

VIAGOLD

RARE EARTH

VIAGOLD RARE EARTH RESOURCES HOLDINGS LIMITED
(ARBN 070 352 500)

Appendix 4C

Q1 FY22 Quarterly Cash Flow and Activities Report

ViaGold Rare Earth Resources Holdings Limited (VIA) is pleased to announce its First Quarterly Cash Flow and Activities Report for its Fiscal Year 2021-2022.

Q1 FY22 Highlights:

1/ The first quarter FY22 was a good start of Fiscal 22 (April 2021-March 2022) for the Company with continuous sales growth.

Q1 FY22 continue to grow with revenue of A\$15,059,090.99 (4th quarter FS21: A\$10,637,564.22) which reflects a 41.57% growth over last quarter.

2/ First quarter FS22 (1 April 2021~30 June 2021) were prosperous for rare earth industry in China, in particular the month April 2021. Worldwide demand and price surge and so the exploring and processing of rare earth. Therefore, 1st quarter FY22 revenue has growth from the A\$10,605,430.02 in the 4th quarter FY21 to A\$14,851,421.39 (i.e. A\$9,489,771.82 in Apr 2021, A\$2,428,847.96 in May 2021 and A\$2,932,801.60 in June 2021) in the the 1st quarter FY22 which represented a 40.03% growth over last quarter.

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3/ For the car leasing business segment, Q1 FY22 has resumed to its normal business stage and generated a revenue of A\$110,902.86 (Operating) and A\$96,766.74 (Non-Operating).

4/ The Company's Cash Receipt from operating from customers had reached A\$14,632,000 (Q4 FY21: A\$11,827,000).

5/ Net Cash from operating activities for the period amounted to A\$976,000 (Q4 FY21: A\$2,088,000).

6/ The Company maintains a cash balance as at 30 June 2021 of A\$577,000.

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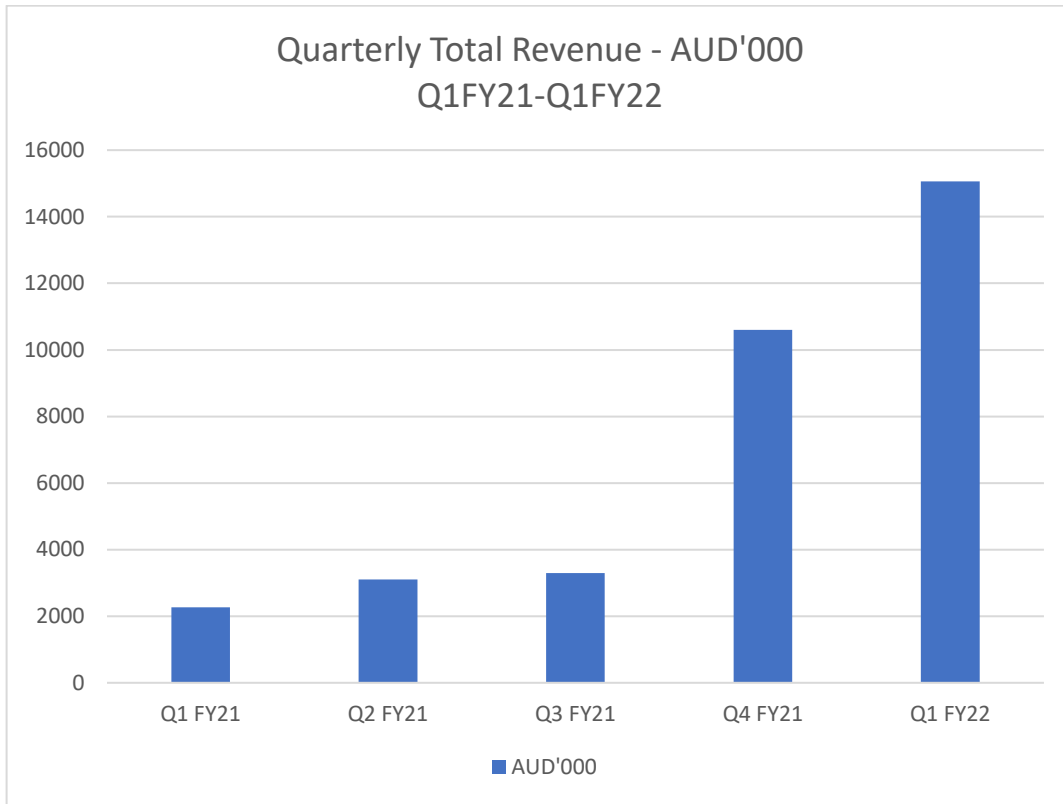
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Operating Cash Flow/Performance of Operations

Q1 FY22 (1 April 2021~31 March 2022) was a fresh and smooth start for the Company through the following three basic segments:

1. Rare Earth refinery and separation (remains as the major segment);
2. Leasing and capital financing; and
3. Investment holdings.

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1. With the overall demand on rare earth products that continue, as demonstrated by the sustainable development of new energy vehicles downstream and the continue increase in the penetration rate of NdFeB for domestic home appliances inverter air conditioners, market price of rare earth products remain high. As such, the Company sales in the rare earth refinery and separation segment for Q1 FY22 has grown to A\$14.85 million from A\$10.61 million which represented a 40.03% grow over Q4 FY21.
2. With the completion of the new lease of rental agreement of 8 new cars with effect on 1 May 2021, the car leasing business segment has restored to a healthy stage and generated revenue of A\$207,669.60 in Q1 FY22 (Q4 FY21: A\$31,816.04)

CASH POSITION

1. Cash flows from operating activities of were generated from:
 - a/ Receipts from customers for A\$14,632K comprising
 - i/ A\$14,517K from operating revenue of the rare earth refinery and separation segment; and
 - ii/ A\$115K from operating revenue of the car leasing business segment;
 - b/ receipt of bank interest for A\$1.6K;
 - c/ receipt of dividends for A\$11.5K; andafter cash outflow/payment of:
 - a/ product manufacturing and operating cost of A\$12,112K;
 - b/ staff cost for A\$242K; and
 - c/ administration and corporate costs for A\$1,315K.

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which end up a net cash from operating activities of A\$976K.

2. Cash flows from investing activities:

a/ payment for property, plant and equipment of A\$215K was for the purchase of new cars for leasing;

b/ payment for investment of A\$10,116K comprises mainly of:

- i. A\$405K from the investment into wealth financial products for the leasing and capital financing segment; and
- ii. A\$9,711K also from the investment into wealth financial products for the rare earth refinery and separation segment.

c/ Proceeds from disposal of investment for A\$14,107K comprises of:

- i. A\$531K from the disposal of cars for the leasing and capital financing segment; and
- ii. A\$13,576K from the return of wealth financial products for the rare earth refinery and separation segment.

d/ For Cash flows from loans to other entities/related parties, please refer to item 6 below.

3. There was no cash flows from financing activities.

4. & 5. The cash and cash equivalents at the beginning of Q1 FY22 was A\$1,593K and at the end of the period was A\$577K.

6. For the payment made to/from related parties, they were:

- i. temporary short term loan of A\$126K for the down payment and purchase of cars for the leasing and capital financing segment; and

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ii. repayment of loan on current liabilities for about A\$5,972K for the rare earth refinery and separation segment.

7. There was no financing facilities recorded in period Q1 FY22.

8. The total available funding as at 30 June 2021 was amounted to A\$577K.

Outlook

The Company watches carefully to monitor the impact to its business segments related to COVID-19. Although progress has been made globally to vaccinate populations to diminish the impact, the situation is still intense and uncertainties and risks still remain. Due to these uncertainties, the Company has started to develop new factory premises with advanced machinery and equipment to deliver rare earth products more efficiently to the satisfaction of the domestic government rules and the environmental protection requirements.

As for the car leasing business, the Company is planning to purchase more cars to meet the continue growing market in car leasing market in Beijing.

The Company's management continues to look optimistic on both rare earth refinery and separation and the car leasing segments and is confident that the Company will continue to grow over FY22.

FORWARD LOOKING STATEMENTS

These ASX announced statements includes certain forward-looking statements that are based on information known as of the date 30 June 2021 and are subject to various uncertainties. The actual results and performance could be significantly different from

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those expressed in, or implied by, these forward- looking statements. These statements are not guarantee of future performance or results, and may involve risks, uncertainties and other negative factors which may cause actual result substantially deviate from those expressed herein the statements.

Authorized by: The Board of Directors of ViaGold Rare Earth Resources Holdings Limited has approved and authorized the release of this announcement to the market.

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Appendix 4C

Quarterly cash flow report for entities subject to Listing Rule 4.7B

Name of entity

VIAGOLD RARE EARTH RESOURCES HOLDINGS LIMITED

ABN

070 352 050

Quarter ended ("current quarter")

30 JUNE 2021

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (3 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	14,632	14,632
1.2 Payments for		
(a) research and development		
(b) product manufacturing and operating costs	(12,112)	(12,112)
(c) advertising and marketing		
(d) leased assets		
(e) staff costs	(242)	(242)
(f) administration and corporate costs	(1,315)	(1,315)
1.3 Dividends received (see note 3)	11	11
1.4 Interest received	2	2
1.5 Interest and other costs of finance paid		
1.6 Income taxes paid		
1.7 Government grants and tax incentives		

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Consolidated statement of cash flows		Current quarter \$A'000	Year to date (3 months) \$A'000
1.8	Other (provide details if material)		
1.9	Net cash from / (used in) operating activities	976	976

2.	Cash flows from investing activities		
2.1	Payments to acquire or for:		
	(a) entities		
	(b) businesses		
	(c) property, plant and equipment	(215)	(215)
	(d) investments	(10,116)	(10,116)
	(e) intellectual property		
	(f) other non-current assets		
2.2	Proceeds from disposal of:		
	(g) entities		
	(h) businesses		
	(i) property, plant and equipment		
	(j) investments	14,107	14,107
	(k) intellectual property		
	(l) other non-current assets		
2.3	Cash flows from loans to other entities	(5,812)	(5,812)
2.4	Dividends received (see note 3)		
2.5	Other (provide details if material)		
2.6	Net cash from / (used in) investing activities	(2,036)	(2,036)

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Consolidated statement of cash flows		Current quarter \$A'000	Year to date (3 months) \$A'000
3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)		
3.2	Proceeds from issue of convertible debt securities		
3.3	Proceeds from exercise of options		
3.4	Transaction costs related to issues of equity securities or convertible debt securities		
3.5	Proceeds from borrowings		
3.6	Repayment of borrowings		
3.7	Transaction costs related to loans and borrowings		
3.8	Dividends paid		
3.9	Other (provide details if material)		
3.10	Net cash from / (used in) financing activities	-	-
4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	1,593	1,593
4.2	Net cash from / (used in) operating activities (item 1.9 above)	976	976
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(2,036)	(2,036)
4.4	Net cash from / (used in) financing activities (item 3.10 above)		

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Consolidated statement of cash flows		Current quarter \$A'000	Year to date (3 months) \$A'000
4.5	Effect of movement in exchange rates on cash held	44	44
4.6	Cash and cash equivalents at end of period	577	577

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1	Bank balances	575	575
5.2	Call deposits		
5.3	Bank overdrafts		
5.4	Other (provide details)	2	2
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	577	577

6.	Payments to related parties of the entity and their associates	Current quarter \$A'000
6.1	Aggregate amount of payments to related parties and their associates included in item 1	
6.2	Aggregate amount of payments to related parties and their associates included in item 2	(5,812)

Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments.

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7.	Financing facilities <i>Note: the term "facility" includes all forms of financing arrangements available to the entity.</i> <i>Add notes as necessary for an understanding of the sources of finance available to the entity.</i>	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
7.1	Loan facilities		
7.2	Credit standby arrangements		
7.3	Other (please specify)		
7.4	Total financing facilities		
7.5	Unused financing facilities available at quarter end		
7.6	Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.		

8.	Estimated cash available for future operating activities	\$A'000
8.1	Net cash from / (used in) operating activities (item 1.9)	976
8.2	Cash and cash equivalents at quarter end (item 4.6)	577
8.3	Unused finance facilities available at quarter end (item 7.5)	-
8.4	Total available funding (item 8.2 + item 8.3)	577
8.5	Estimated quarters of funding available (item 8.4 divided by item 8.1)	N/A
	<i>Note: if the entity has reported positive net operating cash flows in item 1.9, answer item 8.5 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.5.</i>	
8.6	If item 8.5 is less than 2 quarters, please provide answers to the following questions:	
	8.6.1 Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?	
	Answer: N/A	

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8.6.2 Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?

Answer: N/A

8.6.3 Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?

Answer: N/A

Note: where item 8.5 is less than 2 quarters, all of questions 8.6.1, 8.6.2 and 8.6.3 above must be answered.

Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Date:30 JUNE 2021.....

Authorised by: ..The Board of Directors of ViaGold Rare Earth Resources Holdings Limited has approved and authorized the release of this announcement to the market.

(Name of body or officer authorising release – see note 4)

Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standard applies to this report.

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3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [*name of board committee – eg Audit and Risk Committee*]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.

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