

ASX Release

12 October 2026

NON-BINDING HMC OFFTAKE TERM SHEET WITH MITSUI

VHM advances its Heavy Mineral Concentrate (HMC) offtake strategy, agreeing a non-binding term sheet with Mitsui for the purchase of up to 65,000 tonnes per annum of Goschen HMC

Highlights

- VHM Limited (VHM) and Mitsui & Co. Ltd. (Mitsui) have agreed a non-binding term sheet for the purchase of 50% of the Goschen Project's HMC production, up to 65,000 tonnes per annum
- Proposed initial offtake term of three years, with an option to extend for a further three years
- Term sheet builds on the previously announced Non-Binding Offtake Letter of Interest (LOI)¹ with clearly defined key commercial terms
- Following the execution of the detailed non-binding term sheet, Mitsui and VHM are progressing a binding offtake agreement
- Pricing to be determined by an agreed market-linked formula referencing prevailing zircon and titanium dioxide prices, on a free on board (FOB) Australian port basis
- Mitsui may, at its discretion, consider offering, subject to due diligence, a trade finance facility to VHM with respect to the offtake agreement as previously announced LOI
- VHM continues to progress discussions with Mitsui regarding increased offtake volumes, with the objective of securing commitments for up to 100% of Goschen HMC production

VHM Limited (ASX: VHM or the “Company”) is pleased to announce that it has agreed a detailed non-binding term sheet with **Mitsui & Co. Ltd.**, one of Japan's leading global trading and investment organisations, for the purchase of HMC from VHM's wholly owned Goschen Rare Earths and Mineral Sands Project in Victoria.

The term sheet represents a significant milestone in VHM's offtake, funding and project development strategy and follows the previously announced LOI entered into between VHM and Mitsui.

Under the proposed term sheet, Mitsui would purchase 50% of the Goschen Project's HMC production, up to 65,000 tonnes per annum for an initial term of three years commencing from first production, with a further three-year extension by mutual agreement.

The parties are well advanced in the negotiation of the commercial terms of a binding offtake agreement.

¹ See Company ASX release dated 2 July 2025



The term sheet also contemplates commercial optionality designed to support VHM's cash flow management and provide the parties with appropriate flexibility in relation to product delivery and sales.

In addition, Mitsui will, at its discretion, propose to provide, subject to due diligence, a trade finance facility to VHM, extending the strategic relationship beyond a traditional offtake arrangement. Similar trade finance concepts were contemplated under the previously announced Letter of Interest.

VHM and Mitsui explore the potential for additional offtake volumes, including up to 100% of the HMC produced at Goschen.

VHM Limited Chief Executive Officer Andrew King said:

"The execution of a detailed non-binding term sheet with Mitsui is a significant milestone for VHM and provides validation of the scale and strategic importance of the Goschen Project.

Building on the strong relationship established through our previously announced Letter of Interest, this proposal provides a clear pathway towards securing a cornerstone HMC customer while also introducing the potential for valuable funding support through working capital and trade finance solutions.

Mitsui is a globally recognised partner with deep experience in international commodity markets including mineral sands. We look forward to progressing discussions towards a binding agreement and continuing to explore opportunities to expand the relationship, including pathways to market a greater proportion of Goschen HMC production.

Alongside our recently signed take and pay offtake agreement with Iluka Resources Ltd for 100% of Goschen rare earth concentrate, this represents another important step in VHM's strategy to secure long-term reliable customers, strengthen project financing outcomes and advance Goschen towards development and operation."

About Mitsui

Mitsui & Co. is a global trading and investment company with a presence in more than 60 countries and a diverse business portfolio covering a wide range of industries. The company identifies, develops, and grows its businesses in partnership with a global network of trusted partners including world leading companies, combining its geographic and cross-industry strengths to create long-term sustainable value for its stakeholders.

About VHM

VHM Limited (ASX:VHM) is a rare earths and mineral sands company developing the Goschen Rare Earth and Mineral Sands Project in Victoria's Loddon Mallee region. Goschen is a Tier 1 integrated rare earths and mineral sands project with a globally significant mineral assemblage.

Key attributes of the Goschen Project include:

- Long term strategic partnership with Iluka Ltd including take and pay offtake for rare earth concentrate to Eneabba Refinery, Australia's first operating rare earths oxide refinery, together with a cornerstone A\$40m funding package for the Goschen Project²
- All key approvals and a clear pathway to production: Environment Effects Statement (EES) endorsement received December 2024³, Mining Licence received April 2025⁴, EPBC approval received September 2025⁵, Cultural Heritage Management Plan approval received October 2025⁶, Work Plan approval received November 2025⁷ and Planning Scheme Amendment approval September 2026⁸
- Received a non-binding and conditional Letter of Support from Export Finance Australia ("EFA") for the provision of up to A\$75 million and a Letter of Interest from the Export-Import Bank of the United States ("EXIM") for up to US\$200 million (~A\$304m)⁹
- Comprehensive Definitive Feasibility Study (DFS) refresh confirms Goschen as a financially strong, technically mature and fully permitted critical minerals project with a clear pathway to funding, Final Investment Decision and construction¹⁰
- Dual commodity asset which will generate revenue from two independent product streams of rare earths and heavy minerals concentrates including zircon and titanium dioxide
- Compelling rare earth assemblage that contains both light (Neodymium and Praseodymium) and heavy (Dysprosium and Terbium) rare earth elements
- Simple operating methodologies – shallow-pit mined via truck-shovel with conventional processing flowsheet
- VHM owns 100% of the Goschen Project – strategically located in Victoria's infrastructure-rich Loddon Mallee region, with direct access to road, rail and port facilities

ENDS

This announcement is approved by the VHM Board of Directors.

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About VHM Limited (ASX: VHM)

<https://www.vhmltd.com.au>

² See Company ASX release dated 2 July 2026

³ See Company ASX release dated 10 December 2024

⁴ See Company ASX release dated 11 April 2025

⁵ See Company ASX release dated 19 September 2025

⁶ See Company ASX release dated 30 October 2025

⁷ See Company ASX release dated 28 November 2025

⁸ See Company ASX release dated 4 September 2026

⁹ See Company ASX release dated 21 October 2025

¹⁰ See Company ASX release dated 21 September 2026