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VIAGOLD CAPITAL LIMITED

(Incorporated in Bermuda with limited liability)

(ARBN: 070 352 500)

Reports and Consolidated Financial Statements

For the year ended March 31, 2014

VIAGOLD CAPITAL LIMITED

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VIAGOLD CAPITAL LIMITED

CHAIRMAN'S ADDRESS TO SHAREHOLDERS

I am pleased to present the 2013/2014 annual results of ViaGOLD Capital Limited (VIA) (the "Company") and its subsidiaries (collectively referred to as the "Group") and the outlook for 2014.

REVIEW

The principal activities of the Group are provision of management and consulting services to education institutions, asset leasing as well as mineral trading business in China. Revenue was AUD1,182,000 for the year ended March 31, 2014 as compared to AUD1,011,000 for the year ended March 31, 2013.

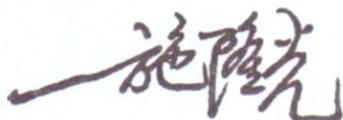
The loss attributable to the equity holders of the Company for the year ended March 31, 2014 was AUD854,000 (2013: AUD2,417,000). Within which, the loss in the major operations for AUD266,000 was mainly a result of continuous industrial downsizing in both vocational and higher education in general and the intense competition in this period and the balance loss for AUD588,000 was mainly the annual mandatory statutory and professional fees, director remuneration for the year.

PROSPECT

Looking forward, the Group will continue to strengthen the marketing development and the management in its current education management business so as to have a stable growth and at the same time the Group will adopt new business strategies which will focus on penetrating the mineral mining, processing and trading markets for a significant improvement in the Group's operating results.

APPRECIATION

In conclusion, I would like to take this opportunity to express my heartfelt thanks to my fellow directors and all the dedicated employees of the Group for their hard work and contribution during the year. On behalf of the Board of directors (the "Board"), I would also like to express my sincere thanks to the Group's shareholders, customers, bankers and business associates for their continuing support.



Dr Longguang Shi

Chairman

June 20, 2014

VIAGOLD CAPITAL LIMITED

CORPORATE GOVERNANCE STATEMENT

The directors of the Company are primarily responsible for the corporate governance practices of the Company. This statement sets out the main corporate governance practices in operation throughout the Company for the financial year ended March 31, 2014 (except where otherwise indicated). The Statement also details compliance by the Company with the best practice recommendations set by the Australian Securities Exchange (“ASX”) Corporate Governance Council in its Corporate Governance Principles & Recommendations with 2010 Amendments released in June 2010 (Guide).

On the date of this report, the Board consists of three executive directors and three non-executive directors. Details of the directors are set out on page 18 in this Report.

The primary responsibilities of the Board include:

- the establishment of the long term goals of the Company and strategic plans to achieve those goals;
- the approval of the annual and half year financial statements of the Company;
- the review and adoption of annual budgets for the financial performance of the Company and monitoring the results on a quarterly basis; and
- ensuring that the Company has implemented adequate systems of internal controls together with appropriate monitoring of compliance activities.

Set out below is a summary of the Corporate Governance policies of the Company and the approach of the Company and the Board to issues of corporate governance. The summary is provided in the context of the Revised Principles set out in the Guide, which principles are regarded by ASX as reflective of the best international practice in the area of corporate governance. As required by the Listing Rules of Australian Securities Exchange Limited (the “ASX Listing Rules”) and where applicable, the Company has detailed where it fails to meet those principles and the reasons for that failure.

No.	ASX Key Governance Principles	Compliance	Non-compliance
1	Lay solid foundations for management and oversight		
1.1	Companies should establish the functions reserved to the Board and management.	<p>The Company has adopted a Board Charter and Code of Conduct to guide executives, management and employees in carrying out their duties and responsibilities.</p> <p>The Board Charter sets out the responsibilities of the Board and the matters delegated to the Chief Executive Officer.</p>	Not applicable.

VIAGOLD CAPITAL LIMITED

CORPORATE GOVERNANCE STATEMENT

No.	ASX Key Governance Principles	Compliance	Non-compliance
1	Lay solid foundations for management and oversight		
1.2	Companies should disclose the process for evaluating the performance of senior executives.	One of the key functions of the Board under its Charter is its responsibility for monitoring the performance of the Chief Executive Officer and senior executives.	Not applicable.
1.3	Companies should provide the information indicated in the Guide to reporting on Principle 1.	The Company will provide an explanation of departures (if any) from the Key Principles recommendations 1.1 and 1.2 in its future annual reports.	Not applicable.
2	Structure the Board to add value		
2.1	A majority of the Board should be independent directors.	<p>Currently, the Board comprises 6 directors, of which 3 are non-executive directors. Mr. James Anthony Wigginton and Mr. Yan Wang, can be characterized as independent for the purposes of the ASX Guidelines. The other 3 members of the Board are executive directors. Details of the Board members are set out on page 18 in this Report.</p> <p>All directors are subject to retirement by rotation. The Company's Nomination Committee reviews the composition of the Board on an annual basis and makes recommendations to the Board, to ensure that the Board comprises a number of non-executive directors with an appropriate mix of skills, experience and independence.</p>	The Board recognizes the importance of having a majority of independent directors. However, it also seeks to have the best possible balance of skills and experience for the Company's activities and has decided that a majority of independent directors is not of critical importance. The Board considers, given the size and business scope of the Company, that the persons selected as directors bring sufficient and specific skills, experience and independence of thought to ensure decisions by the Board are in the best interests of the Company and its shareholders.

VIAGOLD CAPITAL LIMITED

CORPORATE GOVERNANCE STATEMENT

No.	ASX Key Governance Principles	Compliance	Non-compliance
2	Structure the Board to add value (cont'd)		
2.2	The chair should be an independent director.	<p>The chair, Dr. Longguang Shi, is a non-executive director of the Company. Dr. Shi is not considered to be an independent director by reason of him being a non-executive director of the Company.</p> <p>The Board regards Dr. Shi as the best person to chair the Company in the interests of all shareholders.</p>	The Board recognizes the importance of the chair being held by an independent director, however, it believes Dr. Shi to be the most appropriate person for this role, given his diverse background, his long involvement in the Company and his knowledge of its activities.
2.3	The roles of chair and Chief Executive Officer should not be exercised by the same individual.	The roles of chair and Chief Executive Officer are not exercised by the same individual.	Not applicable.
2.4	The Board should establish a nomination committee.	<p>The Board has established a Nomination Committee and a Remuneration Committee. The Committees have a charter adopted by the Board which sets out the responsibilities of the Committees.</p> <p>The Nomination Committee reviews the composition of the Board on an annual basis and makes recommendations to the Board, where considered necessary, to ensure that the Board comprises a number of non-executive directors with an appropriate mix of skills and experience. Where necessary, the Committee seeks the advice of external advisers in connection with the suitability of applicants for Board membership. Details of the Nomination Committee members are set out on page 16 in this Report.</p>	Not applicable.

VIAGOLD CAPITAL LIMITED

CORPORATE GOVERNANCE STATEMENT

No.	ASX Key Governance Principles	Compliance	Non-compliance
2	Structure the Board to add value (cont'd)	<p>The appointment of non-executive directors are to deal with the following matters:</p> <ul style="list-style-type: none"> • expectations concerning preparation and attendance at Board meetings; • conflict resolution; and • the right to seek independent legal and professional advice (subject to prior approval of the Chairman). <p>The Committee also assesses and reviews the independence of all non-executive directors.</p>	
2.5	Companies should disclose the process for evaluating the performance of the Board, its committees and individual directors.	<p>The Charter of the Nomination Committee requires that it:</p> <ul style="list-style-type: none"> • annually reviews the composition of the Board; • assesses the independence of non-executive directors; • assesses the processes of the Board and Board committees; • assesses the Board's performance; • assesses each director's performance before the director stands for re-election; and • seeks advice of external advisors in connection with the suitability of applicants for Board membership. 	Not applicable.

VIAGOLD CAPITAL LIMITED

CORPORATE GOVERNANCE STATEMENT

No.	ASX Key Governance Principles	Compliance	Non-compliance
2	Structure the board to add value (cont'd)		
2.6	Companies should provide the information indicated in the Guide to reporting Principle 2.	The Company will continue to provide information concerning the directors, the independence of directors, the performance of the Board and the remuneration of its directors and an explanation of departures (if any) from the Key Principles recommendations 2.1 - 2.5 (inclusive) in its future annual reports.	Not applicable.
3	Promote ethical and responsible decision making		
3.1	<p>Establish a code of conduct and disclose the code or a summary of the code as to:</p> <p>(a) the practices necessary to maintain the confidence in the Company's integrity;</p> <p>(b) the practices necessary to take into account their legal obligations and the reasonable expectations of their stakeholders; and</p> <p>(c) the responsibility and accountability of individuals for reporting and investigating reports of unethical practices.</p>	<p>As part of the Board's commitment to the highest standard of conduct, the Company has adopted a Code of Conduct to guide executives, management and employees in carrying out their duties and responsibilities.</p> <p>The code of conduct covers such matters as:</p> <ul style="list-style-type: none"> • responsibilities to shareholders; • compliance with laws and regulations; • ethical responsibilities; • relations with customers and suppliers; • employment practices; and • responsibilities to the environment and the community. 	Not applicable.

VIAGOLD CAPITAL LIMITED

CORPORATE GOVERNANCE STATEMENT

No.	ASX Key Governance Principles	Compliance	Non-compliance
3	Promote ethical and responsible decision making (cont'd)		
3.2	Companies should establish a policy concerning diversity and disclose the policy or a summary of that policy.	Share same content with 3.1	Not applicable.
3.3	Companies should disclose in each annual report the proportion of women employees in the whole organisation, women in senior executive positions and women on the board.	The board, Ms.Mulei Shi, is an executive director of the Company. Details of the disclosure be set out on page 17 in this Report.	Not applicable.
3.4	Companies should provide the information indicated in the Guide to reporting on Principle 3.	The Company will provide an explanation of departures (if any) from the Key Principles recommendations 3.1 - 3.3 in its future annual reports.	Not applicable.

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CORPORATE GOVERNANCE STATEMENT

No.	ASX Key Governance Principles	Compliance	Non-compliance
4	Safeguard integrity in financial reporting		
4.1	The Board should establish an audit committee.	The Board has established an Audit Committee. The Audit Committee Charter adopted by the Board sets out its responsibilities. Details of the Audit Committee members are set out on page 16 in this Report.	Not applicable.
4.2	<p>The audit committee should be structured so that it:</p> <p>(a) consists only of non-executive directors;</p> <p>(b) consists of a majority of independent directors;</p> <p>(c) is chaired by an independent chair, who is not the chair of the Board; and</p> <p>(d) has at least 3 members.</p>	<p>The Audit Committee presently consists of two independent non-executive director, being Mr. James Anthony Wigginton and Mr. Yan Wang.</p> <p>The Audit Committee provides a forum for the effective communication between the Board and external auditors. The audit committee reviews:</p> <ul style="list-style-type: none"> • the annual and half-year financial statements prior to their approval by the Board. • the effectiveness of management information systems and systems of internal control; • the appointment of external auditors; and • the efficiency and effectiveness of the external audit functions, including reviewing the relevant audit plans. 	<p>While not in accordance with the best practice recommendations, the Board is of the view that the experience and professionalism of the persons on the Committee is sufficient to ensure that all significant matters are addressed and actioned.</p> <p>The Company is also satisfied that the composition of the Audit Committee suits the present geographic diversity of the Company.</p>

VIAGOLD CAPITAL LIMITED

CORPORATE GOVERNANCE STATEMENT

No.	ASX Key Governance Principles	Compliance	Non-compliance
4	Safeguard integrity in financial reporting (cont'd)		
4.3	The audit committee should have a formal charter.	The Audit Committee has a formal charter.	Not applicable.
4.4	Companies should provide the information indicated in the Guide to reporting on Principle 4.	The Company will provide an explanation of departures (if any) from the Key Principles recommendations 4.1 - 4.3 (inclusive) in its future annual reports.	Not applicable.
5	Make timely and balanced disclosure		
5.1	Companies should establish written policies designed to ensure compliance with ASX Listing Rule disclosure requirements and to ensure accountability at a senior executive level for that compliance and disclose those policies or a summary of those policies.	<p>The Company's Board Charter and disclosure protocol sets out the procedure for:</p> <ul style="list-style-type: none"> • protecting confidential information from unauthorized disclosure; • identifying price sensitive information; • reporting material price sensitive information to the company secretary for review; 	Not applicable.

VIAGOLD CAPITAL LIMITED

CORPORATE GOVERNANCE STATEMENT

No.	ASX Key Governance Principles	Compliance	Non-compliance
5	Make timely and balanced disclosure (cont'd)		
5.1		<ul style="list-style-type: none"> • ensuring the Company achieves best practice in complying with its continuous disclosure obligations under the Corporations Act and the ASX Listing Rules (including dealings and discussions with analysts, professional bodies, the media or customers); and • ensuring the Company and individual officers do not contravene the Corporations Act or the ASX Listing Rules (including restrictions on media interviews or presentations). <p>The Board considers issues of continuous disclosure at each of its meetings.</p> <p>The Company also regularly reviews such matters as:</p> <ul style="list-style-type: none"> • continuing education/provision of relevant parts of the ASX Listing Rules the right of its officers to seek independent legal advice; • directors and officers insurance; • setting and promulgation of ethical standards; • auditing arrangements; 	

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CORPORATE GOVERNANCE STATEMENT

No.	ASX Key Governance Principles	Compliance	Non-compliance
5	Make timely and balanced disclosure (cont'd)		
5.1		<ul style="list-style-type: none"> • identification and management of business risks; • related party transactions; and • compliance with the ASX Listing Rules. <p>Mr. Tang Kwing Chuen, Kenneth and the local Australian agent, the independent non-executive director, Mr. Wigginton, have primary responsibility for all communications with the ASX in relation to the ASX Listing Rules matters.</p>	
5.2	Companies should provide the information indicated in the Guide to reporting on Principle 5.	The Company will provide an explanation of departures (if any) from Key Principles recommendations 5.1 in its future annual reports.	Not applicable.
6	Respect the rights of shareholders		
6.1	Companies should design a communication policy for promoting effective communication with shareholders and encouraging their participation at general meetings and disclose their policy or a summary of that policy.	<p>The Company places a high priority on communications with shareholders and is aware of the obligations as a listed company, under the Corporations Act and the ASX Listing Rules, to keep the market fully informed of information which is not generally available and which may have a material effect on the price or value of the Company's securities.</p> <p>Information is communicated to shareholders as follows:</p> <ul style="list-style-type: none"> • through the ASX company announcements platform; 	Not applicable.

VIAGOLD CAPITAL LIMITED

CORPORATE GOVERNANCE STATEMENT

No.	ASX Key Governance Principles	Compliance	Non-compliance
6	Respect the rights of shareholders (cont'd)		
6.1		<ul style="list-style-type: none"> • through notices of meetings of shareholders; and • by provision of documents that are released to the public on the Company's website. 	
6.2	Companies should provide the information indicated in the Guide to reporting on Principle 6.	The Company will provide an explanation of departures (if any) from the Key Principles recommendations 6.1 in its future annual reports.	Not applicable.
7	Recognize and manage risk		
7.1	Companies should establish policies for the oversight and management of material business risks and disclose a summary of those policies.	The Board is responsible for the Company's system of internal controls. The Board constantly monitors the operational and financial aspects of the Company's activities. Through the Audit Committee, the Board considers the recommendations and advice of external auditors and other advisers on the operational and financial risks that are facing the Company.	Not applicable.
7.2	The Board should require management to design and implement the risk management and internal control system to manage the Company's material business risks and report to it on whether those risks are being managed effectively. The Board should disclose that management has reported to it as to the effectiveness of the Company's management of its material business risks.	Where necessary, the Board ensures that its recommendations are investigated and appropriate action is taken to ensure that the Company has an appropriate internal control environment in place to manage the key risks identified. In addition, the Board investigates ways of enhancing existing risk management strategies, including appropriate segregation of duties, the employment and training of suitably qualified and experienced personnel.	Not applicable.

VIAGOLD CAPITAL LIMITED

CORPORATE GOVERNANCE STATEMENT

No.	ASX Key Governance Principles	Compliance	Non-compliance
7	Recognize and manage risk (cont'd)		
7.3	The Board should disclose whether it has received assurance from the Chief Executive Officer (or equivalent) and the Chief Financial Officer (or equivalent) that the declaration provided in accordance with section 295A of the Corporations Act is founded on a sound system of risk management and internal control and that the system is operating effectively in all material respects in relation to financial reporting risks.	Prior to finalising the full year and half year financial statements and reports of the Company, the Audit Committee undertakes such investigations and reviews each year as it determines to be necessary to confirm the integrity of the financial reporting of the Company. Included in those steps, the Board requires the Chief Executive Officer and the Chief Financial Officer to make a statement (and sign off to the Board) on the management and internal controls of the Company and the financial reporting.	Not applicable.
7.4	Companies should provide the information indicated in the Guide to reporting on Principle 7.	The Company will provide an explanation of departures (if any) from the Key Principles recommendations 7.1 - 7.3 (inclusive) in its future annual reports.	Not applicable.
8	Remunerate reasonably and fairly		
8.1	The Board should establish a remuneration committee.	The Board has a Remuneration Committee.	Not applicable.
8.2	The remuneration committee should be structured so that it: (a) consists of a majority of independent directors; (b) is chaired by an independent chair, (c) has at least 3 members.	The Remuneration Committee presently consists of two independent non-executive director, being Mr. James Anthony Wigginton and Mr. Yan Wang, and one executive director Mr. Libin Sun. Mr. James Anthony Wigginton is the chair of the committee.	Not applicable.

VIAGOLD CAPITAL LIMITED

CORPORATE GOVERNANCE STATEMENT

No.	ASX Key Governance Principles	Compliance	Non-compliance
8	Remunerate reasonably and fairly (cont'd)		
8.3	Companies should clearly distinguish the structure of non-executive directors' remuneration from that of executive directors and senior executives.	<p>The remuneration of executive directors and senior executives are clearly distinguished in the annual report. Details of the Committee members are set out on page 16 in this report.</p> <p><i>Executive's remuneration</i></p> <p>Remuneration packages may contain any or all of the following:</p> <ul style="list-style-type: none"> • annual salary based on the relevant market; • ad hoc rewards, special payments and other measures available to reward individuals and teams following a particular outstanding business contribution; • a lump sum payment related to achievement of identified business drivers and personal key performance indicators measured over a year; and • other benefits such as holidays, sickness benefits, superannuation payments. <p>The Remuneration Committee reviews the remuneration of executives every year and consider individual performance, comparative remuneration in the market and where appropriate, external advice. The Committee provides this information together with a recommendation to the Board for consideration.</p>	Not applicable.

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CORPORATE GOVERNANCE STATEMENT

No.	ASX Key Governance Principles	Compliance	Non-compliance
8	Remunerate reasonably and fairly (cont'd)		
8.3		<p><i>Director's remuneration</i></p> <p>Remuneration of the director is determined with regard to the Company's need to maintain appropriately experienced and qualified Board members and in accordance with competitive pressures in the marketplace. The Remuneration Committee may from time to time seek independent advice in relation to the remuneration of Board members and may make recommendations to members in relation to any total fee increase. Each year, the Board reviews directors' remuneration.</p> <p>From time to time, the Board may ask individual director to devote extra time or to undertake extra duties. Directors who undertake these tasks at the Board's direction may receive extra amounts. Directors are also reimbursed for expenses associated with undertaking their duties.</p>	
8.4	Companies should provide the information indicated in the Guide to reporting on Principle 8.	The Company will provide and explanation of departures (if any) from the Key Principles recommendations 8.1 - 8.3 in its future annual reports.	Not applicable.

VIAGOLD CAPITAL LIMITED

CORPORATE GOVERNANCE STATEMENT

Nomination Committee

The Board has established a Nomination Committee consisting of the following directors and officers:

Mr. Pierre Seligman (resigned on Oct 7, 2013)

Mr. James Anthony Wigginton (resigned on Jun 20, 2014)

Mr. Yan Wang

Mr. Libin Sun (appointed on Feb 12, 2014)

Audit Committee

The Board has established an Audit Committee consisting of the following non-executive director and officer:

Mr. James Anthony Wigginton (resigned on Jun 20, 2014)

Mr. Yan Wang

Corporate Governance Committee

The Board has established a Corporate Governance Committee consisting of the following directors and officers:

Mr. Pierre Seligman (resigned on Oct 7, 2013)

Mr. James Anthony Wigginton (resigned on Jun 20, 2014)

Mr. Yan Wang

Mr. Libin Sun (appointed on Feb 12, 2014)

Remuneration Committee

The Board has established a Remuneration Committee consisting of the following directors and officers:

Mr. Pierre Seligman (resigned on Oct 7, 2013)

Mr. James Anthony Wigginton (resigned on Jun 20, 2014)

Mr. Yan Wang

Mr. Libin Sun (appointed on Feb 12, 2014)

VIAGOLD CAPITAL LIMITED

CORPORATE GOVERNANCE STATEMENT

Directors' and executive's emoluments

For the year ended March 31, 2014, the annual directors' remuneration are as follows:

Name of directors	Amount A\$'000
Dr. Longguang Shi	200
Ms. Mulei Shi*	60
Mr. King Choi Leung	50
Mr. Pierre Seligman (resigned on Oct 7,2013)	-
Mr. James Anthony Wigginton (resigned on Jun 20, 2014)	49
Mr. Yan Wang	-
Mr. Libin Sun (appointed on Feb 12, 2014)	-

[* She is one of the six on the Board in accordance to the Recommendation 3.3 in the Corporate Governance Report.]

For the year ended March 31, 2014, the annual remuneration of executive is as follows:

Name of executive	Amount A\$'000
Mr. Kenneth Kwing Chuen Tang	8

VIAGOLD CAPITAL LIMITED

DIRECTORS' REPORT

The directors are pleased to present their annual report and the audited consolidated financial statements for the year ended March 31, 2014.

PRINCIPAL ACTIVITIES AND BUSINESS ANALYSIS OF OPERATIONS

The Company acts as an investment holding company. The subsidiaries of the Company are principally engaged in investment holdings, leasing, mineral trading business as well as consultancy and management services to educational institutions. Details of the Company's subsidiaries are set out in note 25 to the consolidated financial statements.

An analysis of the Group's performance for the year by operating segment is set out in note 5 to the consolidated financial statements.

DIRECTORS

The directors of the Company during the year and up to the date of this report are:

Executive directors:

Mr. Pierre Seligman (resigned on Oct 7, 2013)

Ms. Mulei Shi

Mr. King Choi Leung

Mr. Libin Sun (appointed on Feb 12, 2014)

Non-executive directors:

Dr. Longguang Shi (Chairman)

Independent non-executive directors:

Mr. James Anthony Wigginton (resigned on Jun 20, 2014)

Mr. Yan Wang

In accordance with Article 19.1 of the Company's Bye-Laws, Ms. Mulei Shi and Mr. Yan Wang retire from office by rotation at the forthcoming annual general meeting and, being eligible, offer themselves for re-election.

All of the remaining directors, including the non-executive directors, are subject to retirement by rotation in accordance with the Company's Bye-Laws.

VIAGOLD CAPITAL LIMITED

DIRECTORS' REPORT

BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT

VIAGOLD - MANAGEMENT TEAM

Chairman and Non-Executive Director - Dr. Longguang Shi

Dr. Longguang Shi was appointed as Chairman and non-executive director of the Company in September 2010. Dr. Shi is the founder and chairman of LongDa Education Management Group. He is life-long engaged in education carrier for over 30 years. Dr. Shi is engaging in both vocational and competence training education, providing professional consulting and management services to vocational education schools and developing education related businesses. Dr. Shi has a doctorate degree in Business Administration and Philosophy, a master degree in Economics and an MBA degree. Dr. Shi is also the vice-chairman of numerous Provincial and Municipal higher education associations.

CEO and Executive Director- Ms. Mulei Shi

Ms. Mulei Shi was appointed as CEO and executive director of the Company. Ms. Shi holds a bachelor degree in Economic and Law and an MBA concentrated in Finance from the United States. She served in a top investment bank in New York and worked in a large global enterprise - Konka Group, the giant manufacturer of electronic products that is listed in the Shenzhen Stock Exchange (Code: 000016 Shenzhen B Shares). She is the vice-principal of a Zhuhai vocational school and achieved rich management experience. Additionally, she is also the executive director of the Association of Young Entrepreneurs, Guangdong Province.

CFO and Executive Director - Mr. King Choi Leung

Mr. Leung was appointed as CFO and executive director of the Company. Mr. Leung has 15 years banking experience and was formerly a corporate banking manager of BNP-Paribas. He has over 18 years experience in management. He had been the executive director of Maytex Group; the deputy president of the Deans brand apparel company in New York (a large US fashion importer) and the Finance Director of Digital City Hong Kong Limited. Mr. Leung holds an Honors Business Administration (HBA) degree from the Richard Ivey Business School of the University of Western Ontario, Canada.

Executive Director - Mr. Pierre Seligman (resigned on Oct 7, 2013)

Mr. Pierre Seligman worked as a senior executive for 15 years in a Hong Kong leading buying office that represented major retailers and importers of garments throughout Europe and the United States of America. He studied in Europe and in the United States of America. He has a Bachelors degree in French Literature and a textile degree in knitwear from the University of Leeds.

Executive Director - Mr. Libin Sun (appointed on Feb 12, 2014)

Mr. Libin Sun, age 30, holds an undergraduate degree of the Donbei University of Finance and Economics. He has ample experience in mining industry and is currently the executive director and chief operation officer of Maoming Jingshen Mining Co., LTD, a subsidiary of RISING NONFERROUS METALS CO., LTD which is listed in Shanghai Stock Exchange (Code: 600259).

VIAGOLD CAPITAL LIMITED

DIRECTORS' REPORT

BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT (Continued)

VIAGOLD - MANAGEMENT TEAM (Continued)

Independent Non-Executive Director - Mr. James Anthony Wigginton (resigned on Jun 20, 2014)

Mr. James Anthony Wigginton is an independent non-executive director of the Company. Mr Wigginton is a qualified accountant and company secretary. He has over 30 years experience in the banking and stockbroking industry, both in Australia and overseas. He has held executive management positions with a number of major international banks in Australia, the United States and Asia and has considerable experience in international banking and corporate finance. He has been responsible for a number of initial public offerings in Australia. He has been a director of a number of private companies both in Australia and overseas.

Independent Non-Executive Director - Mr. Yan Wang

Mr. Yan Wang serves as an Independent Non-Executive Director of the Group since Sep 17, 2012. Mr. Wang is an economist by training and has consulted to a number of international companies with operations in China. He has held executive management positions as Managing Director of Nanda High Tech VC Company. Prior to that he was Deputy Managing Director of Jiangsu Far East International Assessment Company both of these are located in Jiangsu Province of China. Mr. Wang holds a bachelors degree from Hohai University, Nanjing.

SENIOR MANAGEMENT TEAM

Mr. Kenneth Kwing Chuen Tang

Mr. Kenneth Kwing Chuen Tang, who was appointed as company secretary of the Company in January 2007, holds a Master degree of Commerce in Finance and a Bachelor degree of Science majoring in Information Systems from the University of New South Wales. Prior to joining the Company, Mr. Tang had implemented an online e-commerce platform in a subsidiary of Culturecom. Mr. Tang also has experience in the Banking and Finance Industry.

INDEMNIFICATION OF DIRECTORS AND OFFICERS

Pursuant to the Company's Bye-Law 39 and a special resolution passed at the Annual General Meeting of Shareholders held on May 24, 2002, the Company shall pay or agree to pay a premium in respect of a policy insuring any person who is, or has been, an officer of the Company or a subsidiary of the Company against any liability in respect of which the Company would be required to indemnify such person pursuant to Bye-Law 39; and despite anything to the contrary expressed or implied in these Bye-Laws, each director will, so long as and to the extent that his interest under any such contract of insurance which is under consideration by the directors is that of an insured party, be deemed to have declared his interest pursuant to Bye-Law 18.10(g) in respect thereof, and shall be entitled to vote and be counted in the quorum on any resolution of the Board in respect thereof even though such director may be materially interested therein.

VIAGOLD CAPITAL LIMITED

DIRECTORS' REPORT

MEETINGS OF DIRECTORS

The attendance of the directors at Board meetings for the financial year is as follows:

Directors	Board Meetings	
	Held	Attended
Dr. Longguang Shi	9	9
Ms. Mulei Shi	9	9
Mr. King Choi Leung	9	9
Mr. Pierre Seligman (resigned on Oct 7, 2013)	1	1
Mr. James Anthony Wigginton (resigned on Jun 20, 2014)	9	9
Mr. Yan Wang	9	9
Mr. Libin Sun (appointed on Feb 12, 2014)	2	2

RESULTS

The results of the Group for the year ended March 31, 2014 are set out in the consolidated statement of profit or loss and consolidated statement of profit or loss and other comprehensive income on pages 31 and 32. The directors do not recommend the payment of a dividend.

FIXED ASSETS

Details of the movements in the fixed assets of the Group during the year are set out in note 14 to the consolidated financial statements.

SHARE CAPITAL

Details of the movements in the share capital of the Company during the year are set out in note 17 to the consolidated financial statements.

SIGNIFICANT CHANGES IN STATE OF AFFAIRS

The Group commenced a new business of mineral trading during the financial year ended March 31, 2014.

SIGNIFICANT EVENTS AFTER THE END OF THE REPORTING PERIOD

No matter or circumstance has arisen since March 31, 2014 that has significantly affected, or may significantly affect, the operations of the Group, the results of those operations, or the state of affairs of the Group in the coming financial years.

VIAGOLD CAPITAL LIMITED

DIRECTORS' REPORT

DIRECTORS' INTERESTS IN SHARES AND SHARE OPTIONS

(i) Shares

At March 31, 2014, the interests of the Company's directors and their associates in the issued share capital are as follows:

Name	<u>Number of shares held</u>	
	Personal interests	corporate interests
Dr. Longguang Shi (Note i)	-	6,000,000
Ms. Mulei Shi (Note i)	-	4,000,000

Note:

(i) Dr. Longguan Shi and Ms. Mulei Shi are the beneficial owners of Capital Luck Group Limited.

(ii) Share options

Employee share option scheme

On December 19, 2007, ordinary resolutions were passed by the shareholders at the annual general meeting to approve the adoption of a new share option scheme (the "New Scheme") and the termination of the old share scheme (the "Old Scheme") which were adopted on November 28, 1995.

The Company changed the share option scheme because of the limited participation by senior management, employees and director provided by the Old Scheme. Under the New Scheme, it offers a wider participation by directors, employees, management, contractors and consultant.

The participants of New Scheme are the employee of the Company. No option may be issued to a person under the plan unless the person remains as an employee as at the date of grant, or the Plan Committee determines otherwise.

VIAGOLD CAPITAL LIMITED

DIRECTORS' REPORT

DIRECTORS' INTERESTS IN SHARES AND SHARE OPTIONS (Continued)

(ii) Share options (Continued)

Employee share option scheme (Continued)

The employee means:

- (a) an individual whom the Plan Committee determines to be in the full-time or part-time employment of a body corporate in the Group (including any employee on parental leave, long service leave or other special leave as approved by the Plan Committee);
- (b) a director of a body corporate in the Group;
- (c) a director of the Company;
- (d) an individual who provides services to a body corporate in the Group whom the Plan Committee determines to be an employee for the purposes of the Plan;
- (e) an individual whose associate (as that expression is defined in section 139GE of the Income Tax Assessment Act 1936) provides services to a body corporate in the Group, which individual the Plan Committee determines to be an employee for the purposes of the Plan; or
- (f) an individual otherwise in the employment of a body corporate in the Group whom the Plan Committee determines to be an employee for the purposes of the Plan.

The total number of shares in respect of which option may be granted under the New Scheme is not permitted to exceed 10% of the total number of issued shares in the Company as at the date of the offer.

The option granted under the New Scheme will be non-transferable, it means that they cannot be sold, transferred, mortgaged, charged or otherwise disposed of or dealt with by the participant prior to exercise except as permitted under Rule 10.3 which are stated as follows.

VIAGOLD CAPITAL LIMITED

DIRECTORS' REPORT

DIRECTORS' INTERESTS IN SHARES AND SHARE OPTIONS (Continued)

(ii) Share options (Continued)

Employee share option scheme (Continued)

Rule 10.3 stated that Options may be transferred, by an instrument of transfer, in the following circumstances only:

- (a) a transfer constituting the necessary transfer documents following an acceptance of an offer made under an off-market bid relating to options;
- (b) a transfer to a bidder on the sale of the Options under any provision of an applicable law that entitles the bidder to compulsorily acquire the options;
- (c) a transfer to a 100% holder of shares on the sales of the options under any provision of an applicable law that requires the holder to compulsorily acquire the options;
- (d) a transfer under any provision of an applicable law to any person required to acquire the options, if offered for sales, under such provision of the applicable law;
- (e) a transfer in accordance with a scheme of arrangement relating to the options which has become binding in accordance with the provisions of any applicable law;
- (f) if approved by the Board, which approval must not be unreasonably withheld or delayed, a transfer to a related entity of the Participant; or
- (g) any other transfer approved by the Board, which approval may be withheld or delayed or be made subject to conditions at the absolute discretion of the board.

Options will be issued for consideration comprising the services that are expected to be provided by an eligible employee to or for the benefit of the Group but no further monetary or other consideration will be payable in respect of the issue of an option.

The exercise price in respect of an option is as determined by the Plan Committee and must be denominated and payable in Australian dollars.

The New Share Scheme was approved by the shareholders of the Company on December 19, 2007.

VIAGOLD CAPITAL LIMITED

DIRECTORS' REPORT

DIRECTORS' INTERESTS IN SHARES AND SHARE OPTIONS (Continued)

(ii) Share options (Continued)

Employee share option scheme (Continued)

Movements in the share options granted are set out below:

Eligible person	Number of underlying shares					Balance as at March 31, 2014	Exercise price per share \$A	Date of grant (dd/mm/yyyy)	Exercisable period (dd/mm/yyyy)
	Balance as at April 1, 2013	Granted during the year ended March 31, 2014	Exercised during the year ended March 31, 2014	Cancelled during the year ended March 31, 2014	Lapsed during the year ended March 31, 2014				
Director									
Mr. James Anthony Wigginton (resigned on Jun 20, 2014)	50,000	-	-	-	-	50,000	2	2007/12/19	08/04/2008 - 08/04/2018
Employees	130,000	-	-	-	-	130,000	2	2007/12/19	08/04/2008 - 08/04/2018
Consultants	1,218,792	-	-	-	-	1,218,792	2	2007/12/19	08/04/2008 - 08/04/2018
Employees	1,180,000	-	-	-	-	1,180,000	1	2010/11/29	29/11/2010 - 29/11/2015
Consultants	3,020,000	-	-	-	-	3,020,000	1	2010/11/29	29/11/2010 - 29/11/2015
Consultants	4,500,000	-	-	-	-	4,500,000	1	01/11/2012	01/11/2012 - 01/11/2017
Former directors									
Mr. Jack Chik Ming Chu	100,000	-	-	-	-	100,000	2	2007/12/19	08/04/2008 - 08/04/2018
Mr. Pierre Seligman	100,000	-	-	-	-	100,000	2	2007/12/19	08/04/2008 - 08/04/2018
Mr. William Kam Biu Tam	50,000	-	-	-	-	50,000	2	2007/12/19	08/04/2008 - 08/04/2018
Mr. Cheong Sao Tai	50,000	-	-	-	-	50,000	2	2007/12/19	08/04/2008 - 08/04/2018
Mr. Henry Chang Manayan	50,000	-	-	-	-	50,000	2	2008/12/17	17/12/2008 - 16/12/2018
Total	<u>10,448,792</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>10,448,792</u>			

The Company adopts the Binomial Option Pricing Model for estimating the fair value of share options issued under the Share Option Scheme. The model is one of the commonly used models to estimate the fair value of a share option which can be exercised before the expiry of the option period.

VIAGOLD CAPITAL LIMITED

DIRECTORS' REPORT

DIRECTORS' INTERESTS IN SHARES AND SHARE OPTIONS (Continued)

(ii) Share options (Continued)

Employee share option scheme (Continued)

Significant assumptions are used in the Binomial Option Pricing Model to estimate the value of the share option granted on the grant date, taking into account the following factors:

- Risk-free interest rate - the yields of Australian Government Bonds.
- Expected volatility - the historical volatility of the share prices of the Company.

Binomial Option Pricing Model is subject to certain fundamental limitations because of the subjective nature of and uncertainty relating to the assumptions and inputs to the model as well as certain inherent limitation of the model itself. Any changes in the above assumptions or inputs may materially affect the fair value estimation.

Consultant is classified as employee under the New Scheme.

ARRANGEMENTS TO PURCHASE SHARES OR DEBENTURES

At no time during the year was the Company, its ultimate holding company, any of its subsidiaries or fellow subsidiaries a party to any arrangements to enable the directors of the Company to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

DIRECTORS' INTERESTS IN CONTRACTS OF SIGNIFICANCE

Other than as disclosed in note 22 to the consolidated financial statements, no other contract of significance in relation to the Group's business to which the Company, its ultimate holding company, or any of its subsidiaries or its fellow subsidiaries was a party and in which a director of the Company had a material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the year.

DIRECTORS' BENEFITS

Other than as disclosed in note 9 to the consolidated financial statements, during the year, no director of the Company has received or become entitled to receive a benefit because of a contract that the director or a firm of which the director is a member or a company in which the director has a substantial financial interest made with the Company or a company that the Company controlled, or a body corporate that was related to the Company, when the contract was made or when the director received, or became entitled to receive the benefit.

VIAGOLD CAPITAL LIMITED

DIRECTORS' REPORT

DIRECTORS' INTERESTS IN SHARES AND SHARE OPTIONS (Continued)

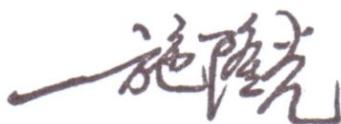
PRE-EMPTIVE RIGHTS

There is no provision for pre-emptive rights under the Company's Bye-Laws, or the laws of Bermuda which would oblige the Company to offer new shares on a pro-rata basis to existing shareholders.

AUDITOR

The consolidated financial statements have been audited by Messrs. Cheng & Cheng Limited, who will retire at the forthcoming annual general meeting and, being eligible, offer themselves for re-appointment.

On behalf of the Board



Dr. Longguang Shi

Director

June 20, 2014

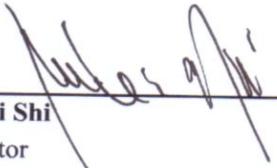
VIAGOLD CAPITAL LIMITED

DIRECTORS' DECLARATION

The directors of the Company declare that, for the year ended March 31, 2014:

- 1 The attached consolidated financial statements and notes thereto as set out on pages 31 to 76:
 - (a) comply with the International Financial Reporting Standards; and
 - (b) present fairly of the Group's financial position as at March 31, 2014 and of its performance for the financial year then ended.
- 2 In the directors' opinion, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

Signed on behalf of and in accordance with a resolution of the Board of directors.



Mulei Shi
Director

June 20, 2014



CHENG & CHENG LIMITED

CERTIFIED PUBLIC ACCOUNTANTS

鄭 鄭 會 計 師 事 務 所 有 限 公 司

10/F., Allied Kajima Building,
138 Gloucester Road, Wanchai, Hong Kong.

INDEPENDENT AUDITOR'S REPORT

TO THE SHAREHOLDERS OF VIAGOLD CAPITAL LIMITED

(Incorporated in the Bermuda with limited liability)

We have audited the consolidated financial statements of ViaGOLD Capital Limited (the "Company") and its subsidiaries (collectively referred to as the "Group") set out on pages 31 to 76 , which comprise the consolidated statement of financial position as at March 31, 2014, and the consolidated statements of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Directors' responsibilities for the financial statements

The directors are responsible for the preparation of consolidated financial statements that give a true and fair view in accordance with International Financial Reporting Standards, and for such internal control as the directors determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit and to report our opinion solely to you, as a body, in accordance with Section 90 of the Companies Act 1981 (as amended) of Bermuda and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the content of this report.

We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

INDEPENDENT AUDITOR'S REPORT (Continued)

**TO THE SHAREHOLDERS OF
VIAGOLD CAPITAL LIMITED**

(Incorporated in the Bermuda with limited liability)

Opinion

In our opinion, the consolidated financial statements give a true and fair view of the state of affairs of the Company and of the Group as at March 31, 2014 and of its loss and cash flows for the year then ended in accordance with International Financial Reporting Standards.



Cheng & Cheng Limited
Certified Public Accountants

Hong Kong, 20 June 2014

Chan Shek Chi
Practising Certificate number P05540

VIAGOLD CAPITAL LIMITED

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the year ended March 31, 2014

	Note	2014 A\$'000	2013 A\$'000
Turnover	5	1,182	1,011
Cost of services		(889)	(505)
Gross profit		293	506
Other income	6	5	23
Administrative expenses		(1,154)	(2,853)
Other operating expenses		(60)	(168)
Finance costs	7	(3)	-
Loss before income tax	8	(919)	(2,492)
Income tax expenses	11	-	-
Loss for the year		(919)	(2,492)
Attributable to:			
Equity holders of the Company		(854)	(2,417)
Non-controlling interests		(65)	(75)
		(919)	(2,492)
Loss per share attributable to the equity holders of the Company	13		
- Basic		(A\$0.03)	(A\$0.08)
- Diluted		N/A	N/A

The notes on pages 36 to 76 form an integral part of these consolidated financial statements.

VIAGOLD CAPITAL LIMITED

CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME

For the year ended March 31, 2014

	2014 A\$'000	2013 A\$'000
Loss for the year	(919)	(2,492)
Other comprehensive loss for the year		
Items that may be reclassified subsequently to profit or loss		
Exchange differences on translation of:		
- Financial statements of overseas subsidiaries	381	(55)
Total comprehensive loss for the year	<u>(538)</u>	<u>(2,547)</u>
Total comprehensive loss attributable to:		
Equity shareholders of the Company	(592)	(2,494)
Non-controlling interests	54	(53)
	<u>(538)</u>	<u>(2,547)</u>

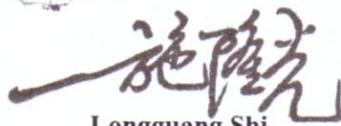
The notes on pages 36 to 76 form an integral part of these consolidated financial statements.

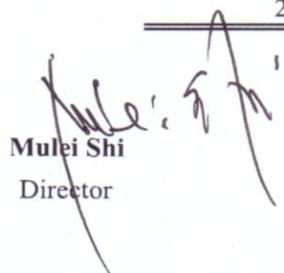
VIAGOLD CAPITAL LIMITED

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at March 31, 2014

	Note	2014 AS'000	2013 AS'000
ASSETS			
Non-current assets			
Fixed assets	14		
- Investment property		588	533
- Plant and equipment		678	824
		<u>1,266</u>	<u>1,357</u>
Current assets			
Trade and other receivables	15	372	406
Cash and cash equivalents	16	968	1,163
		<u>1,340</u>	<u>1,569</u>
Total assets		<u><u>2,606</u></u>	<u><u>2,926</u></u>
Equity			
Share capital	17	6,131	6,131
Reserves	18	(4,506)	(4,066)
Capital and reserves attributable to the owners of the Company		1,625	2,065
Non-controlling interests		584	530
Total equity		2,209	2,595
LIABILITIES			
Current liabilities			
Other payables	19	397	331
Total equity and liabilities		<u><u>2,606</u></u>	<u><u>2,926</u></u>


 Longguang Shi
 Director


 Mulei Shi
 Director

The notes on pages 36 to 76 form an integral part of these consolidated financial statements.

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VIAGOLD CAPITAL LIMITED

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended March 31, 2014

	Attributable to equity holders of the Company							Total	Non-controlling interests	Total equity
	Share capital	Share premium	Translation reserve	Contributed surplus	Warrant reserve	Share-based compensation reserve	Accumulated losses			
	A\$'000	A\$'000	A\$'000	A\$'000	A\$'000	A\$'000	A\$'000			
As at April 1, 2012	6,131	29,020	(28,701)	47,645	-	5,979	(57,156)	2,918	583	3,501
Total comprehensive loss for the year	-	-	(77)	-	-	-	(2,417)	(2,494)	(53)	(2,547)
As at April 1, 2013	6,131	29,020	(28,778)	47,645	-	5,979	(59,573)	424	530	954
Transactions with owners in their capacity										
- Issuance of share options during the year	-	-	-	-	-	1,242	-	1,242	-	1,242
- Issuance of warrants during the year	-	-	-	-	399	-	-	399	-	399
As at March 31, 2013	6,131	29,020	(28,778)	47,645	399	7,221	(59,573)	2,065	530	2,595
As at April 1, 2013	6,131	29,020	(28,778)	47,645	399	7,221	(59,573)	2,065	530	2,595
Total comprehensive loss for the year	-	-	262	-	-	-	(854)	(592)	54	(538)
As at April 1, 2014	6,131	29,020	(28,516)	47,645	399	7,221	(60,427)	1,473	584	2,057
Transactions with owners in their capacity										
- Issuance of warrants during the year	-	-	-	-	152	-	-	152	-	152
As at March 31, 2014	6,131	29,020	(28,516)	47,645	551	7,221	(60,427)	1,625	584	2,209

The notes on pages 36 to 76 form an integral part of these consolidated financial statements.

VIAGOLD CAPITAL LIMITED

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended March 31, 2014

	Note	2014 A\$'000	2013 A\$'000
Cash flows from operating activities			
Net cash (used in)/generated from operating activities	20	(388)	232
Cash flows from investing activities			
Acquisition of fixed assets	14	(157)	(877)
Proceeds from disposal of plant and equipment		-	311
Interest received		5	3
Net cash used in investing activities		(152)	(563)
Cash flows from financing activities			
Interest paid		(3)	-
Proceeds from issuance of warrants		152	399
Net cash from financing activities		149	399
Net (decrease)/increase in cash and cash equivalents		(391)	68
Cash and cash equivalents at the beginning of the year		1,163	1,154
Exchange gain/(losses) on cash and cash equivalents		196	(59)
Cash and cash equivalents at the end of the year	16	968	1,163

The notes on pages 36 to 76 form an integral part of these consolidated financial statements.

VIAGOLD CAPITAL LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended March 31, 2014

1. General information

ViaGOLD Capital Limited (the “Company”) was incorporated in Bermuda as an exempted company with limited liability and its shares are listed on the Australian Securities Exchange Limited (the “ASX”). The addresses of the registered office and principal place of business of the Company are disclosed on page 79.

The Company and its subsidiaries (together the “Group”) are principally engaged in investment holding, assets leasing, minerals trading and consultancy and management services to educational institutions. The Group has commenced the minerals trading business during the current financial year. Details of the activities of the Company’s principal subsidiaries are set out in note 25.

These consolidated financial statements are presented in units of Australian dollars (A\$), unless otherwise stated. These consolidated financial statements were approved for issue by the Board of directors on June 20, 2014.

2. Significant accounting policies

2.1. Basis of preparation of financial statements

The consolidated financial statements of the Company have been prepared in accordance with International Financial Reporting Standards and IFRIC interpretations (“IFRS”) issued by the International Accounting Standards Board (“IASB”). The consolidated financial statements have been prepared under the historical cost convention, as modified by the revaluation of financial assets and financial liabilities at fair value through profit or loss.

These consolidated financial statements have been prepared under the accrual basis of accounting and on the basis that the Group is a going concern.

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group’s accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in note 4.

Application of new and revised IFRS

In the current year, the Group has applied the following new and revised standards, amendments and interpretations (“new and revised IFRSs”) issued by IASB and the International Financial Reporting Interpretations Committee (“IFRIC”) of the IASB which are or have become effective.

VIAGOLD CAPITAL LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended March 31, 2014

2. Significant accounting policies (Continued)

2.1. Basis of preparation of financial statements (Continued)

Application of new and revised IFRS (Continued)

The adoption of the new and revised IFRSs has had no material effect on the consolidated financial statements of the Group for the current or prior accounting periods.

Amendments to IFRSs	Annual improvements to IFRSs 2009 - 2011 cycle
Amendments to IFRS 1	Government loans
Amendments to IFRS 7	Disclosures - Offsetting financial assets and financial liabilities
Amendments to IFRS 10, IFRS11 and IFRS 12	Consolidated financial statements, joint arrangements and disclosure of interests in other entities: transition guidance
IFRS 10	Consolidated financial statements
IFRS 11	Joint arrangements
IFRS 12	Disclosure of interests in other entities
IFRS 13	Fair value measurement
Amendments to IAS 1	Presentation of items of other comprehensive income
IAS 19 (as revised in 2011)	Employee benefits
IAS 27 (as revised in 2011)	Separate financial statements
IAS 28 (as revised in 2011)	Investments in associates and joint ventures
IFRIC-INT 20	Stripping costs in the production phase of a surface mine

The Group has not early applied the following new and revised standards, amendments and interpretations that have been issued but are not yet effective.

Amendments to IFRSs	Annual improvements to IFRSs 2010 - 2012 cycle ⁴
Amendments to IFRSs	Annual improvements to IFRSs 2011 - 2013 cycle ²
Amendments to IFRS 7 and IFRS 9	Mandatory effective date of IFRS 9 and transition disclosures ³
Amendments to IFRS 10, IFRS 12 and IAS 27	Investment Entities ¹
Amendments to IFRS 11	Accounting for acquisitions of interests in joint operations ⁵
IFRS 9	Financial instruments ³
IFRS 14	Regulatory deferral accounts ⁵
IFRS 15	Revenue from contracts with customers ⁶
Amendments to IAS 16 and IAS 38	Clarification of acceptable methods of depreciation and amortisation ⁵
Amendments to IAS 19	Defined benefit plans: employee contributions ²
Amendments to IAS 32	Offsetting financial assets and financial liabilities ¹
Amendments to IAS 36	Recoverable amount disclosures for non-financial assets ¹
Amendments to IAS 39	Novation of derivatives and continuation of hedge accounting ¹
IFRIC-INT 21	Levies ¹

¹ Effective for annual periods beginning on or after 1 January 2014

² Effective for annual periods beginning on or after 1 July 2014

³ Available for application - the mandatory effective date will be determined when the outstanding phases of HKFRS 9 are finalised

⁴ Effective for annual periods beginning on or after 1 July 2014, with limited exceptions

⁵ Effective for annual periods beginning on or after 1 January 2016

⁶ Effective for annual periods beginning on or after 1 January 2017

VIAGOLD CAPITAL LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended March 31, 2014

2. Significant accounting policies (Continued)

2.2. Consolidation

The consolidated financial statements include the financial statements of the Company and all of its subsidiaries made up to March 31, 2014.

Subsidiaries

Subsidiaries are all entities controlled by the Group. The Group controls an entity when it is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. When assessing whether the Group has power, only substantive rights (held by the Group and other parties) are considered. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date that control ceases.

The Group uses the acquisition method of accounting to account for business combinations. The consideration transferred for the acquisition of a subsidiary is the fair values of the assets transferred, the liabilities incurred and the equity interests issued by the Group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Acquisition-related costs are expensed as incurred. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. On an acquisition-by-acquisition basis, the Group recognises any non-controlling interest in the acquiree either at fair value or at the non-controlling interest's proportionate share of the acquiree's net assets.

Investments in subsidiaries are accounted for at cost less impairment. Cost is adjusted to reflect changes in consideration arising from contingent consideration amendments. Cost also includes direct attributable costs of investment.

The excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the fair value of the Group's share of the identifiable net assets acquired is recorded as goodwill. If this is less than the fair value of the net assets of the subsidiary acquired in the case of a bargain purchase, the difference is recognised directly in the profit or loss.

Inter-company transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

Transactions and non-controlling interests

The Group treats transactions with non-controlling interests as transactions with equity owners of the Group. For purchases from non-controlling interests, the difference between any consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary is recorded in equity. Gains or losses on disposals to non-controlling interests are also recorded in equity.

VIAGOLD CAPITAL LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended March 31, 2014

2. Significant accounting policies (Continued)

2.2. Consolidation (Continued)

Transactions and non-controlling interests (Continued)

When the Group ceases to have control or significant influence, any retained interest in the entity is remeasured to its fair value, with the change in carrying amount recognised in profit or loss. The fair value is the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to profit or loss.

2.3. Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the steering committee that makes strategic decisions.

2.4. Foreign currency translation

Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (the "functional currency"). The consolidated financial statements are presented in Australian dollars, which is the Group's presentation currency, while the Group's transactions are denominated in multi-currencies, including Hong Kong Dollars ("HKD"), United States Dollars ("USD"), Macau Pataca ("MOP") and Renminbi ("RMB").

Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are re-measured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the consolidated income statement.

Changes in the fair value of monetary securities denominated in a foreign currency and classified as available-for-sale are analysed between translation differences resulting from changes in the amortised cost of the security, and other changes in the carrying amount of the security. Translation differences related to changes in amortised cost are recognised in profit or loss, and other changes in the carrying amount are recognised in other comprehensive income.

Translation differences on non-monetary financial assets and liabilities such as equities held at fair value through profit or loss are recognised in profit or loss as part of the fair value gain or loss. Translation differences on non-monetary financial assets such as equities classified as available-for-sale are included in the other comprehensive income.

VIAGOLD CAPITAL LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended March 31, 2014

2. Significant accounting policies (Continued)

2.4. Foreign currency translation (Continued)

Group companies

The results and financial position of all the Group entities (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- assets and liabilities for each statement of financial position presented are translated at the closing rate at the end of the reporting period;
- income and expenses for each income statement are translated at average exchange rates (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transactions); and
- all resulting exchange differences are recognised in other comprehensive income.

On consolidation, exchange differences arising from the translation of the net investment in foreign operations, and of borrowings and other currency instruments designated as hedges of such investments, are taken to other comprehensive income. When a foreign operation is partially disposed of or sold, exchange differences that were recorded in equity are recognised in the profit or loss as part of the gain or loss on sale.

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing rate.

2.5. Revenue recognition

Revenue comprises the fair value of the consideration received or receivable for the sale of services in the ordinary course of the Group's activities. Revenue is shown net of value-added tax, returns, rebates and discounts and after eliminating sales within the Group.

The Group recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the entity and when specific criteria have been met for each of the Group's activities as described below. The Group bases its estimates on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement.

Provision of management and consulting services to educational institutions

Revenue from management and consulting services to educational institutions are recognised when the services are rendered.

VIAGOLD CAPITAL LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended March 31, 2014

2. Significant accounting policies (Continued)

2.5. Revenue recognition (Continued)

Sales of equity securities

Sales of listed securities are recognised when instructions for sales given to securities brokers/purchasers are properly executed thereafter.

Interest income

Interest income is recognised on a time proportion basis on the principal outstanding and at the effective interest rate applicable.

Dividend income

Dividend income is recognised when the right to receive payment is established.

Lease income

Lease income is recognised over the term of the lease on a straight-line basis.

2.6. Leases

A lease is an agreement whereby the lessor conveys to the lessee in return for a payment, or series of payments, the right to use an asset for an agreed period of time.

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to the consolidated income statement on a straight-line basis over the period of the lease.

2.7. Fixed assets

Investment property

Investment properties are properties held to earn rental income and/or for capital appreciation. Investment properties are initially measured at cost, including any directly attributable expenditure, except for those transferred from property, plant and equipment and land use rights which are measured at fair value at date of transfer. After initial recognition, investment property is accounted for in accordance with the cost model as set out in IAS 16, Property, Plant and Equipment – cost less accumulated depreciation and less accumulated impairment losses.

Depreciation is calculated using the straight-line method to allocate their costs to their residual values over their estimated useful lives, as follows:

Buildings	- over 240 months
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VIAGOLD CAPITAL LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended March 31, 2014

2. Significant accounting policies (Continued)

2.7. Fixed assets (Continued)

Investment property (Continued)

An investment property is derecognised upon disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from the disposal. Any gain or loss arising on derecognition of the property (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss in the period in which the property is derecognised.

Other property, plant and equipment

Building comprises only an office. Building and all other property, plant and equipment are stated at historical cost less accumulated depreciation and impairment losses. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are expensed in the profit or loss during the financial period in which they are incurred.

Depreciation is calculated using the straight-line method to allocate their costs to their residual values over their estimated useful lives, as follows:

Leasehold improvements	- over the lease terms
Plant and equipment	- 5-10 years
Furniture and fixtures	- 5-10 years
Motor vehicles	- 4-10 years
Buildings	- over the lease terms

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount (note 2.8).

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the profit or loss.

VIAGOLD CAPITAL LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended March 31, 2014

2. Significant accounting policies (Continued)

2.8. Impairment of non-financial assets

Assets that have an indefinite useful life, for example, goodwill, are not subject to amortisation and are tested annually for impairment. Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at each reporting date.

2.9. Financial assets

The Group classifies its financial assets in the following categories: at fair value through profit or loss, loans and receivables and available-for-sale. The classification depends on the purposes for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition.

(i) Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss are financial assets held for trading. A financial asset is classified in this category if it is acquired principally for the purpose of selling in the short term. Derivatives are also categorised as held for trading unless they are designated as hedges. Assets in this category are classified as current assets if expected to be settled within 12 months; otherwise, they are classified as non-current.

(ii) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for maturities greater than 12 months after the end of the reporting period, which are classified as non-current assets. The Group's loans and receivables comprise "trade and other receivables" and "cash and cash equivalents" in the consolidated statement of financial position (note 2.10 and 2.11).

(iii) Available-for-sale financial assets

Available-for-sale financial assets are non-derivatives that are either designated in this category or not classified in any of the other categories. They are included in non-current assets unless the investment matures management intends to dispose of it within 12 months of the end of the reporting period.

VIAGOLD CAPITAL LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended March 31, 2014

2. Significant accounting policies (Continued)

2.9. Financial assets (Continued)

Recognition and measurement

Regular purchases and sales of financial assets are recognised on the trade-date - the date on which the group commits to purchase or sell the asset. Investments are initially recognised at fair value plus transaction costs for all financial assets not carried at fair value through profit or loss. Financial assets carried at fair value through profit or loss are initially recognised at fair value, and transaction costs are expensed in the profit or loss. Financial assets are derecognised when the rights to receive cash flows from the investments have expired or have been transferred and the Group has transferred substantially all risks and rewards of ownership. Available-for-sale financial assets and financial assets at fair value through profit or loss are subsequently carried at fair value. Loans and receivables are subsequently carried at amortised cost using the effective interest method.

Gains or losses arising from changes in the fair value of the “financial assets at fair value through profit or loss” category are presented in the consolidated income statement in the period in which they arise. Dividend income from financial assets at fair value through profit or loss is recognised in the profit or loss as part of “other income” when the Group’s right to receive payments is established.

Changes in the fair value of monetary and non-monetary securities classified as available-for-sale are recognised in other comprehensive income.

When securities classified as available-for-sale are sold or impaired, the accumulated fair value adjustments recognised in equity are included in the profit or loss as “gains and losses from investment securities”.

Interest on available-for-sale securities calculated using the effective interest method is recognised in the consolidated income statement as part of “other income”. Dividends on available-for-sale equity instruments are recognised in the profit or loss as part of “other income” when the Group’s right to receive payments is established.

Offsetting financial instruments

Financial assets and liabilities are offset and the net amount reported in the consolidated statement of financial position when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis, or realise the asset and settle the liability simultaneously.

VIAGOLD CAPITAL LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended March 31, 2014

2. Significant accounting policies (Continued)

2.9. Financial assets (Continued)

Impairment of financial assets carried at amortised cost

The Group assesses at the end of each reporting period whether there is objective evidence that a financial asset or a group of financial assets is impaired. A financial asset or a group of financial assets is impaired and impairment losses are incurred only if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a 'loss event') and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or a group of financial assets that can be reliably estimated.

Evidence of impairment may include indications that the debtors or a group of debtors is experiencing significant financial difficulty, default or delinquency in interest or principal payments, the probability that they will enter bankruptcy or other financial reorganisation, and where observable data indicate that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults.

For loans and receivables category, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced and the amount of the loss is recognised in the profit or loss. If a loan or held-to-maturity investment has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract. As a practical expedient, the Group may measure impairment on the basis of an instrument's fair value using an observable market price.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised (such as an improvement in the debtor's credit rating), the reversal of the previously recognised impairment loss is recognised in the profit or loss.

Impairment of assets classified as available-for-sale

The Group assesses at the end of each reporting period whether there is objective evidence that a financial asset or a group of financial assets is impaired. For debt securities, the Group uses the criteria referred above. In the case of equity investments classified as available-for-sale, a significant or prolonged decline in the fair value of the security below its cost is also evidence that the assets are impaired. If any such evidence exists for available-for-sale financial assets, the cumulative loss - measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognised in profit or loss - is removed from equity and recognised in the separate consolidated income statement. Impairment losses recognised in the consolidated income statement on equity instruments are not reversed through the profit or loss. If, in a subsequent period, the fair value of a debt instrument classified as available-for-sale increases and the increase can be objectively related to an event occurring after the impairment loss was recognised in profit or loss, the impairment loss is reversed through the separate consolidated income statement.

VIAGOLD CAPITAL LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended March 31, 2014

2. Significant accounting policies (Continued)

2.10. Trade and other receivables

Trade and other receivables are initially recognised at fair value and thereafter stated at amortised cost less provision for impairment, except where the effect of discounting would be immaterial. In such cases, the receivables are stated at cost less impairment losses for bad and doubtful debts.

2.11. Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks and other short-term highly liquid investments with original maturities of three months or less.

2.12. Share capital

Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of new ordinary shares or options are shown in equity as a deduction, net of tax, from the proceeds.

2.13. Other payables

Other payables are initially recognised at fair value and thereafter stated at amortised cost unless the effect of discounting would be immaterial, in which case they are stated at cost.

2.14. Current and deferred income tax

The tax expense comprises current and deferred tax. Tax is recognised in the consolidated income statement, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly, in equity respectively.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted by the end of the reporting period in the countries where the Company and its subsidiaries operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is recognised, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill; deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred income tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

VIAGOLD CAPITAL LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended March 31, 2014

2. Significant accounting policies (Continued)

2.14. Current and deferred income tax (Continued)

Deferred income tax is provided on temporary differences arising on investments in subsidiaries, except for deferred income tax liability where the timing of the reversal of the temporary difference is controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income taxes assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

2.15. Employee benefits

Employee leave entitlement

Employee entitlements to annual leave are recognised when they accrue to employees. A provision is made for the estimated liability for annual leave as a result of services rendered by employees up to the reporting date.

Employee entitlements to sick leave and maternity leave are not recognised until the time of leave.

Pension obligations

The employees of two of the Company's subsidiaries which operates in the People's Republic of China participates in the central pension scheme (the "CPS") operated by the local government authorities on behalf of its staff. This subsidiary is required to contribute a certain percentage of their covered payroll to the CPS to fund the benefits. The only obligation of the subsidiary with respect to the CPS is to pay the ongoing required contribution under the CPS. Contribution under the CPS are charged to the consolidated income statement as they become payable in accordance with the rules of the CPS.

Share-based compensation

The Group operates a number of equity-settled, share-based compensation plans, under which the entity receives services from employees and consultants as consideration for equity instruments (options) of the Group. The fair value of the employee services received in exchange for the grant of the options is recognised as an expense. The total amount to be expensed is determined by reference to the fair value of the options granted, excluding the impact of any non-market service and performance vesting conditions (for example, profitability and sales growth targets.) Non-market vesting conditions are included in assumptions about the number of options that are expected to vest. The total expense is recognised over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied. At the end of each reporting period, the Group revises its estimates of the number of options that are expected to vest based on the non-marketing vesting conditions. It recognises the impact of the revision of original estimates, if any, in the consolidated income statement, with a corresponding adjustment to equity.

The proceeds received net of any directly attributable transaction costs are credited to share capital (nominal value) and share premium when the options are exercised.

VIAGOLD CAPITAL LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended March 31, 2014

2. Significant accounting policies (Continued)

2.16. Provisions

Provisions for environmental restoration, restructuring costs and legal claims are recognised when: the Group has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated. Restructuring provisions comprise lease termination penalties and employee termination payments. Provisions are not recognised for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as interest expense.

2.17. Borrowings

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently carried at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the consolidated income statement over the period of the borrowings using the effective interest method.

Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw-down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a prepayment for liquidity services and amortised over the period of the facility to which it relates.

VIAGOLD CAPITAL LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended March 31, 2014

3. Financial risk management

The Group's activities expose it to a variety of financial risks: market risk (including foreign exchange risk, cash flow interest rate risk and fair value interest rate risk), credit risk and liquidity risk. The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance. The Group does not use derivative financial instruments to hedge certain risk exposures.

Risk management is carried out by the Board of Directors. The Board of Directors identifies, evaluates and hedges financial risks in close co-operation with the Group's operating units.

3.1. Market risk

i. Foreign exchange risk

The Group operates internationally and is exposed to foreign exchange risk arising from various currency exposures, including the RMB (2013: RMB).

Foreign exchange risk arises from future commercial transactions and recognised assets and liabilities denominated in a currency that is not the entity's functional currency (Hong Kong dollars) and net investments in foreign operations. The risk is measured using sensitivity analysis.

Based on the financial instruments held at March 31, 2014, if the Hong Kong dollars had weakened/strengthened by 4% (2013: 4%) against the RMB, with all other variables held constant, the Group's post-tax profit/(loss) would have been higher/lower by approximately A\$36,000 (2013: higher/lower by A\$45,000).

The Group endeavours to manage its sources and uses of foreign currencies to minimise potential mismatches in accordance with management directives. However, the Group's ability to manage its foreign currency positions in relation to the RMB is limited as the RMB is not a freely convertible currency. The PRC government's current foreign currency regulations require the conversion of foreign currency to be approved by relevant PRC government authorities.

ii. Cash flow and fair value interest rate risk

The Group's income and operating cash flows are substantially independent of change in market interest rates and the Group has no significant interest-bearing assets and liabilities except for cash and cash equivalents, details of which have been disclosed in note 16. Since the bank interest income is insignificant, management considers that cash flow and fair value interest rate risks of the Group are insignificant. Therefore no sensitivity analysis is presented thereon.

VIAGOLD CAPITAL LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended March 31, 2014

3. Financial risk management (Continued)

3.2. Credit risk

Credit risk is managed on a group basis. Credit risk arises from cash and cash equivalent, trade and other receivables.

The majority of the Group's trade and other receivables arose from credit sales to customers. Management has a credit policy in place and the exposures to these credit risks are monitored on an ongoing basis.

The credit risk on cash and cash equivalent is limited because the Group mainly places the deposits in banks with high credit rating and management does not expect any losses from non-performance by banks.

The Group has significant concentration of credit risk on trade receivables as they are mainly attributable from certain limited counterparties.

Other than concentration of credit risk on trade receivables and liquid funds which are deposited with banks with high credit rating, the Group does not have any other significant concentration of credit risk.

3.3. Liquidity risk

The Group regularly monitors current and expected liquidity requirements to ensure that it maintains sufficient cash to meet its liquidity requirements in the short and longer term.

The maturity profile of the Group's financial liabilities as at the end of the reporting period, based on the contracted undiscounted payment, was as follows:

	Carrying amount A\$'000	On demand A\$'000	Less than 1 year A\$'000
As at March 31, 2014			
Payable and accrued charges	397	285	112
Amount due to a director	-	-	-
Total	<u>397</u>	<u>285</u>	<u>112</u>
	Carrying amount A\$'000	On demand A\$'000	Less than 1 year A\$'000
As at March 31, 2013			
Payable and accrued charges	324	104	220
Amount due to a director	7	7	-
Total	<u>331</u>	<u>111</u>	<u>220</u>

VIAGOLD CAPITAL LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended March 31, 2014

3. Financial risk management (Continued)

3.4. Capital risk management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

The Group actively and regularly reviews and manages its capital structure to ensure optimal capital structure and shareholder returns, taking into consideration the future capital requirements of the Group and capital efficiency, prevailing and projected operating cash flows, projected capital expenditures and projected strategic investment opportunities.

The Company also endeavours to ensure the steady and reliable cash flow from the normal business operation. For both years, the Group did not raise any debts.

3.5. Fair value estimation

The carrying amounts of the Group's current financial assets, including other receivables, financial assets at fair value through profit or loss and cash and cash equivalents; and current financial liabilities including other payables and income tax payable, approximate to their fair values due to their short maturities. The face values less any estimated credit adjustments for financial assets and liabilities with a maturity of less than one year are assumed to approximate to their fair values. The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the Group for similar financial instruments.

The table below analyses financial instruments carried at fair value, by valuation method. The different levels have been defined as follows:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1).
- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (level 2).
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (level 3).

No financial assets and liabilities at fair value through profit or loss are measured at fair value at March 31, 2014 (2013: Nil).

VIAGOLD CAPITAL LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended March 31, 2014

4. Critical accounting estimates and judgments

4.1. Critical accounting estimates and assumptions

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below.

Estimated impairment of trade and other receivables

The estimated impairment of trade and other receivables of the Group is based on the evaluation of collectability and aging analysis of accounts and on management's judgment. A considerable amount of judgment is required in assessing the ultimate realisation of these receivables, including the current creditworthiness and the past collection history of each customer. If the financial conditions of customers of the Group were to deteriorate, resulting in an impairment of their ability to make payments, additional allowances might be required.

Income taxes

The Group is subject to income taxes in numerous jurisdictions. Significant judgement is required in determining the worldwide provision for income taxes. There are many transactions and calculations for which the ultimate tax determination is uncertain. The Group recognises liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the current and deferred income tax assets and liabilities in the period in which such determination is made.

Useful lives of property, plant and equipment

The Group's management determines the estimated useful life and related depreciation charges for its property, plant and equipment. This estimate is based on the historical experience of the actual useful life of property, plant and equipment of similar nature and functions. It could change significantly as a result of store renovation and relocation. Management will increase/decrease the depreciation charges where useful life are less/more than previous estimates.

Fair value of investment property

The investment property was revalued after the reporting date on market value basis by directors. Such valuation was based on certain assumption, which is subject to uncertainty and might materially differ from the actual value. In making the judgment, the Group considers information from current prices in an active market for similar properties and uses assumptions that are mainly based on market conditions existing at each reporting date.

VIAGOLD CAPITAL LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended March 31, 2014

5. Segment information

The Group manages its business by divisions, which are organized by business lines. In a manner consistent with the way in which information is reported internally to the Group's most senior executive management for the purposes of resource allocation and performance assessment, the Group has identified the following reportable segments:

- Investment holdings and administration
- Trading of minerals
- Leasing and capital financing
- Provision of consultancy and management services to educational institutions

The management considers the business from both a geographic and product perspective. Geographically, the management operates as investment holding and the businesses in Hong Kong and Macao, and the People's Republic of China (the "PRC"), which is further segregated into leasing and capital financing, consultancy and management services to educational institutions.

The management assesses the performance of the operating segments based on the profit/loss for the year. This measurement basis excluded intra-group transactions and gain/loss on disposal of subsidiaries.

Segment assets include all tangible and current assets excluding the interests in subsidiaries, and inter-group current accounts.

Segment liabilities include all current and non-current liabilities excluding intra-group current accounts.

VIAGOLD CAPITAL LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended March 31, 2014

5. Segment information (Continued)

The segment information for the reporting segments for the year ended March 31, 2014 is as follows:

	Hong Kong and Macao	Hong Kong	PRC	PRC		
	Investment holding and administration A\$'000	Trading of minerals A\$'000	Leasing and capital financing A\$'000	Provision of consultancy and management services to educational institutions A\$'000	Unallocated A\$'000	Consolidated A\$'000
Segment revenue	-	240	487	455	-	1,182
Inter-segment revenue	-	-	-	-	-	-
Revenue from external customers	-	240	487	455	-	1,182
Reportable segment loss before income tax	(588)	(5)	(221)	(105)	-	(919)
Depreciation	-	-	(432)	(1)	-	(433)
Interest income	3	-	1	1	-	5
Loss on disposal of plant and equipment	-	-	-	-	-	-
As at March 31, 2014						
Total assets	169	-	1,851	586	-	2,606
Non-current assets (Other than financial instruments and deferred tax assets)	-	-	1,238	28	-	1,266
Additions to non-current assets (Other than financial instruments and deferred tax assets)	-	-	128	29	-	157
Total liabilities	239	-	138	20	-	397

VIAGOLD CAPITAL LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended March 31, 2014

5. Segment information (Continued)

The segment information for the reporting segments for the year ended March 31, 2013 is as follows:

	Hong Kong and Macao	Hong Kong	PRC	PRC		
	Investment holding and administration A\$'000	Trading of minerals A\$'000	Leasing and capital financing A\$'000	Provision of consultancy and management services to educational institutions A\$'000	Unallocated A\$'000	Consolidated A\$'000
Segment revenue	-	-	364	647	-	1,011
Inter-segment revenue	-	-	-	-	-	-
Revenue from external customers	-	-	364	647	-	1,011
Reportable segment loss before income tax	(1,830)	-	(251)	(411)	-	(2,492)
Depreciation	-	-	(304)	-	-	(304)
Interest income	1	-	1	1	-	3
Loss on disposal of property, plant and equipment	-	-	(3)	-	-	(3)
As at March 31, 2013						
Total assets	317	-	1,796	813	-	2,926
Non-current assets (Other than financial instruments and deferred tax assets)	-	-	1,357	-	-	1,357
Additions to non-current assets (Other than financial instruments and deferred tax assets)	-	-	877	-	-	877
Total liabilities	208	-	107	16	-	331

VIAGOLD CAPITAL LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended March 31, 2014

6. Other income

	2014 A\$'000	2013 A\$'000
Bank interest income	5	3
Sundry income	-	20
	<u>5</u>	<u>23</u>

7. Finance costs

	2014 A\$'000	2013 A\$'000
Interest expenses:		
- other borrowings wholly repayable within five years	<u>3</u>	<u>-</u>

8. Loss before income tax

	2014 A\$'000	2013 A\$'000
Loss before income tax is arrived at:		
After crediting the following items:		
Bank interest income	<u>5</u>	<u>3</u>

	2014 A\$'000	2013 A\$'000
And after charging the following items:		
Auditor's remuneration	95	103
Depreciation of fixed assets (Note 14)	433	304
Directors' remuneration (Note 9)	380	250
Employee benefit expense (Note 10)	724	313
Net exchanges losses	60	11
Other receivables written off	-	157
Operating lease rentals in respect of rental premises and equipment	62	66
Loss on disposal of fixed assets	<u>-</u>	<u>3</u>

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VIAGOLD CAPITAL LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended March 31, 2014

9. Directors' and senior management's emoluments

	2014 A\$'000	2013 A\$'000
Directors' remuneration		
- fees	359	231
- salaries, allowances and benefits in kind	21	19
	<u>380</u>	<u>250</u>

The remuneration of every director and an executive for the year ended March 31, 2014 is set out below:

	Fees A\$'000	Salaries, allowances and benefits in kind A\$'000	Total A\$'000
Directors			
Dr. Longguang Shi	200	-	200
Ms. Mulei Shi	60	-	60
Mr. King Choi Leung	50	11	61
Mr. Pierre Seligman (resigned on October 7, 2013)	-	-	-
Mr. James Anthony Wigginton (resigned on Jun 20, 2014)	49	10	59
Mr. Yan Wang	-	-	-
Mr. Sun Libin (appointed on February 12, 2014)	-	-	-
	<u>359</u>	<u>21</u>	<u>380</u>
Executive			
Mr. Kenneth Kwing Chuen Tang	<u>-</u>	<u>8</u>	<u>8</u>

VIAGOLD CAPITAL LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended March 31, 2014

9. Directors' and senior management's emoluments (Continued)

The remuneration of every director and an executive for the year ended March 31, 2013 is set out below:

	Fees A\$'000	Salaries, allowances and benefits in kind A\$'000	Total A\$'000
Directors			
Dr. Longguang Shi	90	-	90
Ms. Mulei Shi	53	-	53
Mr. King Choi Leung	44	9	53
Mr. Pierre Seligman	-	-	-
Mr. Jack Chik Ming Chu (resigned on December 14, 2012)	-	-	-
Mr. William Kam Biu Tam (resigned on December 7, 2012)	-	-	-
Mr. James Anthony Wigginton (resigned on Jun 20, 2014)	44	10	54
Dr. Wei Xiang (resigned on September 17, 2012)	-	-	-
Mr. Yan Wang (appointed on September 17, 2012)	-	-	-
	<u>231</u>	<u>19</u>	<u>250</u>
Executive			
Mr. Kenneth Kwing Chuen Tang	<u>-</u>	<u>7</u>	<u>7</u>

10. Employee benefit expenses

	2014 A\$'000	2013 A\$'000
Wages and salaries	666	284
Social insurance	43	21
Other staff benefits	15	8
	<u>724</u>	<u>313</u>

VIAGOLD CAPITAL LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended March 31, 2014

11. Income tax expenses

The Group's principle activities are operated in Hong Kong and the PRC. Current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted by the end of the reporting period in the countries where the Group operates and generates taxable income.

Hong Kong profits tax has been provided at the rate of 16.5% on the estimated assessable profit for the year (2013: 16.5%). No provision for taxation has been made in the consolidated financial statements for both years as the Group had no assessable profits in Hong Kong, PRC and other jurisdictions for both years.

In the opinion of the directors, the other companies in the Group are not subject to tax in PRC and other jurisdictions.

The tax on the Group's loss before tax differs from the theoretical amount that would arise using the tax rate applicable to loss of the consolidated entities as follows:

	2014	2013
	A\$'000	A\$'000
Loss before income tax	<u>(919)</u>	<u>(2,492)</u>
Notional tax on loss calculated at the rates applicable to profits in the jurisdiction concerned	(248)	(435)
Tax effect of:		
Expenses not deductible for tax purposes	178	305
Income not subject to tax	(1)	(102)
Tax effect of unused tax losses not recognised	<u>71</u>	<u>232</u>
Income tax expense	<u>-</u>	<u>-</u>

There was no tax charge relating to components of other comprehensive income for the year (2013: Nil).

VIAGOLD CAPITAL LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended March 31, 2014

12. Employee share option scheme

On December 19, 2007, ordinary resolutions were passed by the shareholders at the annual general meeting to approve the adoption of a new share option scheme (the “New Scheme”) and the termination of the old scheme (the “Old Scheme”) which was adopted on November 28, 1995.

On December 19, 2007, share options were granted to certain employees and directors of the Group pursuant to the Group’s New Scheme. Share options with rights to subscribe for a total of 1,898,792 shares were granted to certain employees with an exercise price at A\$2.00 per share on December 19, 2007. The share options can be exercised from April 8, 2008 and expire on April 8, 2018.

On November 29, 2010, share options were granted to employees and consultants of the Group pursuant to the Group’s New Scheme. Share options with rights to subscribe to a total of 4,200,000 shares were granted to employees and consultants with an exercise price of A\$1.00 per share on November 29, 2010. The share options can be exercised from November 29, 2010 and expire on November 29, 2015.

On November 1, 2012, share options were granted to consultants of the Group pursuant to the Group’s New Scheme. Share options with rights to subscribe to a total of 4,500,000 shares were granted to consultants with an exercise price of A\$1.00 per share on November 1, 2012. The share options can be exercised from November 1, 2012 and expire on November 1, 2017.

No share options were granted, exercised or lapsed during the year ended 31 March 2014.

Movements in the share options outstanding and their related weighted average exercise prices are as follows:

	Weighed average exercise price per share A\$	Number of underlying shares
As at April 1, 2012	1.29	5,948,792
Granted	1.00	4,500,000
Exercised	-	-
Lapsed	-	-
As at March 31 and April 1, 2013 and March 31, 2014	1.17	<u>10,448,792</u>

VIAGOLD CAPITAL LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended March 31, 2014

12. Employee share option scheme (Continued)

Share options outstanding at the end of the year have the following expiry dates and exercise prices:

Expiry date	Exercise price per share A\$	2014	2013
		Number of underlying shares	Number of underlying shares
April 8, 2018	2.00	1,748,792	1,748,792
November 29, 2015	1.00	4,200,000	4,200,000
November 1, 2017	1.00	<u>4,500,000</u>	<u>4,500,000</u>

The estimated fair value of the share options granted for the year ended March 31, 2013 amounted to approximately A\$1,242,000. It was estimated as at the date of grant by using the Binomial Option Pricing Model, taking into account the terms and conditions upon which the options were granted. The significant assumptions and inputs used in the valuation model are as follows:

	2014
Spot price	A\$0.79
Exercise price	A\$1.00
Expected volatility	47.00%
Expected life	5 years
Risk free rate	2.652%

The expected volatility was based on the historical volatility of the share price of the Company.

The risk-free interest rate was determined with reference to the yield of Australian Sovereign Curve

The expected life was determined based on the information provided by the management of the Company.

The Binomial Pricing Model is subject to certain fundamental limitations because of the subjective nature of and uncertainty relating to the assumptions and inputs to the model as well as certain inherent limitations of the model itself. Any changes in the above assumptions or inputs may materially affect the fair value estimation.

VIAGOLD CAPITAL LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended March 31, 2014

12. Employee share option scheme (cont'd)

The fair value of the share options granted recognised for the years are as follows:

	2014 A\$'000	2013 A\$'000
Directors' remuneration	-	-
Employees	-	-
Consultants	-	1,242
	<u>-</u>	<u>1,242</u>
	<u>-</u>	<u>1,242</u>

13. Loss per share

13.1. Basic

Basic loss per share is calculated by dividing the loss attributable to equity holders of the Company by the weighted average number of ordinary shares in issue during the year.

	2014	2013
Loss attributable to equity holders of the Company (A\$'000)	<u>(854)</u>	<u>(2,417)</u>
Weighted average number of ordinary shares in issue (thousands)	<u>30,656</u>	<u>30,656</u>
Basic loss per share (A\$ per share)	<u>(0.03)</u>	<u>(0.08)</u>

VIAGOLD CAPITAL LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended March 31, 2014

13. Loss per share (Continued)

13.2. Diluted

Diluted loss per share is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares. The Company has one category of dilutive potential ordinary shares: share options. For the share options, a calculation is done to determine the number of shares that could have been acquired at fair value (determined as the average annual market share price of the Company's shares) based on the monetary value of the subscription rights attached to outstanding share options. The number of shares calculated as above is compared with the number of shares that would have been issued assuming the share options were exercised. Adjustment is made to the weighted average number of ordinary shares in issue only if the fair value was less than the exercise price.

	2014	2013
Loss attributable to equity holders of the Company (A\$'000)	<u>(854)</u>	<u>(2,417)</u>
Weighted average number of ordinary shares for diluted loss per share (thousands)	<u>30,656</u>	<u>30,656</u>
Diluted loss per share (A\$ per share)	<u>N/A</u>	<u>N/A</u>

No diluted loss per share has been presented for this year and last year because the exercise prices of the Company's share options were higher than the average market price of the Company's shares during the years.

VIAGOLD CAPITAL LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended March 31, 2014

14. Fixed assets

	Investment property A\$'000	Motor vehicles A\$'000	Leasehold improvements A\$'000	Furniture and equipment A\$'000	Total A\$'000
Cost					
As at April 1, 2012	604	1,085	-	-	1,689
Additions	-	877	-	-	877
Disposals	-	(648)	-	-	(648)
Exchange adjustments	1	(24)	-	-	(23)
As at March 31, 2013	605	1,290	-	-	1,895
Additions	-	128	28	1	157
Exchange adjustments	91	192	-	-	283
As at March 31, 2014	696	1,610	28	1	2,335
Accumulated depreciation					
As at April 1, 2012	16	579	-	-	595
Depreciation	28	276	-	-	304
Written back on disposals	-	(340)	-	-	(340)
Exchange adjustments	28	(49)	-	-	(21)
As at March 31, 2013	72	466	-	-	538
Depreciation	24	408	1	-	433
Exchange adjustments	12	86	-	-	98
As at March 31, 2014	108	960	1	-	1,069
Net carrying amounts					
As at March 31, 2014	588	650	27	1	1,266
As at March 31, 2013	533	824	-	-	1,357

VIAGOLD CAPITAL LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended March 31, 2014

14. Fixed assets (Continued)

The category of motor vehicles leased by the Group to third parties under operating leases with the following carrying amounts:

	2014	2013
	A\$000	A\$000
Cost	1,564	1,286
Accumulated depreciation at April 1	(427)	(215)
Depreciation charge for the year	(408)	(198)
Exchange adjustments	(80)	(51)
Net book amount	<u>649</u>	<u>822</u>

The fair value of the Group's investment property at March 31, 2014 was approximately A\$588,000 and has been arrived at on the basis of a valuation carried out on March 31, 2014 by the Company's directors.

The investment property is held under medium term lease and is situated in the PRC.

15. Trade and other receivables

	2014	2013
	A\$'000	A\$'000
Trade debts with related parties	243	319
Other debtors, deposits and prepayments	124	83
Amounts due from related parties	5	4
Debtors, deposits and prepayments - net	<u>372</u>	<u>406</u>
Current portion	<u>372</u>	<u>406</u>

VIAGOLD CAPITAL LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended March 31, 2014

15. Trade and other receivables (Continued)

Trade debtors are due within 15 days from the date of billing. The aging analysis of trade debtors that are neither individually nor collectively considered to be impaired are as follows:

	2014 A\$'000	2013 A\$'000
Neither past due nor impaired	<u>243</u>	<u>319</u>

As at March 31, 2014, no other receivables was impaired and provided (2013: Nil).

Amounts due from related parties are non-interest bearing, unsecured and repayable on demand.

The directors consider that the carrying amounts of trade and other receivables approximate to their fair values due to their short term maturities.

The carrying amounts of the trade and other receivables are denominated in the following currencies:

	2014 A\$'000	2013 A\$'000
HKD	74	58
RMB	<u>298</u>	<u>348</u>
	<u>372</u>	<u>406</u>

VIAGOLD CAPITAL LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended March 31, 2014

16. Cash and cash equivalents

	2014 A\$'000	2013 A\$'000
Cash at bank and in hand	<u>968</u>	<u>1,163</u>

The cash and cash equivalents are denominated in the following currencies:

	2014 A\$'000	2013 A\$'000
AUD	-	9
HKD	133	359
RMB	90	795
USD	<u>745</u>	<u>-</u>
	<u>968</u>	<u>1,163</u>
Maximum exposure to credit risk	<u>968</u>	<u>1,163</u>

17. Share capital

	Number of shares in thousands	Ordinary shares A\$'000
Issued and fully paid		
As at April 1, 2012, March 31, 2013 and 2014	<u>30,656</u>	<u>6,131</u>

The total authorised number of ordinary shares is 50 million shares (2013: 50 million shares) with a par value of Australian twenty cents per share (2013: Australian twenty cents per share).

All issued shares are fully paid.

VIAGOLD CAPITAL LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended March 31, 2014

18. Reserves

	Share premium A\$'000	Translation reserve A\$'000	Contributed surplus A\$'000	Warrant reserve A\$'000	Share-based compensation reserve A\$'000	Accumulated losses A\$'000	Total A\$'000
As at April 1, 2012	29,020	(28,701)	47,645	-	5,979	(57,156)	(3,213)
Issuance of shares during the year	-	-	-	-	1,242	-	1,242
Issuance of warrants during the year	-	-	-	399	-	-	399
Total comprehensive loss for the year	-	(77)	-	-	-	(2,417)	(2,494)
As at March 31, 2013	<u>29,020</u>	<u>(28,778)</u>	<u>47,645</u>	<u>399</u>	<u>7,221</u>	<u>(59,573)</u>	<u>(4,066)</u>
As at April 1, 2013	29,020	(28,778)	47,645	399	7,221	(59,573)	(4,066)
Issuance of warrants during the year	-	-	-	152	-	-	152
Total comprehensive loss for the year	-	262	-	-	-	(854)	(592)
As at March 31, 2014	<u>29,020</u>	<u>(28,516)</u>	<u>47,645</u>	<u>551</u>	<u>7,221</u>	<u>(60,427)</u>	<u>(4,506)</u>

Notes:

Under the Companies Act 1981 of Bermuda (as amended), the contributed surplus of the Company is available for distribution. However, the Company cannot declare or pay a dividend, or make a distribution out of contributed surplus if:

- i. it is, or would after the payment be, unable to pay its liabilities as they become due; or
- ii. the realisable value of its assets would thereby be less than the aggregate of its liabilities and its issued share capital and share premium accounts.

VIAGOLD CAPITAL LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended March 31, 2014

19. Other payables

	2014 A\$'000	2013 A\$'000
Other payables and accrued charges	397	324
Amount due to a director	-	7
	<u>397</u>	<u>331</u>

The directors consider that the carrying amounts of other payables approximate to their fair values due to their short term maturities.

The carrying amounts of the other payables are denominated in the following currencies:

	2014 A\$'000	2013 A\$'000
HKD	236	209
RMB	161	122
	<u>397</u>	<u>331</u>

20. Net cash (used in)/generated from operating activities

	Note	2014 A\$'000	2013 A\$'000
Loss before income tax		(919)	(2,492)
Adjustments for:			
- Depreciation of fixed assets	8	433	304
- Other receivables written off	8	-	157
- Loss on disposal of fixed assets	8	-	3
- Share-based payments	12	-	1,242
- Interest income	6	(5)	(3)
- Interest expenses	7	3	-
Changes in working capital: (excluding the effects of exchange differences on consolidation)			
- Debtors, deposits and prepayments		34	1,054
- Other payables and accrued charges		66	(33)
Net cash (used in)/generated from operating activities		<u>(388)</u>	<u>232</u>

VIAGOLD CAPITAL LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended March 31, 2014

21. Deferred income tax

	Tax losses A\$'000
As at March 31, 2013 and as at March 31, 2014	<u><u>-</u></u>

No deferred income tax assets have been recognised as no effect of timing difference and no tax losses carry forwards of the Group during the year.

22. Related-party transactions

During the year, the Group had the following transactions and balances with related parties:

		2014 A\$'000	2013 A\$'000
Related parties	Nature of transactions		
Related companies	Amounts owed by the Group at the reporting date	5	4
	Services fee income recognized during the year (Note)	455	647
	Services fee income receivable for the year (Note)	243	319
Directors of the Company	Key management compensation	380	250
	Amounts owed to the Group at the reporting date	<u><u>-</u></u>	<u><u>7</u></u>

Note:

Services fees were receivable from five education institutions under the common control of directors.

VIAGOLD CAPITAL LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended March 31, 2014

23. Operating lease commitments

- (a) The Group leases various offices under non-cancellable operating lease agreements. The lease terms are between 1 to 2 years, and the majority of lease agreements are renewable at the end of the period at market rate.

The future aggregate minimum lease payments under non-cancellable operating leases are as follows:

	2014 A\$'000	2013 A\$'000
Leasehold land and buildings		
Not later than 1 year	13	28
Later than 1 year but not later than 5 years	-	-
	<u>13</u>	<u>28</u>

- (b) The Group leases out various motor vehicles and investment property under non-cancellable operating lease agreements. The lease terms are between 1 to 3 years, and the majority of lease agreements are renewable at the end of the period at market rate.

The future minimum lease receivables under non-cancellable operating leases are as follows:

	2014 A\$'000	2013 A\$'000
Motor vehicles		
Not later than 1 year	250	414
Later than 1 year but not later than 5 years	1	172
	<u>251</u>	<u>586</u>
	2014 A\$'000	2013 A\$'000
Property		
Not later than 1 year	78	63
Later than 1 year but not later than 5 years	62	188
	<u>140</u>	<u>251</u>

24. Events after the reporting period

No significant subsequent event took place subsequent to 31 March 2014.

VIAGOLD CAPITAL LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended March 31, 2014

25. Particulars of principal subsidiaries

Particulars of principal subsidiaries at March 31, 2014 and March 31, 2013 were as follows:

Name of subsidiary	Place of incorporation/ registration and operation	Issued and fully paid up share capital/registered capital	Attributable equity interests held by the Company		Principal activities
			Directly	Indirectly	
ViaGOLD Technology Limited	British Virgin Islands	US\$1	100%	-	Investment holding
ViaGOLD Inc. Limited	Hong Kong	HK\$2	-	100%	Investment holding
ViaGOLD International Education Management Group Limited (formerly known as Luck Pro Limited)	British Virgin Islands	US\$10,000	100%	-	Investment holding
Win Horse Investments Limited	British Virgin Islands	US\$50,000	-	100%	Investment holding
ViaGOLD Mining Group Limited	British Virgin Islands	US\$1	100%	-	Investment holding
ViaGOLD Mining Group Limited (formerly known as Longda Education Management Group Limited)	Hong Kong	HK\$2	-	100%	Trading of minerals
珠海众智企业管理服务有限公司 (Zhongzhi Enterprise Management Service Co. Limited* @)	PRC	HK\$200,000	-	100%	Provision of management and consultancy services to educational institutions

VIAGOLD CAPITAL LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended March 31, 2014

25. Particulars of principal subsidiaries (Continued)

Name of subsidiary	Place of incorporation/ registration and operation	Issued and fully paid up share capital/registered capital	Attributable equity interests held by the Company		Principal activities
			Directly	Indirectly	
珠海大智网络科技有限公司 (Dazhi Network Technology Co. Limited*@)	PRC	HK\$500,000	-	100%	Provision of management and consultancy services to educational institutions
珠海蓝白金智企业咨询服务 有限公司 (Lanbaijin Education Consulting Service Co., Limited*@)	PRC	HK\$200,000	-	100%	Provision of management and consultancy services to educational institutions
珠海金网教育咨询有限公司 (Zhuhai ViaGOLD Education Consulting Limited*@)	PRC	HK\$1,000,000	-	100%	Provision of management and consultancy services to educational institutions
北京华宝时代国际设备租赁有限公司 (Beijing Hua Bao Times International Leasing Company Limited*@)	PRC	US\$2,600,000	-	70%	Leasing and capital financing

VIAGOLD CAPITAL LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended March 31, 2014

25. Particulars of principal subsidiaries (Continued)

Name of subsidiary	Place of incorporation/ registration and operation	Issued and fully paid up share capital/registered capital	Attributable equity interests held by the Company		Principal activities
			<i>Directly</i>	<i>Indirectly</i>	
Goldwin Century Limited	Hong Kong	HK\$1	-	100%	Investment holding
Goldwin Century Limited	British Virgin Islands	US\$1	-	100%	Investment holding
ViaGOLD International Education Management Group Holdings Limited (formerly known as Gold Master Gold Limited)	British Virgin Islands	US\$1	100%	-	Investment holding

Note:

* Wholly foreign-owned enterprises registered in the PRC

@ The English names are for identification purpose only

VIAGOLD CAPITAL LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended March 31, 2014

25. Particulars of principal subsidiaries (Continued)

Details of the Group's subsidiary that has material no-controlling interests is set out below:

	2014	2013
Percentage of equity interest held by non-controlling interests:		
Beijing Hua Bao Times International Leasing Company Limited	<u>30%</u>	<u>30%</u>
	2014	2013
	A\$'000	A\$'000
Profit/(Loss) for the year allocated to non-controlling interests	<u>54</u>	<u>(53)</u>
Accumulated balances of non-controlling interests at the reporting dates	<u>584</u>	<u>530</u>

The following tables illustrate the summarised financial information of the above subsidiary that has material non-controlling interests. The amounts disclosed are before any inter-company eliminations:

VIAGOLD CAPITAL LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended March 31, 2014

25. Particulars of principal subsidiaries (Continued)

	2014 A\$'000	2013 A\$'000
<u>Beijing Hua Bao Times International Leasing Company Limited</u>		
Non-current assets	1,239	1,357
Current assets	727	478
Current liabilities	(21)	(68)
Turnover	487	364
Cost of income	(482)	(376)
Other income	1	1
Expenses	(225)	(240)
Loss for the year	(219)	(251)
Loss attribution to owners of the Company	(154)	(176)
Loss attribution to non-controlling interests	(65)	(75)
Loss for the year	(219)	(251)
Other comprehensive income attributable to owners of the Company	278	51
Other comprehensive income attributable to non-controlling interests	119	22
Other comprehensive income for the year	397	73
Total comprehensive income/(loss) attributable to owners of the Company	124	(125)
Total comprehensive income/(loss) attributable to non-controlling interests	54	(53)
Total comprehensive income/(loss) for the year	178	(178)
Dividends paid to non-controlling interests	-	-
Net cash generated from operating activities	329	20
Net cash used in investing activities	(128)	(566)
Net cash generated from financing activities	-	-
Effect of foreign exchange rate changes	(56)	(27)
Net cash inflow/(outflow)	145	(573)

VIAGOLD CAPITAL LIMITED

ADDITIONAL INFORMATION PURSUANT TO THE OFFICIAL LISTING RULES OF THE AUSTRALIAN SECURITIES EXCHANGE LIMITED

1. The statement of interests in share capital as at Jun 19, 2014 is as follows:

a. Distribution of shareholdings:

Size of holding	No. of ordinary shareholders
1 - 1,000	456
1,001 - 5,000	39
5,001 - 10,000	8
10,001- 100,000	18
100,001 - 999,999,999	13
1,000,000,000 - 9,999,999,999	-
	534

b. The name of the substantial shareholder and the number of securities held as at Jun 19, 2014 are:

Names	No. of ordinary shares held
Harvest Smart Overseas Ltd	10,962,290
Capital Luck Group Limited	10,000,000
Citicorp Nominees Pty Limited	4,493,787
	25,456,077

c. The 20 largest holders of the Company's securities are:

Names	No. of ordinary shares held	% of total issued of ordinary capital held
Harvest Smart Overseas Ltd	10,962,290	35.76
Capital Luck Group Limited	10,000,000	32.62
Citicorp Nominees Pty Limited	4,493,787	14.66
UOB Kay Hian (Hong Kong) Limited <Clients Account>	1,268,787	4.14
Mr. Chen Wei Qing	1,235,862	4.03
Mr. Sio Kai Kuan	301,750	0.98
MONEX Boom Securities (HK) LTD <Clients Account>	292,785	0.96
Bay Square Holdings Ltd	291,250	0.95
HSBC Custody Nominees (Australia) Limited	246,933	0.81
Lanstone Investment Limited	225,000	0.73
Chow Lai Wah	217,500	0.71

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VIAGOLD CAPITAL LIMITED

ADDITIONAL INFORMATION PURSUANT TO THE OFFICIAL LISTING RULES OF THE AUSTRALIAN SECURITIES EXCHANGE LIMITED

1. The statement of interests in share capital as at Jun 19, 2014 is as follows: (Continued)

c. The 20 largest holders of the Company's securities are: (Continued)

Names	No. of ordinary shares held	% of total issued of ordinary capital held
Hainan Finance Limited	154,600	0.50
Carleton Trading Ltd	105,175	0.34
Fong Hong Kei	100,000	0.33
Mr. Chan Shuk King	72,500	0.24
Li Hoi Lun	43,000	0.14
Mrs. Liliana Teofilova	41,510	0.14
Mr. Huang Ying Hui	35,000	0.11
Ms. Fanny Wong	33,950	0.11
Stamford Development LTD	26,300	0.09

d. Voting rights

Subject to the ASX Listing Rules and to any special rights, privileges or restrictions attaching to any class or classes of shares, every member is entitled to be present at a meeting in person, by proxy, representative or attorney. On a show of hands, every member who is present in person or by proxy has one vote for every share of which he is the holder, and on a poll; every member has (i) one vote for each fully paid share held by that person or (ii) voting rights pro-rata to the amount paid up on each partly paid share held by that person.

2. Share options outstanding as at Jun 19, 2014

Total number of outstanding share options	10,448,792
Total number of option holders	<u>150</u>

3. The name of the Company Secretary

Mr. Kenneth Kwing Chuen Tang

VIAGOLD CAPITAL LIMITED

ADDITIONAL INFORMATION PURSUANT TO THE OFFICIAL LISTING RULES OF THE AUSTRALIAN SECURITIES EXCHANGE LIMITED

4. Address and contact number:

The address and contact number of the principal registered office in Zhuhai is:

Floor 7, 53 Bailian Road,
Jida, Zhuhai,
Guangdong Province, PRC
Telephone: (86-756) 3320 271
Website: <http://www.viagold.ws>

The address and contact number of the principal registered office in Macao is:

Av. Xian Xing Hai, Ed. Golden Dragon Center (formerly known as Zhu Kuan)
6I-K, Macao
Telephone: (853) 2875 1881
Website: <http://www.viagold.ws>

The address and contact number of the principal registered office in Australia is:

Suite 501, 100 Victoria Parade
East Melbourne, Vic 3002
Australia
Telephone: (613) 9662 4049

5. Registers of securities are kept at the following address:

a. Australia

Computershare Investor Services Pty Limited
Yarra Falls, 452 Johnston Street
Abbotsford, Victoria, 3067
Australia
Telephone: (613) 9611 5774

b. Bermuda

Codan Services Limited
Clarendon House
PO Box HM 1022
Hamilton HM DX
Bermuda
Telephone: 1 (441) 295 5950