

ViaGOLD Capital Limited

(ARBN 070 352 500)

Announcement to

Australian Securities Exchange Limited (“ASX”)

(ACN 008 624 691)

12 May 2016

To: Australian Securities Exchange Limited (“ASX”)
Company Announcements Office
10th Floor, 20 Bond Street
Sydney NSW

The Board of Directors are pleased to advise that Viagold Mining Group Limited (hereinafter “Party B”), a wholly owned subsidiary of Viagold Capital Limited (ASX Code: VIA) and Smart Triumph Group Holdings Limited (hereinafter “Party A”) a wholly owned subsidiary of Future Bright Mining Holdings Limited (HKEX Code: 2212) have entered into a Memorandum of Understanding (MOU) on 12 May 2016. This MOU is regarding a proposed cooperation to establish a mining equipment cooperation company (hereinafter the “Cooperation Co”) with registered capital of HK\$1,000,000 whereas Party A will invest HK\$700,000 and hold 70% and Party B will invest HK\$300,000 and hold 30% equity interest respectively. The Cooperation Co will engage in the mining machinery and equipment leasing business and the provision of related investment management, corporate management as well as investment consultancy services.

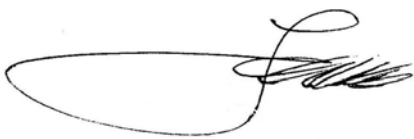
At the completion of establishing the Corporation Co and upon full injection of the fund of HK\$700,000 and HK\$300,000 from each of Party A and Party B respectively, Party A shall be responsible for the supervision of financial management and business management and Party B shall be responsible for the market planning and daily management of the Cooperation Co. Both parties will source and introduce strategic cooperation and investment party(s) into the Cooperation Co in the future.

Future Bright Mining Holdings Limited is an investment holding company listed on Hong Kong Stock Exchange (HKEX Code: 2212). It is a marble mining company and has been focusing on

development of its Yiduyan Project in Hubei Province of China. It intends to expand its industrial facilities in rare earths and non-ferrous metals industry through the cooperation with Viagold Capital Limited's subsidiary.

Viagold Capital Limited has recently passed the SGM on 29 April 2016 successfully obtaining the shareholders' approval on its acquisition of all the issued capital of Polygoal Capital Limited. Relevantly, Polygoal holds a 51% interest in Shenzhen Xunda Investment Co Ltd, which in turn holds interests in Jintan Hailin Rare Earth Co Ltd (JHRE: a 60% economic interest) and Maoming Jinsheng Minerals Co. Ltd (MJSM: a 50% equity interest). JHRE has 15 years of experience in rare earths smelting industry and has become one of the biggest rare earth smelting private entities. It has award as "Star Enterprise of Changzhou, Jiangsu Province, China and top 20 enterprises of Jintan, Jiangsu Province, China. The co-founder of Maoming Jinsheng Minerals Co Ltd is Guangdong Rising Nonferrous Metals Share Company Limited (GRNONFEMET: SSE Code 600259). At present, MJSM is developing a 5,000 tons rare earths comprehensive recycling project in Xinyi City, Guangdong Province, China. MJSM is the only entity which possesses the rare earths recycling license in Guangdong Province. More details of each of JHRE and MJSM were set out in the ASX announcements of 6 and 19 November 2015.

The entering into this MOU for the intention of a strategic cooperation between the two parties, does not have any legal binding. Should both parties reach a formal cooperation agreement through mutual consultation, it will strengthen the supporting system of the company's rare earth industrial chain and bring further development and investment opportunities to the company.



Peter King Choi Leung

Company Secretary