



ViaGold Rare Earth Resources Holdings Co., Ltd. (formerly known as ViaGold Capital Limited) is pleased to announce that its subsidiary - Viagold Internet of Things Technology Co., Ltd., Zhuhai ('Zhuhai Viagold IoT') and Baotou Rare Earth Products Exchange ('Baotou Exchange') have entered into a Cooperation Agreement of Provenance Tracing and Trading System in Rare Earths ('Cooperation Agreement') on 3 April 2020. It is an extension and implementation of the previously signed 'Strategic Cooperation Framework Agreement' in 2019.

Under the Agreement, the existing trading platform of Baotou Rare Earth Products Exchange will be used to implement the provenance tracing system and to facilitate transactions for the supply of rare earths in China. All transactions will be made in RMB. The provenance tracing system implemented on the platform will provide for a closer relationship between the suppliers of rare earth products in China and the intended buyers of those rare earth products. The intention is also that the platform will be used for all quantities, forms and grades of rare earths (i.e. rare earth oxides, compounds, metals, alloys, etc.) and for all rare earth elements.

According to the Cooperation Agreement: Zhuhai Viagold IoT is responsible for designing, prototyping, demonstrating, developing and implementing the "Internet of Things + Blockchain Rare Earth provenance tracing System" with advanced IoT and blockchain technologies; obtaining the approval from the Ministry of Industry and Information Technology of the People's Republic of China for the application of the System, bringing the System into the national rare earth industry provenance tracing system, promoting the formulation of relevant industry standards; carrying out research, training and promotion of the System, and encouraging rare earth mining, smelting, separation, processing and recycling enterprises to join the System (into the chain). Currently, Zhuhai Viagold IoT is not making any financial investment under the Cooperation Agreement nor is it disposing of assets or acquiring assets in connection with the Cooperation Agreement. But it will not preclude the possibility of providing financial investment and/or disposing/acquiring assets in connection with the Cooperation Agreement in its development in the future.

The Baotou Exchange will participate in the design, prototype, demonstration, development and testing of the System with its industry-leading technologies; update the trading system according to the needs of provenance tracing in rare earths, and connect



with the tracing System accordingly; encourage the shareholders of the exchange to participate in the project in an orderly manner, support the application and promotion of the tracing System according to the progress of the project; actively cooperate with the training and promotion of the System, and encourage rare earth related enterprises to join the System; assist Zhuhai Viagold IoT in obtaining approval from the Ministry of Industry and Information Technology of China, as well as other related work.

As for the benefit distribution:

1. Zhuhai Viagold IoT will charge from new clients an entry fee and this entry fee will be charged annually, 30% of such fee shall be distributed to Baotou Exchange. Baotou Exchange will collect from clients transaction and settlement fee, 30% of such fees shall be distributed to Zhuhai Viagold IoT.
2. All fees incurred by rare earth enterprises for equipment purchase and system implementation (if needed) should be paid to and used solely by Zhuhai Viagold IoT; All government funding support towards this project, if any, should be directed to Zhuhai Viagold IoT who may provide a certain subsidy to Baotou Exchange based on the actual work on a case by case basis. Funds applied for in the name of the Baotou Exchange are its own to use.

As for relevant stipulation

1. Both Parties are exclusive to each other in the cooperation. That is, neither party shall directly or indirectly cooperate with third parties on rare earth provenance tracing systems.
2. The Cooperation Agreement specifies that Zhuhai Viagold IoT is the sole rightful owner of all intellectual property rights derived from the “Internet of Things + Blockchain Rare Earth Provenance Tracing System” .
3. During the application of this project, if other business income occurs, the two



parties will reasonably allocate them through friendly negotiation, and may sign a supplementary agreement accordingly.

4. The Cooperation Agreement is initially valid for five years. If there is no objection from the two parties after the agreement expires, this agreement will be automatically extended. This means a long-term partnership between the two parties.

Zhuhai Viagold IoT has been engaged in the rare earth industry in China for many years. It has knowledge and expertise in the application of internet and blockchain technologies in the tracking and trading of rare earths, which is becoming of increasing importance given the limited available resources. With the support of the Chinese Government, the Company is confident that its team, headed by Professor Xiang Wei, in partnership with Baotou Exchange, will be able to boost the performance of the Company's rare earth division through the application of new leading edge technologies in its trading activities.

By order of the Board of directors

ViaGold Rare Earth Resources Holdings Limited

A handwritten signature in black ink, appearing to read "Changyuan Liao".

Changyuan Liao

Chairman

April 28, 2020

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**ViaGold Rare Earth Resources Holdings Limited**

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