



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

Appendix 4C

Q2 FY22 Quarterly Cash Flow and Activities Report

ViaGold Rare Earth Resources Holdings Limited (hereinafter “VIA” or the “Company”) is pleased to announce its Second Quarter Cash Flow and Activities Report for its Fiscal Year 2021-2022.

1/ Revenue from operation amounted to A\$5,273K in Q2 FY22. It was an increase over same quarter previous fiscal year (Q2 FY21: A\$3,085K).

2/ Revenue was basically generated by two segment: (1) the Rare Earth refinery and separation business which contributed some 98.78% of the total and (2) the car leasing business which generated the rest of 1.22% of the total Q2 FY22 revenue.

3/ VIA’s cash receipts from operating activities had reached A\$5,438K (Q1 FY22: A\$14,632K).

4/ Net Cash from operating activities for the quarter amounted to A\$1,422K (Q1 FY22: A\$976K)

5/ Cash balance maintained as at 30 September 2021 amounted to A\$302K (Q1 FY22: A\$577K)



Operating Cash Flow/Performance of Operations

The Company continues to maintain three basic segments:

1. Rare Earth refinery and separation which remains as major segment.
2. Leasing and capital financing (mainly car leasing to institution customers under contract).
3. Investment holdings.

1. The peak season in April-June was over, although the demand for downstream products for electric cars, domestic home appliance inverter air conditioners and mobile phone remains strong and growing which means a continue upsurge on the price of rare earth products, but at the same time the government sets higher standard for environment protection which leads to more procedures in production. As such, the demand is strong while the supply is tight which results in higher prices in the market. This lead to the drop in Sales Volume for the quarter but the increase of profit to A\$977K for Q2 FY22 (A\$877 for Q1 FY22).

2. Two more new cars were purchased with a three years contract signed for leasing. The car leasing business segment generated a \$314K revenue in Q2 FY22 (Q1 FY22: A\$208K).

CASH POSITION

1. Cash flows from operating activities were generated from:

a/ Receipts from customers of A\$5,438K which comprises of:

- i) A\$5,337K from operating revenue of the rare earth refinery and separation segment; and



ii) A\$101K from operating revenue of car leasing segment.

b/ receipt of bank interest for A\$8K

and after payment for:

c/ product manufacturing and operating cost of A\$3,082K;

d/ staff cost of A\$294K; and

e/ administration and corporate costs of A\$648K.

This end up a result of a net cash from operating activities of A\$1,422K.

2. Cash flows from investing activities:

a/ The A\$79K was for the payment of purchasing two new vehicles of the leasing and capital financing segment. A car leasing contract for these two new vehicles was signed with Hang Tung Car Leasing Co., Ltd. for the period of 1 August 2021 to 31 July 2024.

b/ The A\$4,927K payments to acquire or for investment was for investment into financial products for the rare earth refinery and separation segment;

c/ The A\$7,365K proceeds from disposal of investment was from the return of financial products for the rare earth refinery and separation segment; and

d/ A\$4,054K cash flows from loans to other entities was basically from the repayment of loan on current liabilities for the rare earth refinery and separation segment.

The result is a net outflow of cash in investing activities for A\$1,695K.



3. There was no cash flows from financing activities.
4. & 5. The cash and cash equivalent at the beginning of Q2 FY22 was A\$577K and at the end was A\$301K.
6. As stated above, the payment made to related parties was for the repayment of loan on current liabilities for some A\$4,054K for the rare earth refinery and separation segment.
7. There was no financing facilities recorded in period Q2 FY22.
8. The total available funding as at 30 September 2021 was amounted to A\$301K.

OUTLOOK

More and more people are being COVID-19 vaccinated, the COVID-19 are less severe locally but the situation is still intense and risks still remain. The local government especially encourages environmental protection and the new workshop in the factory is being built to particularly process and refine waste materials with rare earth contents into industrial rare earth products. It is targeted to complete around New Year time.

As for the leasing and capital financing business segment, the Company will continue its strategy of (1) achieve more contracts, then (2) purchase new cars to fulfill it so as to generate return to the Company.

The Company is confident that it 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 September 2021 and are subject to various uncertainties. The actual results and performance could be significantly different from those expressed in, or implied by, these Forward Looking Statements. These statements are not guarantees 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.



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 SEPTEMBER 2021

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (6 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	5,438	20,070
1.2 Payments for		
(a) research and development		
(b) product manufacturing and operating costs	(3,082)	(15,194)
(c) advertising and marketing		
(d) leased assets		
(e) staff costs	(294)	(536)
(f) administration and corporate costs	(648)	(1,963)
1.3 Dividends received (see note 3)	-	11
1.4 Interest received	8	10
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 (6 months) \$A'000
1.8	Other (provide details if material)		
1.9	Net cash from / (used in) operating activities	1,422	2,398

2.	Cash flows from investing activities		
2.1	Payments to acquire or for:		
	(a) entities		
	(b) businesses		
	(c) property, plant and equipment	(79)	(294)
	(d) investments	(4,927)	(15,043)
	(e) intellectual property		
	(f) other non-current assets		
2.2	Proceeds from disposal of:		
	(a) entities		
	(b) businesses		
	(c) property, plant and equipment		
	(d) investments	7,365	21,472
	(e) intellectual property		
	(f) other non-current assets		
2.3	Cash flows from loans to other entities	(4,054)	(9,866)
2.4	Dividends received (see note 3)		
2.5	Other (provide details if material)		
2.6	Net cash from / (used in) investing activities	(1,695)	(3,731)

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Consolidated statement of cash flows		Current quarter \$A'000	Year to date (6 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	577	1,593
4.2	Net cash from / (used in) operating activities (item 1.9 above)	1,422	2,398
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(1,695)	(3,731)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	-	-
4.5	Effect of movement in exchange rates on cash held	(3)	41
4.6	Cash and cash equivalents at end of	301	301

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Consolidated statement of cash flows	Current quarter \$A'000	Year to date (6 months) \$A'000
period		

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	293	575
5.2 Call deposits		
5.3 Bank overdrafts		
5.4 Other (provide details)	8	2
5.5 Cash and cash equivalents at end of quarter (should equal item 4.6 above)	301	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	(8)
6.2 Aggregate amount of payments to related parties and their associates included in item 2	(1,694)
<i>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.</i>	

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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)	1,422
8.2	Cash and cash equivalents at quarter end (item 4.6)	301
8.3	Unused finance facilities available at quarter end (item 7.5)	-
8.4	Total available funding (item 8.2 + item 8.3)	301
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: 29 September 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.