

QUARTERLY ACTIVITIES REPORT

During the Quarter

- On-the-ground activity at the Company's Angolan projects remained suspended during the entirety of the quarter.
- VDM's Directors Mr Ming Guo, Mr Huadong Guo and Dr Hua have visited Angola in recent weeks for the purposes of meeting with VDM's joint venture partners, Angola mining industry senior personnel and drilling service providers with a view to agreeing exploration plans.
- The Company will provide further information in due course.

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 30 June 2022 and there were no changes in the ownership percentage (of existing tenements) since the end of the previous quarter.

Related Party Payment Information

In accordance with the requirements of ASX Listing Rule 5.3.5 the Company advises that during the quarter ended 30 June 2022 the following payments were made to directors of the Company and their associates in respect to their directors' fees (inclusive of superannuation) and consulting fees:

Name	Position	\$	Notes
		<i>excl GST</i>	
Colin Noid	Director	13,200	Director's fee
Michael Fry	Director, Secretary	16,010	Director's fee / consulting fee
		29,201	

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
 (08) 9221 6739

BOARD & MANAGEMENT

Mr Luk Hiuming
 NON-EXECUTIVE CHAIRMAN

Dr Dongyi Hua
 NON-EXECUTIVE DIRECTOR

Mr Huadong Guo
 NON-EXECUTIVE DIRECTOR

Mr Ming Guo
 NON-EXECUTIVE DIRECTOR

Dr Colin Noid
 NON-EXECUTIVE DIRECTOR

Mr Michael Fry
 DIRECTOR
 COMPANY SECRETARY

REGISTERED OFFICE

Unit 88,
 42 Terrace Road,
 East Perth, WA 6004

POSTAL ADDRESS

PO Box 3347
 East Perth, WA 6892

CONTACT DETAILS

Tel: (08) 6166 6126

WEBSITE

vdmgroup.com.au

SHARE REGISTRY

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

ASX CODE

VMG

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 neither 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")

30 JUN 2022

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (12 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	1	12
1.2 Payments for		
(a) exploration & evaluation		
(b) development		
(c) production		
(d) staff costs	(38)	(136)
(e) administration and corporate costs	(93)	(418)
1.3 Dividends received (see note 3)		
1.4 Interest received	-	-
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)		
- BAS Refunds	9	33
1.9 Net cash from / (used in) operating activities	(121)	(507)
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		
(f) other non-current assets		

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 (12 months) \$A'000
2.2	Proceeds from the disposal of:		
	(a) entities		
	(b) tenements		
	(c) property, plant and equipment		
	(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	-	-
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	1,267	1,653
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(121)	(507)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	-	-
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 (12 months) \$A'000
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of period	1,146	1,146

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	1,266	1,368
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)	1,266	1,368

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	29
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.

The payment made to directors of the entity and their associates reported at 6.1 relate to directors' fees (inclusive of superannuation) and consulting fees; comprised as follows:

Name	Position	\$	Notes
Mr Noid	Non-Exec Director	13,200.00	Director fee
Mr Luk	Non-Exec Chairman	-	
Dr Hua	Executive Director	-	
Mr Fry	Non-Exec Director, Company Secretary	16,010.21	Director fee
		29,210.21	

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.</i>		
<i>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	0	0
7.3 Other (please specify)		
- Bank guarantees	0	0
7.4 Total financing facilities	11,177	11,177
7.5 Unused financing facilities available at quarter end		0
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)	(100)
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)	(100)
8.4 Cash and cash equivalents at quarter end (item 4.6)	1,000
8.5 Unused finance facilities available at quarter end (item 7.5)	0
8.6 Total available funding (item 8.4 + item 8.5)	1,000
8.7 Estimated quarters of funding available (item 8.6 divided by item 8.3)	10.00
<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.

29 JULY 2022

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.