares.

- (ii) The Special Exertion Options may be exercisable, once they have vested as per paragraph (iv) below, at any time prior to 5:00pm (AEST) on 31 July 2025 (**Expiry Date**). Options not exercised on or before the Expiry Date will automatically lapse.
- (iii) The exercise price of each Special Exertion Option is \$1.00. The exercise price was determined by the Board at the time of formulating the compensation for the special exertion fees, and reflects a 67% premium to \$0.60 share price at which the Company had undertaken its most recent capital raising.
- (iv) The Special Exertion Options are subject to vesting conditions and will vest on the earlier of:
- the date on which the Board makes a positive Financial Investment Decision to proceed with the development of the Goschen Project; or
 - the date of a change in control of the Company; or
 - 31 December 2023.
- (v) The Special Exertion Options are not transferable and will not be quoted on the ASX, noting that the Special Exertion Options (and any Shares issued upon exercise) will be subject to ASX escrow conditions for a period of two years after listing.
- (vi) There will be no participating entitlement inherent in the Special Exertion Options to participate in new issues of capital which may be offered to Shareholders.
- (vii) There are no rights to a change in exercise price, or in the number of Shares over which the Special Exertion Options can be exercised, in the event of a bonus issue by the Company prior to the exercise of any Special Exertion Options.
- (viii) In the event of any reconstruction (including consolidation, sub-division, reduction or return) of the issued capital of the Company prior to the Expiry Date, all rights of a Special Exertion Option holder are to be changed in a manner consistent with the ASX Listing Rules.

The Special Exertion Options will be issued for nil cash consideration as they will be issued as a special exertion fee for Messrs Runge and Colless. The Special Exertion Options will be issued as soon as practicable following Shareholder and Noteholder approvals.

1.4 Valuation of the Special Purchase Options

Using a Binomial valuation model, VHM's valuation of the Special Exertion Options is set out below:

| Related Party | No. of Special Exertion Options | Value per Special Exertion Option | Total value of Special Exertion Options |
|----------------|---------------------------------|-----------------------------------|---|
| Don Runge | 500,000 | \$0.2251 | \$112,541 |
| Gamini Colless | 500,000 | \$0.2251 | \$112,541 |

1.5 Remuneration of Related Parties

The current total annual remuneration package for each of Messrs Runge and Colless is set out below:

| Director | Annual Remuneration (inclusive of superannuation) |
|-------------------|---|
| Don Runge (Chair) | \$130,000 |
| Gamini Colless | \$90,000 plus the Sign-on Fee |

1.6 Relevant interests

As at the date of this Notice:

- VHM has a share capital of 138,958,442 Shares; and
- Messrs Runge and Colless hold the following relevant interest in securities in VHM:

| Related Party | Shares | % VHM shareholding | Options |
|----------------|-----------|--------------------|---------|
| Don Runge | 4,498,287 | 3.24% | Nil |
| Gamini Colless | 736,000 | 0.53% | Nil |

Assuming that:

- each of the Resolutions in this Notice are approved by Shareholders and Noteholders;
- all of the Special Exertion Options are issued, vested and exercised into Shares;
- all of the Sign-on Shares and Remuneration Shares are issued; and
- no other equity securities are issued or exercised (meaning VHM would have a share capital of 140,141,273 Shares),

the respective interests of Messrs Runge and Colless in securities in VHM would be as follows:

| Related Party | Shares | % VHM shareholding |
|----------------|-----------|--------------------|
| Don Runge | 4,998,287 | 3.6% |
| Gamini Colless | 1,418,831 | 1.01% |

1.7 Dilution

The issue of the Special Exertion Options will have a diluting effect on the percentage interest of existing Shareholders' holdings if the Special Exertion Options vest and are exercised. The potential dilution effect is summarised below:

| Special Exertion Options | Dilutionary effect |
|--|--------------------|
| 500,000 (if only Resolution 1 or Resolution 2 is passed) | 0.359% |
| 1,000,000 (if both Resolution 1 and Resolution 2 are passed) | 0.71% |

The above table assumes the current Share capital structure as at the date of this Notice (being 183,958,442 Shares) and that no Shares are issued other than the Shares issued on exercise of the Special Exertion Options. The actual dilution will depend on the extent that additional Shares are issued by VHM.

1.8 Use of funds raised

Any funds raised by VHM from the exercise of the Special Exertion Options will be put towards VHM's general working capital requirements at the appropriate time.

1.9 Taxation consequences

There are no adverse taxation consequences for VHM arising from the issue of the Special Exertion Options (including fringe benefits tax).

1.10 Directors' Recommendations

The Board (other than Messrs Runge and Colless who have a personal interest in the outcome of Resolution 1 and Resolution 2) unanimously recommends that Shareholders vote in favour of Resolution 1 and Resolution 2 for the reasons set out in Section 1.2 above and for the following reasons:

- (b) the Special Exertion Options are a reasonable benefit to recognise the additional work performed by Messrs Runge and Colless in connection with the Project DFS, the associated proposed accelerated development plan, the Demerger and the IPO;
- (c) the Special Exertion Options will further align the interests of Messrs Runge and Colless with those of Shareholders to increase shareholder value;
- (d) the Special Exertion Options are a reasonable and appropriate method to provide cost effective additional remuneration, as the non-cash form will allow the Company to spend a greater proportion of its cash reserves on its operations (and to prepare for the Demerger and IPO) than it would if a cash special exertion fee was given to Messrs Runge and Colless; and
- (e) it is not considered that there are any significant opportunity costs to the Company or benefits foregone by the Company in issuing the Special Exertion Options upon the terms proposed.

2. Resolution 3 - Approval of a sign-on fee to Mr Gamini Colless

2.1 Introduction

The Company is seeking Shareholder and Noteholder approval for the payment by VHM of a \$70,000 sign-on fee to Mr Gamini Colless (**Sign-on Fee**), to be paid by an issue of 116,667 Shares (with an issue price of \$0.60 each) (**Sign-on Shares**).

The amount and price of these Sign-on-Shares was agreed in principle by the Company and Mr Colless in September 2021. Formal implementation was agreed to be deferred to the IPO and demerger documentation period, given the necessity for a meeting and the Company's preference to not inconvenience shareholders in devoting time and money to holding a separate meeting.

The Company is seeking Shareholder approval pursuant to Chapter 2E of the Corporations Act for the issue of the Sign-on Shares. Accordingly, the Company also needs to seek Majority Noteholder Approval pursuant to paragraph (b)(i) of Schedule 4 of the Note Deed Poll.

2.2 Purpose of Sign-on Fee

As noted in Section 1.2 above, in July 2021, the Company experienced a Board reorganisation. In order to expedite the process of appointment of experienced directors with the requisite technical ability and experience to complement the Board, Mr Colless and Ms Saridas were invited to act as non-executive directors of the Company. Mr Colless and Ms Saridas had sufficient knowledge of the Company to facilitate an early decision and which otherwise would have required a customary and potentially extended due diligence process. In acknowledgement of the benefit to the Company of the expedited appointment process and the circumstances at the time, the Board agreed to a sign-on fee to be satisfied by the award of Shares.

The Board believes that paying the Sign-on Fee in the form of Shares is a prudent means of conserving the Company's available cash reserves.

2.3 Nature of financial benefit

The financial benefit is \$70,000, to be paid by VHM by the issue of 116,667 Shares (with an issue price of \$0.60 each) to Mr Colless. The share price applied is equivalent to that at which VHM issued shares in April 2021, shortly after which Mr Colless was appointed a director of VHM.

The Sign-on Shares will be issued for nil cash consideration as they will be issued in lieu of a cash payment of the Sign-on Fee. The Sign-on Shares will be issued as soon as practicable following Shareholder and Noteholder approvals.

The Sign-on Shares will rank equally in all respects with VHM's existing Shares.

2.4 Valuation of Sign-on Shares

VHM's valuation of the Sign-on Shares (as at the date of Mr Colless' commencement as a Director) is based on the share price at which VHM issued shares in April 2021, and is set out below:

| Related Party | Sign-on Shares | Value of Sign-on Shares |
|----------------|----------------|-------------------------|
| Gamini Colless | 116,667 | \$70,000 |

2.5 Relevant interests

The relevant interest in securities in VHM held by Mr Colless as at the date of this Notice and after the issue of the options and shares contemplated in this Notice is set out in Section 1.6 above.

2.6 Dilution

The issue of the Sign-on Shares will have a diluting effect of 0.08% on the percentage interest of existing Shareholders' holdings. This figure assumes the current Share capital structure as at the date of this Notice (being 138,958,442 Shares) and that no Shares are issued other than the Sign-on Shares. The actual dilution will depend on the extent that additional Shares are issued by VHM.

2.7 Taxation consequences

There are no adverse taxation consequences for VHM arising from the issue of the Sign-on Shares (including fringe benefits tax).

2.8 Directors' Recommendations

The Board (other than Mr Colless who has a material interest in the outcome of Resolution 3) unanimously recommends that Shareholders vote in favour of Resolution 3 for the reasons set out in Section 2.2 and for the following reasons:

- (a) the Sign-on Shares will further align the interests of Mr Colless with those of Shareholders to increase shareholder value;
- (b) the Sign-on Shares are a reasonable and appropriate method to provide cost effective additional remuneration, as the non-cash form will allow the Company to spend a greater proportion of its cash reserves on its operations (and to prepare for the Demerger and IPO) than it would if a cash sign-on fee was given to Mr Colless; and
- (c) it is not considered that there are any significant opportunity costs to the Company or benefits foregone by the Company in issuing the Sign-on Shares.

3. Resolution 4 - Approval of a sign-on fee to Ms Ayten Saridas

3.1 Introduction

The Company is seeking Shareholder and Noteholder approval for the payment of a \$70,000 sign-on fee to Mr Ayten Saridas, to be paid in cash (**AS Sign-on Fee**).

The Company is seeking Shareholder approval pursuant to Chapter 2E of the Corporations Act for the issue of the AS Sign-on Fee. Accordingly, the Company also needs to seek Majority Noteholder Approval pursuant to paragraph (b)(i) of Schedule 4 of the Note Deed Poll.

3.2 Purpose of AS Sign-on Fee

Ms Saridas and Mr Colless were both appointed non-executive Directors at the same time on 23 July 2021 on identical terms – in summary, a \$70,000 sign-on fee and a portion of their annual non-executive remuneration (\$90,000, inclusive of superannuation) both to be paid by way of an issue of Shares at an issue price of \$0.60 per Share.

Ms Saridas resigned as a director on 24 February 2022. In view of the resignation, the Board and Ms Saridas agreed that it was no longer appropriate to pay the \$70,000 sign-on fee via an issue of Shares and that the AS Sign-on Fee would be paid in cash subject to Shareholder and Noteholder approvals.

3.3 **Remuneration of related party**

The remuneration package for Ms Saridas for the period that she held office (23 July 2021 to 24 February 2022) was \$70,000 sign-on fee and annual non-executive remuneration of \$90,000 (inclusive of superannuation).

3.4 **Relevant interests**

Ms Saridas has no relevant interest in VHM securities.

3.5 **Directors' Recommendations**

The Board unanimously recommends that Shareholders vote in favour of Resolution 4 for the reasons set out in Section 3.2.

4. **Resolution 5 - Approval to issue shares to Mr Gamini Colless in lieu of annual director remuneration**

4.1 **Introduction**

The Company is proposing, subject to obtaining Shareholder and Noteholder approvals, to issue 66,164 Shares (with an issue price of \$0.60 each) to Mr Gamini Colless (**Remuneration Shares**) in lieu of payment of \$39,698.40, being a portion of his annual remuneration as a non-executive director up to 31 December 2021.

The Company is seeking Shareholder approval pursuant to Chapter 2E of the Corporations Act for the issue of the Remuneration Shares. Accordingly, the Company also needs to seek Majority Noteholder Approval pursuant to paragraph (b)(i) of Schedule 4 of the Note Deed Poll.

4.2 **Purpose of Remuneration Shares**

Mr Colless' annual non-executive remuneration is \$90,000 (inclusive of superannuation). At the time of his appointment, the Board and Mr Colless agreed that, in order to conserve the Company's cash resources at least until the Company's listing, he would receive a portion of his fees (being for the period from his appointment date of 23 July 2021 to 31 December 2021) by way of Shares.

The Board believes that providing a portion of Mr Colless' remuneration in the form of Shares is a prudent means of conserving the Company's available cash reserves.

4.3 **Nature of financial benefit**

The financial benefit is 66,164 Shares (with an issue price of \$0.60 each) proposed to be issued to Mr Colless. The share price applied is equivalent to that at which the Company issued shares in April 2021, shortly after which Mr Colless was appointed a director of the Company.

The Remuneration Shares will be issued for nil cash consideration as they will be issued in lieu of VHM paying to Mr Colless \$39,698.40, being a portion of his annual remuneration as a non-executive director. The Remuneration Shares will be issued as soon as practicable following Shareholder and Noteholder approvals.

The Remuneration Shares will rank equally in all respects with VHM's existing Shares.

4.4 Valuation of Remuneration Shares

VHM's valuation of the Remuneration Shares (as at the date of Mr Colless' commencement as a Director) is based on the share price at which VHM issued shares in April 2021, and is set out below:

| Related Party | Remuneration Shares | Value of Remuneration Shares |
|----------------|---------------------|------------------------------|
| Gamini Colless | 66,164 | \$39,698.40 |

4.5 Remuneration of related party

The current total annual remuneration package for Mr Colless is set out in Section 1.5 above.

4.6 Relevant interests

The relevant interest in securities in VHM held by Mr Colless as at the date of this Notice and after the issue of the options and shares contemplated in this Notice is set out in Section 1.6 above.

4.7 Dilution

The issue of the Remuneration Shares will have a diluting effect of 0.048% on the percentage interest of existing Shareholders' holdings. This figure assumes the current Share capital structure as at the date of this Notice (being 138,958,442 Shares) and that no Shares are issued other than the Remuneration Shares. The actual dilution will depend on the extent that additional Shares are issued by VHM.

4.8 Taxation consequences

There are no taxation consequences for VHM arising from the issue of the Remuneration Shares (including fringe benefits tax).

4.9 Directors' Recommendations

The Board (other than Mr Colless who has a material interest in the outcome of Resolution 5) unanimously recommends that Shareholders vote in favour of Resolution 5 for the reasons set out in Section 4.1 and for the following reasons:

- (a) the Remuneration Shares will further align the interests of Mr Colless with those of Shareholders to increase shareholder value;
- (b) the Remuneration Shares are a reasonable and appropriate method to provide a portion of Mr Colless' remuneration, as the non-cash form will allow the Company to spend a greater proportion of its cash reserves on its operations (and to prepare for the Demerger and IPO) than it would if the cash portion of the remuneration was given to Mr Colless; and
- (c) it is not considered that there are any significant opportunity costs to the Company or benefits foregone by the Company in issuing the Remuneration Shares.

5. Written Resolutions and Cancellation of Meeting

Pursuant to paragraph 4 of Schedule 3 of the Note Deed Poll, Noteholders may pass a resolution in writing without holding a meeting if the following conditions are met:

- the resolution is set out in a document sent to each Noteholder; and
- Noteholders who are entitled to vote on the resolution and hold sufficient notes to pass the resolution sign the document or identical copies of it.

In accordance with the above, a document entitled 'Written Majority Noteholder Approval' also accompanies this Notice of Meeting (**Approval Document**).

If a Noteholder is in favour of the Resolutions, the Company requests that the Noteholder signs the Approval Document before the meeting and return it to the following address:

submissions@auttomicgroup.com.au

If Noteholders holding at least 50.1% of the notes on issue in the Company sign the Approval Document before the date of the meeting, the Resolutions will be passed before the meeting is held. As a result, the meeting will not be required and the Company will cancel the meeting. Noteholders will be notified of the cancellation if this occurs.

Schedule 1 Definitions

In the Notice, words importing the singular include the plural and vice versa.

| | |
|------------------------------------|--|
| \$ or A\$ | means Australian Dollars. |
| AEST | means Eastern Standard Time as observed in Sydney, New South Wales. |
| AS Sign-on Fee | has the meaning set out in Section 3.1. |
| ASIC | means the Australian Securities and Investments Commission. |
| Board | means the board of Directors of VHM. |
| Business Day | means Monday to Friday inclusive, except New Year's Day, Good Friday, Easter Monday, Christmas Day, Boxing Day, and any other day that ASX declares is not a business day. |
| Chair | means the person appointed to chair the Meeting convened by the Notice. |
| Convertible Notes | means convertible notes issued by VHM pursuant to Convertible Note Deed Poll dated 15 March 2022 and Further Convertible Note Deed Poll dated 22 April 2022 by VHM. |
| Corporations Act | means the <i>Corporations Act 2001</i> (Cth), as amended. |
| Demerger | means the demerger of various exploration licences and geological data in relation to gold prospects from VHM to its wholly-owned subsidiary, VP Minerals Limited, by way of an in-specie distribution of shares in VP Minerals Limited. |
| Director | means a director of VHM. |
| Explanatory Statement | means the explanatory statement which forms part of the Notice. |
| Goschen Project | Goschen Zircon, Titania and Rare Earth Minerals Project. |
| General Meeting or Meeting | means the meeting convened by the Notice. |
| Noteholders | means the holders of Convertible Notes. |
| Notice or Notice of Meeting | means this notice of meeting including the Explanatory Statement and the Proxy Form. |
| Project DFS | means the Definitive Feasibility Study for Goschen Project. |
| Remuneration Shares | has the meaning set out in Section 4.1. |

| | |
|---------------------------------|--|
| Resolution | means a resolution referred to in the Notice. |
| Share | means a fully paid ordinary share in the capital of VHM. |
| Shareholder | means a shareholder of VHM. |
| Sign-on Fee | has the meaning set out in Section 2.1. |
| Sign-on Shares | has the meaning set out in Section 2.1. |
| Special Exertion Options | has the meaning set out in Section 1.1. |
| VHM | means VHM Limited ACN 601 004 102. |

**VHM Limited
ACN 601 004 102
(Company)**

**Written Majority Noteholder Approval
in accordance with Schedule 4 of the Convertible Note Deed Poll**

A Majority Noteholder Approval is obtained if Noteholders holding at least 50.1% of the notes on issue in the Company pass the resolution. The resolutions set out below will be passed as a Majority Noteholder Approval if Noteholders holding at least 50.1% of the notes on issue in the Company sign this document.

1. Approval to issue options to Mr Don Runge as special exertion fees

RESOLVED that, for the purposes of paragraph (b)(i) of Schedule 4 of the Note Deed Poll and for all other purposes, the issue of 500,000 options (with an exercise price of \$1.00 each) to Mr Don Runge as a special exertion fee be approved.

2. Approval to issue options to Mr Gamini Colless as special exertion fees

RESOLVED that, for the purposes of paragraph (b)(i) of Schedule 4 of the Note Deed Poll and for all other purposes, the issue of 500,000 options (with an exercise price of \$1.00 each) to Mr Gamini Colless as a special exertion fee be approved.

3. Approval of a sign-on fee to Mr Gamini Colless

RESOLVED that, for the purposes of paragraph (b)(i) of Schedule 4 of the Note Deed Poll and for all other purposes, the issue of 116,667 fully paid ordinary shares (with an issue price of \$0.60 each) to Mr Gamini Colless in lieu of payment of a \$70,000 sign-on fee be approved.

4. Approval of a sign-on fee to Ms Ayten Saridas

RESOLVED that, for the purposes of paragraph (b)(i) of Schedule 4 of the Note Deed Poll and for all other purposes, the payment of a \$70,000 sign-on fee to Ms Ayten Saridas, to be paid in cash, be approved.

5. Approval to issue shares to Mr Gamini Colless in lieu of annual director remuneration

RESOLVED that, for the purposes of paragraph (b)(i) of Schedule 4 of the Note Deed Poll and for all other purposes, the issue of 66,164 fully paid ordinary shares (with an issue price of \$0.60 each) to Mr Gamini Colless in lieu of payment of \$39,698.40, being a portion of his annual remuneration as a non-executive director, be approved.

Signed for and on behalf of the Noteholder referred to below

Dated:

Signature of authorised representative: _____

Name of authorised representative: _____

Name of Noteholder: _____