

\$18 million Shareholder Loan Framework

VDM Group Limited (**VDM**) advises that it has agreed the principal terms for an \$18 million loan facility (**Loan Framework**) with its largest shareholder, Australia Kengkong Investments Co Pty Ltd (**Kengkong**) and has received an initial \$2 million advance (**Advance**) from Kengkong.

The VDM Board is pleased that Kengkong is making this significant financial investment to support advancement of VDM's business strategy.

Key Terms of the Loan Framework

The Loan Framework contemplates the parties entering into a loan facility agreement (**Loan Facility**) based on the following key terms.

Purpose: for purpose of:

- i) investment in the Cachoeiras do Binga copper exploration project located in the Republic of Angola;
- ii) advancement of other business growth opportunities; and
- iii) general corporate working capital for ordinary operations as may be agreed by Kengkong.

Loan facility amount: \$18 million.

Repayment date: one year from date of the Loan Facility.

Interest rate: 6% per annum.

Security: Kengkong will receive a first priority security interest over the assets and properties of VDM.

Condition precedent: VDM shall agree that Kengkong may appoint such number of directors constituting the majority of board so long as Kengkong is the single largest shareholder of VDM.

Events of default: failure to effect the security interest in favour of the lender shall be a default event which will trigger loan repayment. There are also other events of default typical of loan agreements.

Default interest rate: 20% per annum.

Security Approval

After the Loan Facility is finalised, VDM intends to seek shareholder approval to effect the proposed loan security as specified under ASX Listing Rule 10.1.

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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WEBSITE

vdmgroup.com.au

SHARE REGISTRY

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

ASX CODE

VMG

Key Terms of the Advance

Purpose: the Advance may only be used for purposes pre-approved by Kengkong.

Repayment: the Advance will be incorporated into the Loan Facility unless it is demanded by Kengkong before the Loan Facility takes effect in which case it is immediately repayable (**Repayment Date**).

Interest rate: an interest rate of 6% per annum applies to the Advance, unless the Advance is not repaid by the Repayment Date, from which time a default interest rate of 20% per annum would apply.

For further information please contact:

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