

VIAGOLD RARE EARTH RESOURCES HOLDINGS LIMITED

(Incorporated in Bermuda with limited liability)

(ARBN: 070 352 500)

Reports and Consolidated Financial Statements

For the year ended 31 March 2022

VIAGOLD RARE EARTH RESOURCES HOLDINGS LIMITED

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VIAGOLD RARE EARTH RESOURCES HOLDINGS LIMITED

CHAIRMAN'S ADDRESS TO SHAREHOLDERS

On behalf of the Board of Directors of ViaGold Rare Earth Resources Holdings Limited and its subsidiaries (collectively referred to as the “Group”), I am pleased to present the 2021/2022 annual results of the Group for year ended 31 March 2022.

REVIEW

During the past year, production activities continued to be affected by the ongoing impacts of the COVID pandemic, which posed challenges to our production departments. For the year ended 31 March 2022, The Group recorded a consolidated revenue of A\$39,069,000. With the gradual implementation of China's "carbon peak and carbon neutrality" policy, the demand of rare earth products for energy-saving motors for new energy vehicles, wind power generators and elevators has increased dramatically, and the overall market performance has been strong.

GAIN AND LOSS

- (i) For the 12 months period, the Rare Earth Business segment recorded a revenue increase, which was mainly due to the prices increase in supply and demand. However, compare to the prior year the profit of the Rare Earth Business segment decreased to A\$813,000 as the segment was affected by the shortage of raw materials and the increase in the cost of raw materials.
- (ii) During the same period of review, revenues and profits in the Leasing and Capital Finance divisions had revenue of A\$455,000 and profit of A\$205,000.

THE EVENT AFTER THE REPORTING PERIOD

INTEREST SWAP AGREEMENT :

The Group signed an INTEREST SWAP AGREEMENT with Zhuhai Yinying Enterprise Management Consulting Co. Ltd. (“Zhuhai Yinying”) in July 2022, under the agreement, Zhuhai Yinying has agreed to exchange its 55% equity interest in its wholly owned subsidiary, Yinying (Huizhou) Industrial Park Management Co. Ltd for the following assets of the Group:

- 36% equity interest in 北京华宝时代国际设备租赁有限公司 (Beijing HuaBao Times International Leasing Co., Ltd); and
- 25.4% interest in 常州市海林稀土有限公司 (Jintan Hailin Rare Earth Company Limited), which interest is held by the Company through a VIE structure.

Based on the initial discussion on 17 Aug 2022 with ASX and the advice from ASX, the Interest Swap Agreement may involve a significant change to the nature or scale of VIA’s activities and/or a disposal of VIA’s main undertaking, in each case as described in Chapter 11 of the ASX Listing Rules. If the transaction constitutes a significant change to the nature or scale of VIA’s activities and/or a disposal of VIA’s main undertaking, VIA may be required under Chapter 11 of the ASX Listing Rules to seek shareholder approval and/or re-comply with Chapters 1 and 2 of the ASX Listing Rules.

VIAGOLD RARE EARTH RESOURCES HOLDINGS LIMITED

CHAIRMAN'S ADDRESS TO SHAREHOLDERS (Continued)

VIA has not applied to ASX for in-principle advice in relation to whether the Interest Swap Agreement will constitute a significant change to the nature or scale of VIA's activities and/or a disposal of VIA's main undertaking, whether VIA will, post-completion of the Interest Swap Agreement, have structure and operations suitable for re-admission to the official list under ASX Listing Rules 1.1 condition 1 and 1.19, or any other aspect of the Interest Swap Agreement.

OUTLOOK

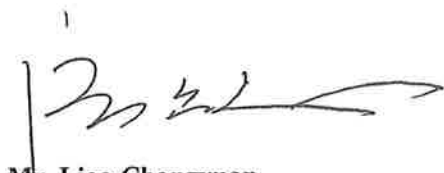
In the future, the Group will focus more on the rare earth field and related businesses. The rare earth industry in China has a huge industrial chain and extensive room for development of rare-earth applied products, providing opportunities for the Group's industrial upgrading and business expansion.

As a member of Guangdong Rare Earth Group (one of the state-owned rare earth groups certified by the State Council of China), the Group has grown and become a comprehensive rare earth enterprise that incorporates 'IoT + Blockchain' based technologies in rare earth provenance, rare earth and rare-earth applied products trading, cross-border trading for rare earth import and export, providing financial services to rare earth enterprises within the supply chain, the rare earth smelting and separation, and etc.

Based on the rare earth domain built in the past, the Group actively evaluates its existing businesses, fully tap and grasp the enormous business opportunities in the rare earth industrial chain with a very forward-looking industry vision and with years of experience and practices specialized in field of rare earth, actively cultivating the rare earth recycling business and warehousing business that match rare-earth provenance and trading services. The Group introduces cooperation in providing financial technology service of protection on settlement security and fraud prevention for trading platform customers and cooperative bank customers. The Group strives to become a conglomerate with great commercial value by optimally selecting the investment targets and modes of investment cooperation in the rare earth industry.

APPRECIATION

On behalf of the Board, I would like to express my heartfelt gratitude to the Group's shareholders, customers, bankers, consultants and professionals for their continuing support, and my fellow directors and all the dedicated staffs for their hard work and valuable contributions during the year.



Mr. Liao Changyuan

Chairman

19 January 2023

VIAGOLD RARE EARTH RESOURCES HOLDINGS LIMITED

2022 CORPORATE GOVERNANCE STATEMENT

The corporate governance statement included in our 2022 annual report was based on the fourth edition of the *ASX Corporate Governance Council's ASX Corporate Governance Principles and Recommendations* setting out the main corporate governance practices in operation throughout the Company for the financial year ended 31 March 2022.

This revised Corporate Governance Statement was approved by the Board on 30 December, 2022.

1. Introduction

Effective corporate governance is critical for the long-term success of ViaGold Rare Earth Resources Holdings Limited ("ViaGold" or "Company"). The board of ViaGold ("Board") is committed to maintaining and enhancing a strong corporate governance framework for the Company and is responsible for the overall corporate governance of the Company.

The Board monitors the operational and financial position, and overall performance, of ViaGold and oversees its business strategy, including approving its strategic goals. The Board is committed to maximising performance, generating value and financial returns for shareholders and sustaining the growth and success of the Company.

With these objectives in mind, the Board seeks to ensure that ViaGold is properly managed and the Company, its directors ("Directors"), other officers and employees operate in an appropriate environment of corporate governance. Accordingly, the Board has continued to create a framework for managing ViaGold, including the adoption of internal controls, risk management processes and corporate governance policies and practices, which it believes is appropriate for the Company's business and which is designed to promote the responsible management and conduct of ViaGold.

2. ASX Corporate Governance Principles and Recommendations

The ASX Corporate Governance Council has developed and released its fourth edition of the Corporate Governance Recommendations for Australian listed entities ("ASX Recommendations") in order to promote investor confidence and to assist companies to meet stakeholder expectations. The recommendations are not prescriptions, but guidelines and under the ASX Listing Rules, ViaGold is required to provide an annual corporate governance statement disclosing the extent to which it has followed the ASX Recommendations in the relevant reporting period. Where ViaGold has not followed a recommendation, it must identify the recommendation that has not been followed and give reasons for not following it. It must also disclose what (if any) alternative governance practices it has adopted in lieu of the recommendation during that period.

VIAGOLD RARE EARTH RESOURCES HOLDINGS LIMITED

2022 CORPORATE GOVERNANCE STATEMENT (Continued)

2. ASX Corporate Governance Principles and Recommendations (Continued)

The Company's current departures from the ASX Recommendations are set out in Section 9.

The key aspects of the Company's corporate governance practices are summarised below. These charters and policies are available on its website at www.viagold.ws.

3. Board of Directors

The Board comprised of three executive directors and five non-executive directors, of whom four (4) (namely, Mr. Yang Wang, Mr. Fuchuan Guo, Mr. Xunchang Hu and Ms. Jingcui Hong) are considered by the Board to be independent. The Directors are:

- Mr. Chang Yuan Liao, Chairman, initially appointed as executive director on 29 September 2017 and then appointed as Chairman on 30 September 2019, age 57.
- Ms. Mulei Shi, Chief Executive Officer, appointed on 8 Oct 2010, age 41.
- Dr. Longguang Shi, initially appointed as Chairman and executive director on 16 September 2010, He ceased to be an executive, but continued as a non-executive director and Chairman on 4 May 2011. On 30 September 2019, he stepped down as Chairman but has continued as a non-executive director, age 71.
- Mr King Choi Leung, Executive Director, appointed on 8 October 2010, age 71.
- Mr. Yang Wang, Non-executive Director, appointed on 17 September 2012, age 68.
- Mr. Fuchuan Guo, Non-executive Director, appointed on 29 September 2017, age 55.
- Mr. Xunchang Hu, Non-executive Director, appointed on 10 November 2017, age 61.
- Ms. Jingcui Hong, Non-executive Director, appointed on 30 September 2019, age 40.

Further information on the Directors, including their period in office, qualifications, experience, special responsibilities and other listed company directorships can be found in the Annual Report and at www.viagold.ws.

VIAGOLD RARE EARTH RESOURCES HOLDINGS LIMITED

2022 CORPORATE GOVERNANCE STATEMENT (Continued)

3. Board of Directors (Continued)

Independence

During the period, the Board was evenly split between Directors considered by the Board to be independent and those who were not independent. This is not consistent with the ASX Recommendations that a majority of the Board be independent directors. However, it does represent an increase in the proportion of Directors considered by the Board to be independent. Further, the Board intends to continue to assess its composition and will look to appoint further additional, suitably qualified and experienced, independent persons to the Board.

Director appointment, election and re-election

The Board undertakes appropriate checks before appointing and/or putting forward any person as a candidate for election as a Director and provides shareholders with all material information in its possession relevant to the election (or re-election) of each Director. For all appointments, the Board determines the selection criteria, identifies potential candidates and undertakes an assessment of their background, skills, experience, personal qualities and, once completed, appoints the candidate most suited to the role.

The Company has a written agreement with each Director setting out the terms of their appointment. The Company also has a written agreement with each senior executive setting out the terms of their appointment. All appointments are recorded in the Company's books and registers and advised to the requisite regulatory authorities.

Under ViaGold's Constitution, with the exception of the Managing Director, Directors may not hold office without election beyond the third Annual General Meeting (AGM) following their election or most recent re-election. Any director appointed to fill a casual vacancy must submit themselves for election at the next AGM.

Role and Responsibilities of the Board

The Board's role is to act in the best interests of the Company as a whole and is accountable to shareholders for the overall direction, management and corporate governance of the Company and the Group.

VIAGOLD RARE EARTH RESOURCES HOLDINGS LIMITED

2022 CORPORATE GOVERNANCE STATEMENT (Continued)

3. Board of Directors (Continued)

The primary responsibilities of the Board include:

- the establishment of the long term goals of the Company and the 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.

The Board Charter sets out the Board's role and responsibilities and describes those matters expressly reserved for the Board and those matters delegated to management (principally the Managing Director). A copy of the Board Charter can be found at www.viagold.ws.

The Managing Director is responsible for the day-to-day management of the Company, supported by the Company's senior executives. However, the ultimate responsibility for governance and strategy resides with the Board.

Structure and Composition of the Board

ViaGold is committed to ensuring the composition of the Board includes Directors who bring the appropriate mix of skills, experience, expertise and diversity to Board decision making. It considers that having a diversity of skills background, knowledge and gender are important in effectively governing the Company.

The Board considers that its Directors and Senior Management have the necessary skills and experience to discharge their responsibilities. The background and experience of the Directors is set out on pages 23 and 24 of the Company's 2022 Annual Report. In addition, set out below is a Director skills/experience matrix applicable to the Board as it was composed at the end of the financial year:

VIAGOLD RARE EARTH RESOURCES HOLDINGS LIMITED

2022 CORPORATE GOVERNANCE STATEMENT (Continued)

3. Board of Directors (Continued)

Structure and Composition of the Board (Continued)

| Skill/Experience | Board |
|--|--------------|
| Total Number of Directors | 8 |
| Financial Acumen Experience in financial accounting and reporting, corporate finance and internal financial controls | 5 |
| Commercial Capability Broad range of commercial skills and experience | 5 |
| Strategy Experience in developing and implementing a successful strategy over the long-term | 5 |
| Industry Experience Experience working in the rare earth processing & marketing sector | 4 |
| Global Experience Experience in a global business exposed to a range of cultural, political and regulatory environments | 4 |
| Sales and Marketing Experience Sales and Marketing Experience | 4 |
| Corporate Governance and Compliance Experience and an understanding of a high level of governance, business ethics and regulatory compliance | 4 |
| Investor Relations Understanding of investor relations and the steps required to develop long-term value for shareholders | 4 |

In addition to the skills and experience set out above, the Board considers that each Director has the ability to:

- Act with honesty and integrity;
- Focus on the material issues;
- Think strategically and take a 'whole of organisation' perspective;

VIAGOLD RARE EARTH RESOURCES HOLDINGS LIMITED

2022 CORPORATE GOVERNANCE STATEMENT (Continued)

3. Board of Directors (Continued)

Structure and Composition of the Board (Continued)

- Understand the external environment and deal with pressures from external sources;
- Influence effectively at the board table;
- Respect alternative viewpoints; and
- Hold management accountable.

Board Performance Evaluation

ViaGold is committed to transparency in determining Board membership and in assessing the performance of the Board, Board Committees and individual Directors.

While the Board does not have a formal policy for reviewing and evaluating the performance of the Board or its Committees, Chair or individual Directors, it does regularly assess, review and analyse how the Board, Committees and Directors function and the time spent considering matters by the Board and by the Committees. The Chair monitors performance on an ongoing basis and discusses performance individually with directors on a periodic basis. In all reviews and assessments, the balance of skills, experience, independence and knowledge are taken into consideration as well as how the Board works together as a unit.

Professional Development

The Board reviews whether the Directors have the skills, knowledge and familiarity with the entity and its operating environment required to fulfil their role on the Board and its Committees effectively and, where gaps are identified, consider what training or development could be undertaken to fulfil those gaps and/or what additional persons might be added to the Board or senior management team to address any identified weaknesses.

Remuneration

The Remuneration Committee oversees the fixing of the remuneration for the Directors and the Managing Director and ensures generally that such remuneration is appropriate and not excessive. While the Managing Director is directly responsible for setting the remuneration of other members of the senior management team, the Remuneration Committee provides advice to the Managing Director on these issues.

Given the size of the Company's management team, the Board believes this is an appropriate way in which to deal with this aspect of the Company's governance at this time.

Induction

The Board provides an induction program to all new Directors.

VIAGOLD RARE EARTH RESOURCES HOLDINGS LIMITED

2022 CORPORATE GOVERNANCE STATEMENT (Continued)

3. Board of Directors (Continued)

Meetings and documents

Board meetings and shareholders meetings are held predominantly in English. At any meeting which a Director attends which is held in a language foreign to that Director (or in respect of any document in a foreign language made available to a Director), the Company ensures a translator who is able to translate proceedings (or the relevant document) is in attendance and time is taken to enable the translation to take place. Similarly, key corporate documents are ordinarily sent in advance of meetings to allow sufficient time for their translation to be undertaken.

Time is also taken to ensure all Directors understand and can contribute to the discussions at those meetings and understand and can discharge their obligations in relation to key documents, regardless of the language used in the meeting or the document.

4. Board Committees

To assist the Board in discharging its duties efficiently and effectively, it has established an Audit and Risk Committee, a Remuneration Committee and a Nomination Committee. Each Committee operates within its Board approved Charter which sets out the roles, responsibilities, membership requirements and meeting procedures for each committee. It is the intention of the Board to merge the Remuneration and Nomination Committees into one in the future.

Each established Committee meets as required and, generally, no less than twice a year. Two Audit & Risk Committee meetings were held during the period.

Audit & Risk Committee

ViaGold has established an Audit & Risk Committee. It had two members only during the period, both of whom are independent. The Committee is chaired by an independent director who is not the chairman of the Board.

Members of the Audit & Risk Committee during the period were:

- Mr. Yan Wang, independent Non-Executive Director, Chair
- Ms. Fuchuan Guo, independent Non-Executive Director.

The qualifications and experience of the members of the Committee are set out in the 2021 Annual Report.

The Audit & Risk Committee Charter is available at www.viagold.ws.

VIAGOLD RARE EARTH RESOURCES HOLDINGS LIMITED

2022 CORPORATE GOVERNANCE STATEMENT (Continued)

4. Board Committees (Continued)

Audit & Risk Committee (Continued)

The Audit & Risk Committee reviews, along with the CEO and CFO:

- 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 external audit functions, including reviewing the relevant audit plans.

During the period, the Audit & Risk Committee also had responsibility for, and undertook a review of, the Company's risk management framework. It will continue to review the Company's risk management framework at least annually. The reviews focus on the Committee satisfying itself that the risk management framework continues to be sound and that the Company is operating with due regard to the risk appetite set by the Board.

As the Company does not have an internal audit function, the Audit & Risk Committee is also responsible for making recommendations on the Company's systems of internal controls. This includes constant monitoring of the operational and financial aspects of the Company's activities, identifying and evaluating financial risks in close co-operation with the Company's business units and making recommendations to the Board. It also involves review and assessment of the external auditors and other advisers on the operational and financial risks that are facing the Company.

While the Company has no record of material exposure to environmental or social risks, the Board recognises the importance of ensuring the economic, environmental and social sustainability of the Company. The Board monitors sustainability issues and works closely with management to establish best practice around environmental efficiency and waste, and collaborates closely with all stakeholders in setting appropriate sustainability objectives for product and services development.

The number of times the Committee met throughout each reporting period and the individual attendances of the members at those meetings are ordinarily recorded and kept at the Company Secretariat office.

Should the Company determine it has any material exposure to economic, environmental and/or social sustainability risks, it will disclose how it will manage those risks.

VIAGOLD RARE EARTH RESOURCES HOLDINGS LIMITED

2022 CORPORATE GOVERNANCE STATEMENT (Continued)

4. Board Committees (Continued)

Nomination Committee

While ViaGold has a Nomination Committee, it is currently comprised of three Directors, Mr Yan Wang (Committee Chair), Mr Changyuan Liao, and Mr. Fuchuan Guo was newly appointed on 30 June 2022. While the Committee makes recommendations to the Board, it is the Board as a whole which is responsible for Board succession issues and ensures there is an appropriate balance of skills, knowledge, experience, independence and diversity on the Board to discharge its duties and responsibilities effectively. A copy of the Nomination Committee Charter can be found at www.viagold.ws.

Given the size of the Company and its management team, the Board believes this has been an appropriate way in which to deal with this aspect of the Company's governance at this time.

As at 31 March 2022, the committee members met one time throughout the period and all committee members have attended at those meetings.

Remuneration Committee

The Board has a Remuneration Committee. It is currently comprised of three Directors (Mr Yan Wang (Committee Chair), Mr Changyuan Liao and Mr Fuchuan Guo), a majority of whom are independent Directors. An independent Director, Mr Yan Wang, chairs the Remuneration Committee. Given the size of the Company's management team, the Board believes this is appropriate at this time. A copy of the Remuneration Committee Charter is available at www.viagold.ws.

The Remuneration Committee will hold meetings as often as it considers necessary and the number of times the Committee meets throughout the annual reporting period will ordinarily be disclosed in the Annual Report and attendance of the members at those meetings recorded in the minutes book of the Company.

Remuneration packages may contain any or all of the following:

- 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 (or longer period, as appropriate); and

VIAGOLD RARE EARTH RESOURCES HOLDINGS LIMITED

2022 CORPORATE GOVERNANCE STATEMENT (Continued)

4. Board Committees (Continued)

Remuneration Committee (Continued)

- other benefits such as holiday and sickness benefits and superannuation payments.

The Remuneration Committee reviews the remuneration of executives every year and considers 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 its consideration.

For the Directors, remuneration 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 the Directors and may make recommendations to the Board and to members in relation to any total fee increase.

The Board reviews Directors' remuneration on an annual basis. From time to time, the Board may ask an individual Director to devote extra time or to undertake extra duties. Directors who undertake these tasks may, at the Board's direction, receive extra amounts. Directors are also reimbursed for expenses associated with undertaking their duties.

Further information on the remuneration policies and remuneration of the Directors and senior executives is provided in the Remuneration Report found in the Company's Annual Report.

The Company did not grant options or other equity securities to employees in this financial year. However, if and when options are granted to employees, they are granted in accordance with the Employee Securities Plan Rules. Offer to employees will generally include restrictions on dealings with employee securities except with prior written consent from the Board. As a general rule, employees and other participants in equity based remuneration arrangements are not permitted to enter into transactions, whether derivative based or otherwise, which limit the economic risk of participation in such arrangements and/or schemes.

As at 31 March 2022, the committee members met one time throughout the period and all committee members attended at those meetings.

Company Secretary

Mr. King Choi (Peter) Leung was appointed on 7 August 2015 as the Company Secretary. He is accountable directly to the Board, through the Chair, on all matters to do with the proper functioning of the Board.

The role of the Company Secretary is set out in more detail in the Board Charter.

VIAGOLD RARE EARTH RESOURCES HOLDINGS LIMITED

2022 CORPORATE GOVERNANCE STATEMENT (Continued)

5. Senior Executives

Senior executives manage the day-to-day tasks of the Company under the guidance and direction of the Managing Director. ViaGold recognises the importance of its senior executives to the Company's growth and performance. Accordingly, the Company undertakes regular evaluations of its senior executives to review their effectiveness and performance on an ongoing basis.

The Managing Director reviews the performance of senior executives annually. These evaluations assess the completeness and effectiveness of each senior executive in meeting their KPIs, whether the executive has the appropriate mix of skills and experience to allow the Company to meet its corporate goals and whether the executive provides a safe, secure, productive, harmonious and inclusive environment for their employees to perform at their best.

A performance review of the senior executives who report to the Managing Director was undertaken by the Managing Director during the course of this year.

6. Diversity

ViaGold is committed to diversity and inclusion in its workplace. It has a Diversity Policy, a copy of which can be found at www.viagold.ws. Given the size, location and stage of development of the Company's businesses, and despite having adopted a formal policy, the Board believes it is appropriate to be focused more on diversity of expertise and experience and equality of opportunity than on gender or ethnic diversity across the businesses.

Proportions of men and women on the Board and in senior executive positions in September 2021 were as follows:

Board: 6 persons or 75% are male, 2 persons or 25% are female.

Senior Executives: 7 persons or 78% are male, 2 persons (including the CEO) or 22% are female.

7. Values

ViaGold's values include (but are not limited to):

- ensuring sound standards of corporate governance and compliance with all applicable laws;
- being honest, transparent and accountable in all business dealings;
- fostering innovation, enterprise and continuous learning within the organisation; and
- respecting and embracing diversity through openness, sharing, trust, teamwork and cooperation.

VIAGOLD RARE EARTH RESOURCES HOLDINGS LIMITED

2022 CORPORATE GOVERNANCE STATEMENT (Continued)

7. Values (Continued)

Ethical and Responsible Behaviour

ViaGold is committed to acting ethically and responsibly, including acting with honesty and integrity. To support this, the Company has developed various policies that set out the values and expectations as to how the Company and its employees will work and behave.

Code of Conduct

ViaGold's Code of Conduct represents a commitment by the Board and executives to uphold the highest standards of honesty, integrity and ethical and law-abiding behaviour and to foster a culture of honesty, integrity and ethical and law-abiding behaviour among the Company's officers and employees.

Failure to comply with the Code is viewed as a serious matter and may lead to disciplinary action by the Board, including dismissal and/or legal action. Material breaches of the reported to the Board.

A copy of the Code can be found at www.viagold.ws.

Conflicts of Interest

ViaGold's Code of Conduct also includes guidelines in managing conflicts of interest.

In accordance with the requirements of the applicable laws, Directors who have a material personal interest in a matter must not be present while the matter is being considered. The other Directors, however, may allow such Director/s to participate and vote in relation to a particular issue if they are satisfied that the interest should not disqualify the Director/s from voting and/or being present.

Whistleblower

ViaGold's Whistleblower Policy sets out the types of disclosures that qualify for protection under the Whistleblower Protection Scheme, information about the protections available under the Scheme and how the Company will support whistleblowers and protect them from detriment. The policy is made available to all officers, employees and contractors and can be found at www.viagold.ws. Material incidents reported under the Policy are to be reported to the Board.

VIAGOLD RARE EARTH RESOURCES HOLDINGS LIMITED

2022 CORPORATE GOVERNANCE STATEMENT (Continued)

7. Values (Continued)

Anti-bribery, Fraud and Corruption

Compliance with ViaGold's Anti-bribery, Fraud and Corruption Policy is fundamental to the Company's values, reputation and standing in the wider community. ViaGold has no tolerance for unfair or unethical conduct in business. It believes acting fairly and ethically will protect the Company's assets and create value for its business partners, customers and shareholders.

The Company prohibits bribery and corruption in all dealings in every country. ViaGold's Anti-bribery and Corruption Policy applies to all dealings whether they be with private organisations, individuals, domestic or foreign governments, or their representatives.

ViaGold believes its Anti-bribery, Fraud and Corruption Policy reinforces the Board, senior management and employees' commitment to refraining from corrupt and fraudulent conduct and to establishing policies, controls and procedures for prevention and detection of these activities.

A copy of the Anti-bribery, Fraud and Corruption Policy can be found at www.viagold.ws. The Board must be notified of any material breaches of this Policy.

Dealing in ViaGold Securities

ViaGold has a Share Trading Policy applicable to all Directors, employees and associates which prohibits a person from trading or dealing in the Company's securities if they are privy to insider information. Further, a Director or their associates, may only deal in the Company's securities when they do not have any inside information and during a trading window.

A copy of the Policy is available at www.viagold.ws.

Internal Audit

The Company does not have an internal audit function. Due to its size and current activities, the Board does not believe that an internal audit function is warranted at this time. The Board evaluates and monitors internal control processes in order to continually improve the effectiveness of its risk management practices and will continue to re-evaluate the Company's requirement for an internal audit function as the Company grows.

VIAGOLD RARE EARTH RESOURCES HOLDINGS LIMITED

2022 CORPORATE GOVERNANCE STATEMENT (Continued)

7. Values (Continued)

CEO and CFO Declaration

The Board received a declaration from both the CEO (Managing Director) and CFO, that, in their opinion, the financial records have been properly maintained and that the financial statements comply with the appropriate accounting standards and give a true and fair view of the financial position and performance of the Group, and that their opinion has been formed on the basis of a sound system of risk management and internal control (which systems were operating effectively). The declaration was provided before the Board approved the Company's financial statements for the 2022 financial period. The Board will continue to ensure such declarations are received in the future.

Verification of periodic reports

ViaGold releases half yearly and yearly financial statements and reports that are reviewed and/or audited respectively by an external auditor. For other periodic reports and ASX releases, the Company has embedded processes, including internal reviews by the Company's management team and Board review and approval, to ensure the accuracy of these reports and to ensure they are balanced and provide investors with appropriate information to make informed investment decisions.

8. Market Disclosure and Shareholder Communications

ViaGold believes effective communication with its shareholders, potential shareholders and other market participants is of upmost importance for any listed company and is committed to promoting high standards of disclosure to ensure a fully informed market.

ViaGold has an established process, via its Board Charter, which promotes effective communication with shareholders and encourages effective participation at general meetings. Included in this is the requirement for the Company to provide information about itself and its governance to investors via its website.

The Board policies set out the procedures for:

- reporting material price sensitive information to the Company Secretary for review and release;
- 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 and/or customers); and

VIAGOLD RARE EARTH RESOURCES HOLDINGS LIMITED

2022 CORPORATE GOVERNANCE STATEMENT (Continued)

8. Market Disclosure and Shareholder Communications (Continued)

- ensuring the Company and individual officers do not contravene the Corporations Act or the ASX Listing Rules (including restrictions on media interviews and/or investor presentations).

The Board considers issues of continuous disclosure at each of its meetings. The Board also regularly reviews such matters as:

- continuing education / professional development of the skills of its Directors;
- the rights of its officers to seek independent legal advice;
- directors and officers insurance;
- the setting and promulgation of ethical standards;
- auditing arrangements;
- identification and management of business risks;
- related party transactions; and
- compliance with the ASX Listing Rules.

Mr. King Choi (Peter) Leung and the local Australian agent, Mr. Chi Keung (Herman) Chow have primary responsibility for all communications with the ASX in relation to any ASX Listing Rules matters.

ViaGold has also provided shareholders with the opportunity to elect to receive communications from the Company electronically and can send communications to the Company and the share registry electronically.

Continuous Disclosure

ViaGold has continuous disclosure obligations arising from legislation and the ASX Listing Rules. To safeguard the effective dissemination of information and to ensure the Directors and employees are aware of their obligations, the Company has policies (as summarised above) setting out its procedures to ensure the Company immediately discloses all price-sensitive information to ASX in accordance with the ASX Listing Rules.

The Board approves all material announcements prior to lodgment with ASX and the Company Secretary, prior to or when announcing any material market announcements, provides copies of the announcements to the Board and keeps records of the announcements within the Company's records.

VIAGOLD RARE EARTH RESOURCES HOLDINGS LIMITED

2022 CORPORATE GOVERNANCE STATEMENT (Continued)

8. Market Disclosure and Shareholder Communications (Continued)

Continuous Disclosure (Continued)

Any new investment and/or analyst presentations are lodged and released on ASX Markets Announcement Platform prior to any such presentation being made to any other party.

Investor relations

ViaGold has an investor relations program that facilitates two-way communication with investors. The program is designed to allow investors and other financial market participants to gain greater understanding of ViaGold's business, governance, financial performance and prospects.

The Company places a high priority on communications with shareholders and is aware of its obligations as a listed company, both 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.

Information is communicated to/from shareholders as follows:

- through the ASX Market Announcements Platform;
- through notices of meetings of shareholders;
- by provision of documents that are released to the public on the Company's website; and
- by inviting shareholders to participate in all shareholders' meeting either in person, electronically or by their nominated representatives.

Website

Information about ViaGold and its governance policies and practices is also available on the Company's website at www.viagold.ws.

Electronic Communication

ViaGold gives its shareholders the option to send and receive all communications to the Company and its share registry electronically. The Company has also provided shareholders with the email addresses of the members of the senior management team / company representatives / Company Secretary to facilitate communication to and from them.

Shareholders are also encouraged to update their communication preferences and elect to receive all communications electronically with the share registry at www.computershare.com.au.

VIAGOLD RARE EARTH RESOURCES HOLDINGS LIMITED

2022 CORPORATE GOVERNANCE STATEMENT (Continued)

8. Market Disclosure and Shareholder Communications (Continued)

Annual General Meeting

The Annual General Meeting (AGM) is an important occasion for updating shareholders on the Company's performance. The AGM provides the opportunity for shareholders to ask questions of and hear from the Board. ViaGold encourages shareholder participation at its AGM as an opportunity to allow the Board to listen and respond to shareholder feedback. Similar opportunities are also provided to shareholders at all other general meetings of the shareholders. As a general rule, availability of the key Directors and time zones permitting, all general meetings of shareholders are held at reasonable times for the shareholders (both in Australia and Macau / Hong Kong).

Further, with the impact of COVID-19 and the location of shareholders in multiple jurisdictions, the Company has changed its usual venue for general meetings to accommodate conferencing / webcasting of those general meetings (or providing non-local shareholders with other electronic forms of participation in general meetings).

The Company ensures that its external auditor attends all AGMs and is available to answer queries from shareholders relevant to the audit. All substantive resolutions are ordinarily decided by a poll (voting by a show of hands is utilised if it is self-evident (and beyond dispute) that the relevant resolution before the general meeting of shareholders will be approved).

9. Compliance with Recommendations

ViaGold has complied fully with 32 of the 40 ASX Recommendations (relevant to the Company) during the period. Given the nature and scale of the Company, the Board believes its compliance with the ASX Recommendations to be appropriate at this time.

The Company did not comply with the following ASX Recommendations during the year:

- Recommendation 1.5(b) and (c): The Board continually assesses the need for developing specific and measurable objectives for gender diversity across the Company. However, at this time in the Company's development, the Board believes that it would not add value to the Company to have specific objectives for gender diversity. The Company currently engages the best person for each role and, given the nature of its business activities, it is focused more on expertise, experience and equality of opportunity than any particular gender or ethnic diversity objectives across its businesses. Further, as the Company is a foreign company and not subject to the Workplace Gender Equality Act (and is not included in the S&P / ASX 300 Index), it has not specifically addressed and therefore may not have complied with the requirements of that Act.
- Recommendations 1.6 and 1.7 – refer to Sections 3 and 5 above. The Board believes that its current policy of regular, but informal, reviews of its Board, Committees, individual Directors and members of its senior management team is more appropriate for its business at this time. As the business grows, this policy will be reviewed.

VIAGOLD RARE EARTH RESOURCES HOLDINGS LIMITED

2022 CORPORATE GOVERNANCE STATEMENT (Continued)

9. Compliance with Recommendations (Continued)

- Recommendation 2.4: - During the period, the Board was evenly split between Directors considered by the Board to be independent and those who were not independent. This is not consistent with the ASX Recommendations that a majority of the Board be independent directors. Within PRC, it is common for executive directors and persons directly involved in some way with a company to be appointed to the Board (and for a non-independent director to be the Chair) The even split represents an increase in the proportion of Directors considered by the Board to be independent and the Board intends to continue to assess its composition and will look to appoint further additional suitably qualified and experienced independent persons to the Board in the future.
- Recommendation 2.5: The Chair of the Company, Mr Changyuan Liao, is not an independent Director. The Company is incorporated in Bermuda and its operations are predominantly based in People's Republic of China (PRC). Within PRC, as above, it is common for executive directors and persons directly involved in the management of the relevant company to be appointed to both the Board and to be the Chair. Further, Mr Liao is the most appropriate person for the role given his diverse background and importantly, his knowledge of the major business activities of the Company within the rare-earth industry. Cognisant of the corporate governance issue that presents, it is important to note that the Chair is not the chief executive officer of the Company. That position is held by Ms Mulei Shi. It is not proposed that this will change (and, in particular, that the chief executive officer and chair roles would ever be held by the same person).
- Recommendations 4.1 and 7.1: While ViaGold has an Audit & Risk Committee chaired by an independent Director (who is not the Chair of the Board), the Committee currently comprises only two non-executive and independent Directors (instead of the required three). However, despite the reduced number, the current Committee is confident that it has the skills, capacity and capability to independently verify and safeguard the integrity of the Company's financial statements and reporting (including the process for the appointment and removal of the external auditor and the rotation of the audit engagement partner) and risk management. The Company intends to add one or more additional Directors to the Committee in the near future. The non-reporting of the number of meetings of the Audit & Risk Committee held during the year and the attendances at those meetings by the Committee members was an oversight. It will be remedied in the next Annual Report.
- Recommendation 6.4: While all future resolutions will ordinarily be decided by a poll, the Company did not comply with this ASX Recommendation in 2021 (or in previous years) as all resolutions approved at meetings of the members of the Company were approved by voting by a show of hands. This voting procedure was adopted because it was self-evident (from the proxies lodged and the persons present at the meetings) that all resolutions would be approved by the shareholders. As such, it was administratively easier and more cost efficient for the Company to adopt that course. Given Recommendation 6.4, the Company will ordinarily decide the outcome of resolutions in the future by voting by a poll.

VIAGOLD RARE EARTH RESOURCES HOLDINGS LIMITED

2022 CORPORATE GOVERNANCE STATEMENT (Continued)

Nomination Committee

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

Mr. Yan Wang
Mr. Changyuan Liao
Mr. Fuchuan Guo (appointed on 30 June 2022)

Audit Committee

The Board has established an Audit Committee consisting of the following independent non-executive directors and officers:

Mr. Yan Wang
Mr. Fuchuan Guo

Corporate Governance Committee

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

Mr. Yan Wang
Mr. Changyuan Liao

Remuneration Committee

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

Mr. Yan Wang
Mr. Changyuan Liao
Mr. Fuchuan Guo

Directors' emoluments

For the year ended 31 March 2022, the annual directors' remuneration are as follows:

| Name of directors | Amount AS'000 |
|--------------------------|--------------------------|
| Dr. Longguang Shi | 8 |
| Ms. Mulei Shi | 75 |
| Mr. King Choi Leung | 41 |
| Mr. Changyuan Liao | 8 |
| Mr. Yan Wang | - |
| Mr. Fuchuan Guo | - |
| Mr. Xunchang Hu | - |
| Ms. Jingcui Hong | - |

VIAGOLD RARE EARTH RESOURCES HOLDINGS LIMITED

DIRECTORS' REPORT

The directors are pleased to present their annual report and the audited consolidated financial statements for the year ended 31 March 2022.

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 and capital financing, rare earths industry as well as consultancy and management services to educational institutions. Details of the Company's subsidiaries are set out in note 29 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:

Ms. Mulei Shi (Chief Executive Officer)
Mr. King Choi Leung
Mr. Changyuan Liao

Non-executive directors:

Dr. Longguang Shi
Ms. Jingcui Hong

Independent non-executive directors:

Mr. Yan Wang
Mr. Fuchuan Guo
Mr. Xunchang Hu

In accordance with Article 19.1 of the Company's Bye-Laws, Ms. Mulei Shi, Mr. Longguang Shi and Mr. King Choi Leung 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 RARE EARTH RESOURCES HOLDINGS LIMITED

DIRECTORS' REPORT (Continued)

BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT

VIAGOLD - MANAGEMENT TEAM

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 has resigned as Chairman on 30 September 2019 but resumed as non-executive director of the Company. 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.

Chairman and Executive Director - Ms. Changyuan Liao

Mr. Changyuan Liao, age 57, was appointed as Chairman on 30 September 2019. Mr. Liao has been executive director of the Company since October 2017. He is one of the co-founders and chairman of the Administrative Committee of Ling Ge Art Foundation established in Macao, China. He also is vice-chairman of Maoming Jingshen Mining Company Limited, a subsidiary of Rising Nonferrous Metals Co Ltd which is a listed company listed on the Shanghai Stock Exchange (Code: SH600259). He had served in the People's Bank of China, Zhuhai branch and had been the legal representative and general manager of Urban Credit Cooperatives of Doumen District, Zhuhai, Guangdong Province, China and chairman of Shenzhen Xingbang Investment Co., Limited. Mr. Liao has over 20 years of business management experience in the finance sector and 10 years in the rare earth sector. Mr. Liao holds an MBA from Royal Roads University, British Columbia, Canada.

CEO and Executive Director- Ms. Mulei Shi

Ms. Mulei Shi was appointed as CEO and executive director of the Company in October 2010. 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, Executive Director and Company Secretary- Mr. King Choi Leung

Mr. Leung was appointed as CFO and executive director of the Company in October 2010 and as Company secretary in August 2015. Mr. Leung has 15 years banking experience and was formerly a corporate banking manager of BNP-Paribas. He has over 20 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.

VIAGOLD RARE EARTH RESOURCES HOLDINGS LIMITED

DIRECTORS' REPORT (Continued)

BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT (Continued)

VIAGOLD - MANAGEMENT TEAM (Continued)

Non-executive Director - Ms. Jingcui Hong

Ms. Jingcui Hong, age 40, is an outstanding senior investment expert that has ample experience in the supervising and management of rare-earth industry. Ms. Hong has actively and outstandingly served the large-scale stated-owned company of Rising Nonferrous Metals Co Ltd which is a listed company listed on the Shanghai Stock Exchange (Code: SH600259); and Guangdong Rare Earths Industry Group Co Ltd. Ms Hong holds a Bachelor Degree in York University, Toronto, Canada major in Financial Investment in 2010.

Independent Non-Executive Director - Mr. Yan Wang

Mr. Yan Wang serves as an Independent Non-Executive Director of the Group since 17 September 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.

Independent Non-Executive Director - Mr. Fuchuan Guo

Mr. Fuchuan Guo, age 55, graduated from the Guangdong University of Finance in China and major in Urban Finance, Mr. Guo holds Registered Qualification Certificate of Enterprise Legal Advisor of the People's Republic of China and Certificate of Accounting Profession. Mr. Guo has over 30 years experience in credit management, risk control, financial management, legal affairs and asset assessment. He is deputy General Manager of Guolianghang Assets Appraisal Company Limited. He had served as Section Chief of credit department at Jialing Branch of the Industrial and Commercial Bank of China and Chief Financial Officer of Shenzhen Baixinbai Investment Company Limited.

Independent Non-Executive Director - Mr. Xunchang Hu

Mr. Xunchang Hu, age 61, senior engineer and Assistant to General Manager of Guangdong Rare Earth Industry Group Limited which is one of the largest scale state-owned rare earth groups in China. Mr. HU holds a Bachelor Degree in Engineering from Jiangxi University of Science and Technology and major in non-ferrous metallurgy, and had served as Director of Marketing and Production Operations in the Guangdong rising Nonferrous Metal Co., Ltd which is listed on Shanghai Stock Exchange (Code: 600259) from November 2007 to September 2014. Before that, he had also served in Jiujiang Tanbre's Smeltery, Jiangxi Province, and the Bureau of Land and resources of Jiujiang County. Mr. Hu's has over 30 years business management experience in non-ferrous metals and rare earth sectors, especially in the aspect of trade and processing of rare earth and applications of the technologies of the new materials.

COMPANY SECRETARY

Mr. King Choi Leung (see Biographical Details of Directors on page 23 of this report)

VIAGOLD RARE EARTH RESOURCES HOLDINGS LIMITED

DIRECTORS' REPORT (Continued)

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 24 May 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.

MEETINGS OF DIRECTORS

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

| Directors | Held | Attended |
|---------------------|-------------|-----------------|
| Dr. Longguang Shi | 13 | 13 |
| Ms. Mulei Shi | 13 | 13 |
| Mr. King Choi Leung | 13 | 13 |
| Mr. Changyuan Liao | 13 | 13 |
| Mr. Yan Wang | 13 | 13 |
| Mr. Fuchuan Guo | 13 | 13 |
| Mr. Xunchang Hu | 13 | 13 |
| Ms. Jingcui Hong | 13 | - |

RESULTS

The results of the Group for the year ended 31 March 2022 are set out in the consolidated statement of profit or loss and consolidated statement of other comprehensive income on pages 35 and 36. 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 13 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 22 to the consolidated financial statements.

VIAGOLD RARE EARTH RESOURCES HOLDINGS LIMITED

DIRECTORS' REPORT (Continued)

SIGNIFICANT EVENTS AFTER THE END OF THE REPORTING PERIOD

INTEREST SWAP AGREEMENT

The Group signed an INTEREST SWAP AGREEMENT with Zhuhai Yinying Enterprise Management Consulting Co. Ltd. ("Zhuhai Yinying") in July 2022, under the agreement, Zhuhai Yinying has agreed to exchange its 55% equity interest in its wholly owned subsidiary, Yinying (Huizhou) Industrial Park Management Co. Ltd for the following assets of the Group:

- 36% equity interest in 北京华宝时代国际设备租赁有限公司 (Beijing HuaBao Times International Leasing Co., Ltd); and
- 25.4% interest in 常州市海林稀土有限公司 (Jintan Hailin Rare Earth Company Limited), which interest is held by the Company through a VIE structure.

Based on the initial discussion on 17 Aug 2022 with ASX and the advice from ASX, the Interest Swap Agreement may involve a significant change to the nature or scale of VIA's activities and/or a disposal of VIA's main undertaking, in each case as described in Chapter 11 of the ASX Listing Rules. If the transaction constitutes a significant change to the nature or scale of VIA's activities and/or a disposal of VIA's main undertaking, VIA may be required under Chapter 11 of the ASX Listing Rules to seek shareholder approval and/or re-comply with Chapters 1 and 2 of the ASX Listing Rules. VIA has not applied to ASX for in-principle advice in relation to whether the Interest Swap Agreement will constitute a significant change to the nature or scale of VIA's activities and/or a disposal of VIA's main undertaking, whether VIA will, post-completion of the Interest Swap Agreement, have structure and operations suitable for re-admission to the official list under ASX Listing Rules 1.1 condition 1 and 1.19, or any other aspect of the Interest Swap Agreement.

DIRECTORS' INTERESTS IN SHARES AND SHARE OPTIONS

(i) Shares

At 31 March 2022, the interests of the Company's directors and their associates in the issued share capital are as follows:

| Name | | Number of shares held | |
|---------------------|----------|-----------------------|---------------------|
| | | Personal interests | Corporate interests |
| Dr. Longguang Shi | (Note a) | - | 12,000,000 |
| Ms. Mulei Shi | (Note a) | - | 8,000,000 |
| Mr. King Choi Leung | | 150,000 | - |
| Mr. Changyuan Liao | (Note b) | 1,600,000 | - |

Note:

- (a) Dr. Longguan Shi and Ms. Mulei Shi are the beneficial owners of Capital Luck Group Limited.
- (b) Mr. Changyuan Liao is holding the shares for Ling Ge Art Foundation A/C.

VIAGOLD RARE EARTH RESOURCES HOLDINGS LIMITED

DIRECTORS' REPORT (Continued)

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 28 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.

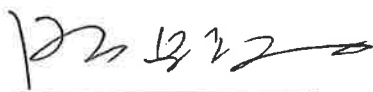
PRE-EMPTIVE RIGHTS

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. KTC Partners CPA Limited, who will retire at the forthcoming annual general meeting and, being eligible, offer themselves for re-appointment.

On behalf of the Board

1


Changyuan Liao
Chairman

19 January 2023

VIAGOLD RARE EARTH RESOURCES HOLDINGS LIMITED

DIRECTORS' DECLARATION

The directors of the Company declare that, For the year ended 31 March 2022:

- 1 The attached consolidated financial statements and notes thereto as set out on pages 35 to 107:
 - (a) comply with the International Financial Reporting Standards; and
 - (b) present fairly of the Group's financial position as at 31 March 2022 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 Board of directors.



Mulei Shi
Director

19 January 2023

INDEPENDENT AUDITOR'S REPORT

TO THE SHAREHOLDERS OF VIAGOLD RARE EARTH RESOURCES HOLDINGS LIMITED

(Incorporated in Bermuda with limited liability)

Opinion

We have audited the consolidated financial statements of ViaGold Rare Earth Resources Holdings Limited (the "Company") and its subsidiaries (collectively referred to as "the Group") set out on pages 35 to 107, which comprise the consolidated statement of financial position as at 31 March 2022, and the consolidated statement of profit or loss, consolidated statement of other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 March 2022, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards ("IFRSs") issued by International Accounting Standards Board ("IASB").

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing ("ISAs") issued by the International Audit and Assurance Standards Board ("IAASB"). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants ("the Code"), and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

INDEPENDENT AUDITOR'S REPORT

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key Audit Matter

How the matter was addressed in our audit

Valuation of inventories

Refer to Note 18 to the consolidated financial statements

| | |
|---|--|
| <p>We identified the valuation of inventories as a key audit matter due to its significance to the consolidated financial statements and the inventory costing models require significant estimates to calculate the cost of the inventory and net realisable value (“NRV”).</p> <p>The determination of the NRV of the inventory requires management’s judgement in relation to considers prices recently paid for similar assets, with adjustments made to the indicated market prices to reflect condition and utility of the appraised assets relative to the market comparative.</p> | <p>Our procedures in relation to assessing the valuation of the inventories included:</p> <ul style="list-style-type: none"> - assessing the model applied by the Group in determining the NRV for inventory against the requirements of the International Accounting Standards; - obtaining management’s valuation report; - evaluating the processes undertaken by the expert in preparing the valuation reports; - assessing the competency and objectivity of the expert used by management in the preparation of the valuation reports; - comparing the recent price of the inventories used in management’s models to current rare earth data; and - assessing the adequacy of the related disclosures to the consolidated financial statements. |
|---|--|

INDEPENDENT AUDITOR'S REPORT

Key Audit Matters (Continued)

| <u>Key Audit Matter</u> | <u>How the matter was addressed in our audit</u> |
|--|---|
| <p><i>Provision for expected credit losses ("ECL") of trade receivables</i> Refer to Notes 3.2 and 17 to the consolidated financial statements</p> <p>ECL for trade receivables are based on management's estimate of the lifetime ECL to be incurred, which is estimated by taking into account the credit loss experience, ageing of overdue trade receivables, customers' repayment history and customers' financial position and an assessment of both the current and forecast general economic conditions, all of which involve a significant degree of management judgment.</p> <p>We have identified ECL assessment of trade receivables as a key audit matter because the assessing ECL of trade receivables is a subjective area as it requires the management's judgment and uses of estimates.</p> <p>At 31 March 2022, the carrying amount of trade receivables is approximately A\$880,000 (net of allowance for doubtful debts of approximately A\$1,609,000).</p> | <p>Our procedures in relation to management's ECL assessment on trade receivables included:</p> <ul style="list-style-type: none"> -reviewing and assessing the application of the Group's policy for calculating the ECL; -evaluating the techniques and methodology in the ECL model against the requirements of IFRS 9; -assessing the reasonableness of management's loss allowance estimates by examining the information used by management to form such judgements, including testing the accuracy of the historical default data, evaluating whether the historical loss rates are appropriately adjusted based on current economic conditions and forward looking information and examining the actual losses recorded during the current financial year and assessing whether there was an indication of management bias when recognising loss allowances; -inquiring of management for the status of each of the material trade receivables past due as at year end and corroborating explanations from management with supporting evidence, such as understanding on-going business relationship with the customers based on trade records, checking historical and subsequent settlement records of and other correspondence with the customers; and |

INDEPENDENT AUDITOR'S REPORT

Key Audit Matters (Continued)

Key Audit Matter

How the matter was addressed in our audit

Provision for expected credit losses ("ECL") of trade receivables (Continued)

Refer to Notes 3.2 and 17 in the consolidated financial statements

| | |
|--|--|
| | -checking, on a sample basis, the ageing profile of the trade receivables as at 31 March 2022 to the underlying financial records and post year-end settlement to bank receipts. |
|--|--|

Other information

The directors of the Company are responsible for the other information. The other information comprises the information included in the annual report but does not include the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Directors and the Audit Committee for the Consolidated Financial Statements

The directors of the Company are responsible for the preparation of the consolidated financial statements that give a true and fair view in accordance with IFRSs, 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.

In preparing the consolidated financial statements, the directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

The Audit Committee are responsible for overseeing the Group's financial reporting process.

INDEPENDENT AUDITOR'S REPORT

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. This report is made solely to you, as a body, in accordance with section 90 of the Bermuda Companies Act 1981 and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

INDEPENDENT AUDITOR'S REPORT

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements (Continued)

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Audit Committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Audit Committee with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, action taken to eliminate threats or safeguards applied.

From the matters communicated with the Audit Committee, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.



KTC Partners CPA Limited
Certified Public Accountants (Practising)

Chow Yiu Wah, Joseph
Audit Engagement Director
Practising Certificate Number: P04686

Hong Kong, 19 January 2023

VIAGOLD RARE EARTH RESOURCES HOLDINGS LIMITED

CONSOLIDATED STATEMENT OF PROFIT OR LOSS FOR THE YEAR ENDED 31 MARCH 2022

| | Note | 2022 A\$'000 | 2021 A\$'000 |
|---|------|-------------------|-------------------|
| Revenue | 5 | 39,069 | 19,222 |
| Cost of services and sales | | <u>(40,203)</u> | <u>(15,752)</u> |
| Gross (loss)/profit | | (1,134) | 3,470 |
| Other income | 6 | 608 | 170 |
| Administrative expenses | | (3,070) | (2,150) |
| Impairment loss under expected credit loss model, net of reversal | 8 | 5,137 | (191) |
| Share of result of associates | | (12) | 2 |
| Finance costs | 7 | <u>(1,000)</u> | <u>-</u> |
| Profit before taxation | 8 | 529 | 1,301 |
| Income tax expenses | 11 | <u>(80)</u> | <u>(562)</u> |
| Profit for the year | | <u>449</u> | <u>739</u> |
| Attributable to: | | | |
| Equity holders of the Company | | (109) | (280) |
| Non-controlling interests | | <u>558</u> | <u>1,019</u> |
| | | <u>449</u> | <u>739</u> |
| Loss per share attributable to the equity holders of the Company | 12 | | |
| - Basic | | <u>(A\$0.001)</u> | <u>(A\$0.003)</u> |
| - Diluted | | <u>(A\$0.001)</u> | <u>(A\$0.003)</u> |

The notes on pages 41 to 107 form an integral part of these consolidated financial statements.

VIAGOLD RARE EARTH RESOURCES HOLDINGS LIMITED

CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 MARCH 2022

| | 2022 | 2021 |
|--|---------------|---------------|
| | AS'000 | AS'000 |
| Profit for the year | 449 | 739 |
| Other comprehensive income/(loss) for the year | | |
| Items that may be reclassified subsequently to profit or loss | | |
| Exchange difference arising in translation of foreign operations | 328 | (233) |
| Fair value gain on financial assets at fair value through other comprehensive income | 67 | - |
| Total comprehensive income for the year | 844 | 506 |
| Total comprehensive income attributable to: | | |
| Equity holders of the Company | (100) | 204 |
| Non-controlling interests | 944 | 302 |
| | 844 | 506 |

The notes on pages 41 to 107 form an integral part of these consolidated financial statements.

VIAGOLD RARE EARTH RESOURCES HOLDINGS LIMITED

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2022

| | Note | 2022 A\$'000 | 2021 A\$'000 |
|--|-------------|-------------------------|-------------------------|
| ASSETS | | | |
| Non-current assets | | | |
| Fixed assets | 13 | | |
| - Investment property | | 419 | 435 |
| - Plant and equipment | | 5,981 | 5,564 |
| Right-of-use assets | 14 | 4,237 | 4,086 |
| Interests in an associate | 15 | 538 | 522 |
| Financial assets at fair value through other comprehensive income | 16 | 3,866 | 3,610 |
| | | <u>15,041</u> | <u>14,217</u> |
| Current assets | | | |
| Inventories | 18 | 29,752 | 28,149 |
| Trade and other receivables | 17 | 12,166 | 10,509 |
| Amounts due from related parties | 25 | 111 | 100 |
| Financial assets at fair value through profit or loss | 21 | 398 | 5,122 |
| Pledged bank deposits | 19 | 1,019 | 872 |
| Cash and bank balances | 20 | 5,076 | 1,586 |
| | | <u>48,522</u> | <u>46,338</u> |
| Total assets | | <u><u>63,563</u></u> | <u><u>60,555</u></u> |

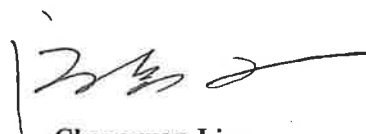
The notes on pages 41 to 107 form an integral part of these consolidated financial statements.

VIAGOLD RARE EARTH RESOURCES HOLDINGS LIMITED

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (Continued) **AS AT 31 MARCH 2022**

| | Note | 2022 A\$'000 | 2021 A\$'000 |
|--|------|-----------------|-----------------|
| CAPITAL AND RESERVES | | | |
| Equity | | | |
| Share capital | 22 | 16,662 | 16,662 |
| Reserves | | <u>(15,828)</u> | <u>(16,784)</u> |
| Capital and reserves attributable to the equity holders of the Company | | 834 | (122) |
| Non-controlling interests | | <u>8,314</u> | <u>7,370</u> |
| Total equity | | <u>9,148</u> | <u>7,248</u> |
| LIABILITIES | | | |
| Non-current liabilities | | | |
| Amount due to a related company | 25 | <u>15,686</u> | <u>14,904</u> |
| Current liabilities | | | |
| Trade and other payables | 24 | 20,388 | 15,118 |
| Amounts due to related companies | 25 | 12,354 | 15,544 |
| Amounts due to key management personnel | 25 | 1,709 | 2,782 |
| Contract liabilities | 26 | 3,638 | 4,414 |
| Tax payable | | <u>640</u> | <u>545</u> |
| | | <u>38,729</u> | <u>38,403</u> |
| Net current assets | | <u>9,793</u> | <u>7,935</u> |
| Total equity and liabilities | | <u>63,563</u> | <u>60,555</u> |

The consolidated financial statements on pages 35 to 107 were approved and authorised for issue by the board of directors on 19 January 2023 and are signed on its behalf by:



Changyuan Liao
Director



Mulei Shi
Director

The notes on pages 41 to 107 form an integral part of these consolidated financial statements.

VIAGOLD RARE EARTH RESOURCES HOLDINGS LIMITED

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2022

| | Attributable to equity holders of the Company | | | | | | | | | | |
|--|---|-------------------------|-------------------------------|-------------------------------|---------------------------|--|--------------------------------|------------------------------|---------------------|-------------------------------------|------------------------|
| | Share capital AS'000 | Share premium AS'000 | Translation reserve AS'000 | Contributed surplus AS'000 | Warrant reserve AS'000 | Investment revaluation reserve AS'000 | Other reserve (Note) AS'000 | Accumulated losses AS'000 | Sub-total AS'000 | Non-controlling interests AS'000 | Total equity AS'000 |
| As at 1 April 2020 | 16,662 | 37,248 | (28,868) | 47,645 | 600 | 432 | - | (74,655) | (936) | 6,577 | 5,641 |
| - Loss for the year | - | - | - | - | - | - | - | (280) | (280) | 1,019 | 739 |
| - Exchange differences arising on translation of foreign operations | - | - | 484 | - | - | - | - | - | 484 | (717) | (233) |
| Total comprehensive income for the year | - | - | 484 | - | - | - | - | (280) | 204 | 302 | 506 |
| Transactions with equity holders in their capacity | - | - | - | - | - | - | - | 600 | - | - | - |
| - Transfer of warrant reserve upon lapse of warrants | - | - | - | - | (600) | - | - | (491) | (491) | 491 | - |
| - Partial disposal of subsidiaries without loss of control | - | - | - | - | - | - | - | - | - | - | - |
| - Arising from amount due to a related company | - | - | - | - | - | - | 1,101 | - | 1,101 | - | 1,101 |
| As at 31 March 2021 | 16,662 | 37,248 | (28,384) | 47,645 | - | 432 | 1,101 | (74,826) | (122) | 7,370 | 7,248 |
| As at 1 April 2021 | 16,662 | 37,248 | (28,384) | 47,645 | - | 432 | 1,101 | (74,826) | (122) | 7,370 | 7,248 |
| - Profit for the year | - | - | - | - | - | - | - | (109) | (109) | 558 | 449 |
| - Exchange differences arising on translation of foreign operations | - | - | (58) | - | - | - | - | - | (58) | 386 | 328 |
| - Fair value gain on financial assets at fair value through other comprehensive income | - | - | - | - | - | 67 | - | - | 67 | - | 67 |
| Total comprehensive income for the year | - | - | (58) | - | - | 67 | - | (109) | (100) | 944 | 844 |
| - Arising from amount due to a related company | - | - | - | - | - | - | 1,056 | - | 1,056 | - | 1,056 |
| As at 31 March 2022 | 16,662 | 37,248 | (28,442) | 47,645 | - | 499 | 2,157 | (74,935) | 834 | 8,314 | 9,148 |

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:

- it is, or would after the payment be, unable to pay its liabilities as they become due; or
- 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.

Note: Other reserve represents the difference between the carrying amount of amount due to a related company and its fair value at amortised cost using effective interest method with effective interest rate at 6.8% per annum, as described in Note 25.

The notes on pages 41 to 107 form an integral part of these consolidated financial statements.

VIAGOLD RARE EARTH RESOURCES HOLDINGS LIMITED

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH 2022

| | Note | 2022 A\$'000 | 2021 A\$'000 |
|--|------|---------------------|---------------------|
| Operating activities | | | |
| Net cash generated from operating activities | 27 | <u>1,526</u> | <u>4,810</u> |
| Investing activities | | | |
| Purchase of fixed assets | | (812) | (174) |
| Payments for financial assets at fair value through profit or loss | | (23,561) | (5,122) |
| Redemption of financial assets at fair value through profit or loss | | 28,553 | - |
| Consideration paid for investment in an associate | | - | (350) |
| Interest received | | <u>70</u> | <u>49</u> |
| Net cash generated from/(used in) investing activities | | <u>4,250</u> | <u>(5,597)</u> |
| Financing activities | | | |
| Increase of pledged fixed deposits | | <u>(102)</u> | <u>(627)</u> |
| Net cash used in financing activities | | <u>(102)</u> | <u>(627)</u> |
| Net increase/(decrease) in cash and cash equivalents | | 5,674 | (1,414) |
| Cash and cash equivalents at the beginning of the year | | 1,586 | 2,527 |
| Effect of foreign exchange rate change, net | | <u>(2,184)</u> | <u>473</u> |
| Cash and cash equivalents at the end of the year | 20 | <u><u>5,076</u></u> | <u><u>1,586</u></u> |

The notes on pages 41 to 107 form an integral part of these consolidated financial statements.

VIAGOLD RARE EARTH RESOURCES HOLDINGS LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

1. GENERAL INFORMATION

VIAGOLD RARE EARTH RESOURCES HOLDINGS 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 110.

The securities of the Company has been suspended from quotation on ASX since 13 October 2021 as per the Company's announcement dated 15 October 2021.

The Company and its subsidiaries (together the "Group") are principally engaged in investment holding, rare earth business, leasing and capital financing services, and consultancy and management services to educational institutions. Details of the activities of the Company's principal subsidiaries are set out in Note 29.

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 19 January 2023.

2. SIGNIFICANT ACCOUNTING POLICIES

2.1. Basis of preparation of consolidated financial statements

The consolidated financial statements of the Company have been prepared in accordance with International Financial Reporting Standards and IFRIC interpretations ("IFRSs") issued by the International Accounting Standards Board ("IASB"). The consolidated financial statements have been prepared under the historical cost convention, except for financial assets at fair value through other comprehensive income and profit or loss which have been measured at fair value.

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

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these consolidated financial statements is determined on such a basis, except for share-based payment transactions that are within the scope of IFRS 2 "Share-based Payment", leasing transactions that are accounted for in accordance with IFRS 16, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in IAS 2 "Inventories" or value in use in IAS 36 "Impairment of Assets".

VIAGOLD RARE EARTH RESOURCES HOLDINGS LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued) FOR THE YEAR ENDED 31 MARCH 2022

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.1. Basis of preparation of consolidated financial statements (Continued)

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

For financial instruments which are transacted at fair value and a valuation technique that unobservable inputs is to be used to measure fair value in subsequent periods, the valuation technique is calibrated so that at initial recognition the results of the valuation technique equals the transaction price.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

The significant accounting policies are set out below.

The preparation of consolidated financial statements in conformity with IFRSs 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.

VIAGOLD RARE EARTH RESOURCES HOLDINGS LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued) FOR THE YEAR ENDED 31 MARCH 2022

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.1. Basis of preparation of consolidated financial statements (Continued)

Application of amendments to International Financial Reporting Standards ("IFRSs")

The IASB has issued a number of new and amended IFRSs. The Group has applied for the first time of the following amended IFRSs issued by IASB, which are relevant to the Group's operations and effective for the Group's consolidated financial statements for the accounting period beginning on or after 1 April 2021:

| | |
|---|--|
| Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16 | Interest Rate Benchmark Reform — Phase 2 |
| Amendment to IFRS 16 | Covid-19-related rent concessions beyond 30 June 2021 |

Except as described below, the adoption of the amended IFRSs had no material impact on how the results and financial position for the current and prior periods have been prepared and presented.

Impacts on application of Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16, Interest rate benchmark reform — phase 2

The Group has applied the amendments for the first time in the current year. The amendments relate to changes in the basis for determining the contractual cash flows of financial assets, financial liabilities and lease liabilities as a result of interest rate benchmark reform, specific hedge accounting requirements and the related disclosure requirements applying IFRS 7 Financial Instruments: Disclosures ("IFRS 7").

The amendments have had no impact on the consolidated financial statements as none of the relevant contracts has been transitioned to the relevant replacement rates during the year.

Impacts on application of Amendment to IFRS 16 Covid-19-Related Rent Concessions beyond 30 June 2021

The Group has early applied the amendment in the current year. The amendment extends the availability of the practical expedient in paragraph 46A of IFRS 16 Leases ("IFRS 16") by one year so that the practical expedient applies to rent concessions for which any reduction in lease payments affects only payments originally due on or before 30 June 2022, provided the other conditions for applying the practical expedient are met.

The application has had no impact to the opening accumulated losses at 1 April 2021.

VIAGOLD RARE EARTH RESOURCES HOLDINGS LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued) FOR THE YEAR ENDED 31 MARCH 2022

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.1. Basis of preparation of consolidated financial statements (Continued)

New and revised IFRSs issued but not yet effective

The Group has not early applied the following new and amendments to IFRSs that have been issued but are not yet effective:

| | |
|---|--|
| IFRS 17 | Insurance Contract and the related Amendments ² |
| Amendments to IFRS 3 | References to Conceptual Framework ¹ |
| Amendments to IFRS 10 and IAS 28 | Sale or Contribution of Assets between an Investor and its Associate or Joint Venture ³ |
| Amendments to IAS 1 | Classification of Liabilities as Current or Non-current ² |
| Amendments to IAS 1 and IFRS Practice Statement 2 | Disclosure of Accounting Policies ² |
| Amendments to IAS 8 | Definition of Accounting Estimates ² |
| Amendments to IAS 12 | Deferred Tax related to Assets and Liabilities arising from a Single Transaction ² |
| Amendments to IAS 16 | Property, Plant and Equipment — Proceeds before Intended Use ¹ |
| Amendments to IAS 37 | Onerous Contracts — Cost of Fulfilling a Contract ¹ |
| Amendments to IFRSs | Annual Improvements to IFRSs 2018–2020 ¹ |

¹ Effective for annual periods beginning on or after 1 January 2022.

² Effective for annual periods beginning on or after 1 January 2023.

³ Effective for annual periods beginning on or after a date to be determined.

The directors of the Company anticipate that the application of all other new and amendments to IFRSs will have no material impact on the consolidated financial statements in the foreseeable future.

2.2. Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company and its subsidiaries. Control is achieved when the Company:

- has power over the investee;
- is exposed, or has rights, to variable returns from its involvement with the investee; and
- has the ability to use its power to affect its returns.

VIAGOLD RARE EARTH RESOURCES HOLDINGS LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued) FOR THE YEAR ENDED 31 MARCH 2022

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.2. Basis of consolidation (Continued)

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statement of profit or loss and other comprehensive income from the date the Group gains control until the date when the Group ceases to control the subsidiary.

Profit or loss and each item of other comprehensive income are attributed to the owners of the Company and to the non-controlling interests. Total comprehensive income of subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies.

All intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

Non-controlling interests in subsidiaries are presented separately from the Group's equity therein, which represent present ownership interests entitling their holders to a proportionate share of net assets of the relevant subsidiaries upon liquidation.

Changes in the Group's interests in subsidiaries that do not result in the Group losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the Group's relevant components of equity and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries, including re-attribution of relevant reserves between the Group and the non-controlling interests according to the Group's and the non-controlling interests' proportionate interests.

Any difference between the amount by which the non-controlling interests are adjusted, and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the Company.

VIAGOLD RARE EARTH RESOURCES HOLDINGS LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued) FOR THE YEAR ENDED 31 MARCH 2022

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.2. Basis of consolidation (Continued)

When the Group loses control of a subsidiary, the assets and liabilities of that subsidiary and non-controlling interests (if any) are derecognised. A gain or loss is recognised in profit or loss and is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the carrying amount of the assets (including goodwill), and liabilities of the subsidiary attributable to the owners of the Company. All amounts previously recognised in other comprehensive income in relation to that subsidiary are accounted for as if the Group had directly disposed of the related assets or liabilities of the subsidiary (i.e. reclassified to profit or loss or transferred to another category of equity as specified/permitted by applicable IFRSs). The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under IFRS 9 Financial Instruments or, when applicable, the cost on initial recognition of an investment in an associate or a joint venture.

2.3. Interest in an associate

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

The results and assets and liabilities of associate are incorporated in these consolidated financial statements using the equity method of accounting. The financial statements of associate used for equity accounting purposes are prepared using uniform accounting policies as those of the Group for like transactions and events in similar circumstances. Under the equity method, an investment in an associate is initially recognised in the consolidated statement of financial position at cost and adjusted thereafter to recognise the Group's share of the profit or loss and other comprehensive income of the associate. When the Group's share of losses of an associate exceeds the Group's interest in that associate (which includes any long-term interests that, in substance, form part of the Group's net investment in the associate), the Group discontinues recognising its share of further losses. Additional losses are recognised only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of that associate.

An investment in an associate is accounted for using the equity method from the date on which the investee becomes an associate. On acquisition of the investment in an associate, any excess of the cost of the investment over the Group's share of the net fair value of the identifiable assets and liabilities of the investee is recognised as goodwill, which is included within the carrying amount of the investment. Any excess of the Group's share of the net fair value of the identifiable assets and liabilities over the cost of the investment, after reassessment, is recognised immediately in profit or loss in the period in which the investment is acquired.

VIAGOLD RARE EARTH RESOURCES HOLDINGS LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued) FOR THE YEAR ENDED 31 MARCH 2022

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.3. Interest in an associate (Continued)

The Group assesses whether there is an objective evidence that the interest in an associate may be impaired. When any objective evidence exists, the entire carrying amount of the investment (including goodwill) is tested for impairment in accordance with IAS 36 as a single asset by comparing its recoverable amount (higher of value in use and fair value less costs of disposal) with its carrying amount. Any impairment loss recognised is not allocated to any assets, including goodwill, that forms part of the carrying amount of the investment. Any reversal of that impairment loss is recognised in accordance with IAS 36 to the extent that the recoverable amount of the investment subsequently increases.

2.4. Foreign currencies

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 functional currency of the Company is Hong Kong Dollars ("HKD"). The consolidated financial statements are presented in Australian Dollars ("A\$"), 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") and Renminbi ("RMB"). The directors of the Company have chosen to present the consolidated financial statements in Australian Dollars on the grounds that the Group is listed in Australia.

In preparing the financial statements of the Group's entities, transactions in currencies other than the entity's functional currency (foreign currencies) are recognised at the rates of exchange prevailing on the dates of the transactions. At each reporting date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are translated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

VIAGOLD RARE EARTH RESOURCES HOLDINGS LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued) FOR THE YEAR ENDED 31 MARCH 2022

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.4. Foreign currencies (Continued)

Exchange differences are recognised in profit or loss in the period in which they arise except for:

- exchange differences on foreign currency borrowings relating to assets under construction for future productive use, which are included in the cost of those assets when they are regarded as an adjustment to interest costs on those foreign currency borrowings;
- exchange differences on transactions entered into to hedge certain foreign currency risks (see below under financial instruments/hedge accounting); and
- exchange differences on monetary items receivable from or payable to a foreign operation for which settlement is neither planned nor likely to occur in the foreseeable future (therefore forming part of the net investment in the foreign operation), which are recognised initially in other comprehensive income and reclassified from equity to profit or loss on disposal or partial disposal of the net investment.

For the purpose of presenting consolidated financial statements, the assets and liabilities of the Group's foreign operations are translated at exchange rates prevailing on the reporting date. Income and expense items are translated at the average exchange rates for the period, unless exchange rates fluctuate significantly during that period, in which case the exchange rates at the date of transactions are used. Exchange differences arising, if any, are recognised in other comprehensive income and accumulated in a foreign exchange translation reserve (attributed to non-controlling interests as appropriate).

On the disposal of a foreign operation (i.e. a disposal of the Group's entire interest in a foreign operation, or a disposal involving loss of control over a subsidiary that includes a foreign operation or a partial disposal of an interest in a joint arrangement or an associate that includes a foreign operation of which the retained interest becomes a financial asset), all of the exchange differences accumulated in a foreign exchange translation reserve in respect of that operation attributable to the owners of the Company are reclassified to profit or loss.

In addition, in relation to a partial disposal of a subsidiary that includes a foreign operation that does not result in the Group's losing control over the subsidiary, the proportionate share of accumulated exchange differences are re-attributed to non-controlling interests and are not recognised in profit or loss. For all other partial disposals (i.e. partial disposals of associates or joint arrangements that do not result in the Group's losing significant influence or joint control), the proportionate share of the accumulated exchange differences is reclassified to profit or loss.

VIAGOLD RARE EARTH RESOURCES HOLDINGS LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued) FOR THE YEAR ENDED 31 MARCH 2022

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.5. Revenue from contracts with customers

The Group recognises revenue when (or as) a performance obligation is satisfied, i.e. when “control” of the goods or services underlying the particular performance obligation is transferred to the customer.

A performance obligation represents a good or service (or a bundle of goods or services) that is distinct or a series of distinct goods or services that are substantially the same.

Control is transferred over time and revenue is recognised over time by reference to the progress towards complete satisfaction of the relevant performance obligation if one of the following criteria is met:

- the customer simultaneously receives and consumes the benefits provided by the Group’s performance as the Group performs;
- the Group’s performance creates and enhances an asset that the customer controls as the Group performs; or
- the Group’s performance does not create an asset with an alternative use to the Group and the Group has an enforceable right to payment for performance completed to date.

Otherwise, revenue is recognised at a point in time when the customer obtains control of the distinct good or service.

A contract asset represents the Group’s right to consideration in exchange for goods or services that the Group has transferred to a customer that is not yet unconditional. It is assessed for impairment in accordance with IFRS 9. In contrast, a receivable represents the Group’s unconditional right to consideration, i.e. only the passage of time is required before payment of that consideration is due.

A contract liability represents the Group’s obligation to transfer goods or services to a customer for which the Group has received consideration (or an amount of consideration is due) from the customer.

A contract asset and a contract liability relating to a contract are accounted for and presented on a net basis.

VIAGOLD RARE EARTH RESOURCES HOLDINGS LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued) FOR THE YEAR ENDED 31 MARCH 2022

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.5. Revenue from contracts with customers (Continued)

Existence of significant financing component

In determining the transaction price, the Group adjusts the promised amount of consideration for the effects of the time value of money if the timing of payments agreed (either explicitly or implicitly) provides the customer or the Group with a significant benefit of financing the transfer of goods or services to the customer. In those circumstances, the contract contains a significant financing component. A significant financing component may exist regardless of whether the promise of financing is explicitly stated in the contract or implied by the payment terms agreed to by the parties to the contract.

For contracts where the period between payment and transfer of the associated goods or services is less than one year, the Group applies the practical expedient of not adjusting the transaction price for any significant financing component.

For advance payments received from customers before the transfer of the associated goods or services in which the Group adjusts for the promised amount of consideration for a significant financing component, the Group applies a discount rate that would be reflected in a separate financing transaction between the Group and the customer at contract inception. The relevant interest expenses during the period between the advance payments were received and the transfer of the associated goods and services are accounted for on the same basis as other borrowing costs.

2.6. Leases

(a) Definition of a lease

A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

For contracts entered into or modified or arising from business combinations on or after the date of initial application, or arising from business combinations, the Group assesses whether a contract is or contains a lease based on the definition under IFRS 16 at inception, modification date or acquisition date, as appropriate. Such contract will not be reassessed unless the terms and conditions of the contract are subsequently changed.

VIAGOLD RARE EARTH RESOURCES HOLDINGS LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued) FOR THE YEAR ENDED 31 MARCH 2022

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.6. Leases (Continued)

(b) The Group as a lessee

(i) Short-term leases and leases of low-value assets

The Group applies the short-term lease recognition exemption to leases of buildings that have a lease term of 12 months or less from the commencement date and do not contain a purchase option. It also applies the recognition exemption for lease of low-value assets. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis or another systematic basis over the lease term.

(ii) Right-of-use assets

The cost of right-of-use asset includes:

- the amount of the initial measurement of the lease liability;
- any lease payments made at or before the commencement date, less any lease incentives received;
- any initial direct costs incurred by the Group; and
- an estimate of costs to be incurred by the Group in dismantling and removing the underlying assets, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease.

Right-of-use assets in which the Group is reasonably certain to obtain ownership of the underlying leased assets at the end of the lease term are depreciated from commencement date to the end of the useful life. Otherwise, right-of-use assets are depreciated on a straight-line basis over the shorter of its estimated useful life and the lease term. The principal annual rates are as follows:

| | |
|-----------------|----------|
| Leasehold lands | 50 years |
|-----------------|----------|

The Group presents right-of-use assets as a separate line item on the consolidated statement of financial position.

VIAGOLD RARE EARTH RESOURCES HOLDINGS LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued) FOR THE YEAR ENDED 31 MARCH 2022

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.6. Leases (Continued)

(b) The Group as a lessee (Continued)

(iii) Refundable rental deposits

Refundable rental deposits paid are accounted under IFRS 9 Financial Instruments (“IFRS 9”) and initially measured at fair value. Adjustments to fair value at initial recognition are considered as additional lease payments and included in the cost of right-of-use assets.

(iv) Lease modifications

Except for COVID-19-related rent concessions in which the Group applied the practical expedient, the Group accounts for a lease modification as a separate lease if:

- the modification increases the scope of the lease by adding the right to use one or more underlying assets; and
- the consideration for the leases increases by an amount commensurate with the stand-alone price for the increase in scope and any appropriate adjustments to that stand-alone price to reflect the circumstances of the particular contract.

When the modified contract contains a lease component and one or more additional lease or non-lease components, the Group allocates the consideration in the modified contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components.

(c) Changes in the basis for determining the future lease payments as a result of interest rate benchmark reform

For changes in the basis for determining the future lease payments as a result of interest rate benchmark reform, the Group applies the practical expedient to remeasure the lease liabilities by discounting the revised lease payments using the unchanged discount rate and makes a corresponding adjustment to the related right-of-use assets. A lease modification is required by interest rate benchmark reform if, and only if, both of these conditions are met:

VIAGOLD RARE EARTH RESOURCES HOLDINGS LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued) FOR THE YEAR ENDED 31 MARCH 2022

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.6. Leases (Continued)

(c) Changes in the basis for determining the future lease payments as a result of interest rate benchmark reform (Continued)

- the modification is necessary as a direct consequence of interest rate benchmark reform; and
- the new basis for determining the lease payments is economically equivalent to the previous basis (i.e. the basis immediately preceding the modification).

(d) COVID-19-related rent concessions

In relation to rent concessions that occurred as a direct consequence of the COVID-19 pandemic, the Group has elected to apply the practical expedient not to assess whether the change is a lease modification if all of the following conditions are met:

- the change in lease payments results in revised consideration for the lease that is substantially the same as, or less than, the consideration for the lease immediately preceding the change;
- any reduction in lease payments affects only payments originally due on or before 30 June 2021; and
- there is no substantive change to other terms and conditions of the lease.

A lessee applying the practical expedient accounts for changes in lease payments resulting from rent concessions the same way it would account for the changes applying IFRS 16 if the changes are not a lease modification. Forgiveness or waiver of lease payments are accounted for as variable lease payments. The related lease liabilities are adjusted to reflect the amounts forgiven or waived with a corresponding adjustment recognised in the profit or loss in the period in which the event occurs.

VIAGOLD RARE EARTH RESOURCES HOLDINGS LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued) FOR THE YEAR ENDED 31 MARCH 2022

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.7. Fixed assets

Investment property

Investment properties are properties held to earn rentals and/or for capital appreciation.

Investment properties are initially measured at cost, including any directly attributable expenditure. Subsequent to initial recognition, investment properties are stated at cost less subsequent accumulated depreciation and any accumulated impairment losses. Depreciation is recognised so as to write off the cost of investment properties over their estimated useful lives and after taking into account of their estimated residual value, using the straight-line method.

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 its disposal. A leased property which is recognised as a right-of-use asset is derecognised if the Group as intermediate lessor classifies the sublease as a finance lease. 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.

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

| | |
|---------------------|----------|
| Investment property | 20 years |
|---------------------|----------|

Other property, plant and equipment

Property, plant and equipment are tangible assets that are held for use in the production or supply of goods or services, or for administrative purposes. Property, plant and equipment are stated in the consolidated statement of financial position at cost less subsequent accumulated depreciation and subsequent accumulated impairment losses, if any.

Depreciation is recognised so as to write off the cost of assets less their residual values over their estimated useful lives, using the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

VIAGOLD RARE EARTH RESOURCES HOLDINGS LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued) FOR THE YEAR ENDED 31 MARCH 2022

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.7. Fixed assets (Continued)

Other property, plant and equipment (Continued)

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 | 3 - 20 years |
| Plant and machinery | 5 - 10 years |
| Furniture and equipment | 5 - 10 years |
| Motor vehicles | 4 - 10 years |
| Building | 20 years |

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

2.8. Impairment on property, plant and equipment, right-of-use assets and intangible assets other than goodwill

At the end of the reporting period, the Group reviews the carrying amounts of its property, plant and equipment, right-of-use assets, intangible assets with finite useful lives to determine whether there is any indication that these assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the relevant asset is estimated in order to determine the extent of the impairment loss, if any. Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment at least annually, and whenever there is an indication that they may be impaired.

The recoverable amount of property, plant and equipment, right-of-use assets and intangible assets are estimated individually. When it is not possible to estimate the recoverable amount of an asset individually, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

In testing a cash-generating unit for impairment, corporate assets are allocated to the relevant cash-generating unit when a reasonable and consistent basis of allocation can be established, or otherwise they are allocated to the smallest group of CGUs for which a reasonable and consistent allocation basis can be established. The recoverable amount is determined for the cash-generating unit or group of CGUs to which the corporate asset belongs, and is compared with the carrying amount of the relevant cash-generating unit or group of CGUs.

VIAGOLD RARE EARTH RESOURCES HOLDINGS LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued) FOR THE YEAR ENDED 31 MARCH 2022

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.8. Impairment on property, plant and equipment, right-of-use assets and intangible assets other than goodwill (Continued)

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset (or a cash-generating unit) for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or a cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or a cash-generating unit) is reduced to its recoverable amount. For corporate assets or portion of corporate assets which cannot be allocated on a reasonable and consistent basis to a cash-generating unit, the Group compares the carrying amount of a group of CGUs, including the carrying amounts of the corporate assets or portion of corporate assets allocated to that group of CGUs, with the recoverable amount of the group of CGUs. In allocating the impairment loss, the impairment loss is allocated first to reduce the carrying amount of any goodwill (if applicable) and then to the other assets on a pro-rata basis based on the carrying amount of each asset in the unit or the group of CGUs. The carrying amount of an asset is not reduced below the highest of its fair value less costs of disposal (if measurable), its value in use (if determinable) and zero. The amount of the impairment loss that would otherwise have been allocated to the asset is allocated pro-rata to the other assets of the unit or the group of CGUs. An impairment loss is recognised immediately in profit or loss.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or a cash-generating unit or a group of CGUs) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or a cash-generating unit or a group of CGUs) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

2.9. Financial instruments

Financial assets and financial liabilities are recognised when a group entity becomes a party to the contractual provisions of the instruments. All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the market place.

VIAGOLD RARE EARTH RESOURCES HOLDINGS LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued) FOR THE YEAR ENDED 31 MARCH 2022

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.9. Financial instruments (Continued)

Financial assets and financial liabilities are initially measured at fair value except for trade receivables arising from contracts with customers which are initially measured in accordance with IFRS 15. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets or financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

The effective interest method is a method of calculating the amortised cost of a financial asset or financial liability and of allocating interest income and interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts and payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial asset or financial liability, or, where appropriate, a shorter period to the net carrying amount on initial recognition.

(a) Financial assets

(i) Classification and subsequent measurement of financial assets

Financial assets that meet the following conditions are subsequently measured at amortised cost:

- the financial asset is held within a business model whose objective is to collect contractual cash flows; and
- the contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

VIAGOLD RARE EARTH RESOURCES HOLDINGS LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued) FOR THE YEAR ENDED 31 MARCH 2022

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.9. Financial instruments (Continued)

(a) Financial assets (Continued)

(i) Classification and subsequent measurement of financial assets (Continued)

Financial assets that meet the following conditions are subsequently measured at fair value through other comprehensive income ("FVTOCI"):

- the financial asset is held within a business model whose objective is achieved by both selling and collecting contractual cash flows; and
- the contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

All other financial assets are subsequently measured at fair value through profit or loss ("FVTPL"), except that at the date of initial recognition of a financial asset the Group may irrevocably elect to present subsequent changes in fair value of an equity investment in other comprehensive income if that equity investment is neither held for trading nor contingent consideration recognised by an acquirer in a business combination to which IFRS 3 Business Combinations applies.

A financial asset is held for trading if:

- it has been acquired principally for the purpose of selling in the near term; or
- on initial recognition it is a part of a portfolio of identified financial instruments that the Group manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument.

In addition, the Group may irrevocably designate a financial asset that are required to be measured at the amortised cost or FVTOCI as measured at FVTPL if doing so eliminates or significantly reduces an accounting mismatch.

VIAGOLD RARE EARTH RESOURCES HOLDINGS LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued) FOR THE YEAR ENDED 31 MARCH 2022

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.9. Financial instruments (Continued)

(a) Financial assets (Continued)

(ii) Amortised cost and interest income

Interest income is recognised using the effective interest method for financial assets measured subsequently at amortised cost. Interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset, except for financial assets that have subsequently become credit-impaired (see below). For financial assets that have subsequently become credit-impaired, interest income is recognised by applying the effective interest rate to the amortised cost of the financial asset from the next reporting period. If the credit risk on the credit impaired financial instrument improves so that the financial asset is no longer credit-impaired, interest income is recognised by applying the effective interest rate to the gross carrying amount of the financial asset from the beginning of the reporting period following the determination that the asset is no longer credit impaired.

(iii) Equity instruments designated as at FVTOCI

Investments in equity instruments at FVTOCI are subsequently measured at fair value with gains and losses arising from changes in fair value recognised in other comprehensive income and accumulated in the fair value reserve for financial assets at FVTOCI; and are not subject to impairment assessment. The cumulative gain or loss will not be reclassified to profit or loss on disposal of the equity investments, and will be transferred to accumulated losses.

Dividends from these investments in equity instruments are recognised in profit or loss when the Group's right to receive the dividends is established, unless the dividends clearly represent a recovery of part of the cost of the investment. Dividends are included in the other income line item in profit or loss.

(iv) Financial assets at FVTPL

Financial assets that do not meet the criteria for being measured at amortised cost are measured at FVTPL.

Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any fair value gains or losses recognised in profit or loss. The net gain or loss recognised in profit or loss includes any interest earned on the financial asset and is included in the "other gains and losses" line item.

VIAGOLD RARE EARTH RESOURCES HOLDINGS LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued) FOR THE YEAR ENDED 31 MARCH 2022

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.9. Financial instruments (Continued)

(a) Financial assets (Continued)

(v) Impairment of financial assets

The Group performs impairment assessment under expected credit loss (“ECL”) model on financial assets at amortised cost which are subject to impairment under IFRS 9. The amount of ECL is updated at each reporting date to reflect changes in credit risk since initial recognition.

Lifetime ECL represents the ECL that will result from all possible default events over the expected life of the relevant instrument. In contrast, 12-month ECL (“12m ECL”) represents the portion of lifetime ECL that is expected to result from default events that are possible within 12 months after the reporting date. Assessment are done based on the Group’s historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current conditions at the reporting date as well as the forecast of future conditions.

The Group always recognises lifetime ECL for trade receivables. The ECL on these assets are assessed individually for debtors with significant balance or collectively using a provision matrix with similar credit risk characteristics based primarily on the debtors’ aging profiles.

For all other instruments, the Group measures the loss allowance equal to 12m ECL, unless when there has been a significant increase in credit risk since initial recognition, the Group recognises lifetime ECL. The assessment of whether lifetime ECL should be recognised is based on significant increases in the likelihood or risk of a default occurring since initial recognition.

Significant increase in credit risk

In assessing whether the credit risk has increased significantly since initial recognition, the Group compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition. In making this assessment, the Group considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort.

In particular, the following information is taken into account when assessing whether credit risk has increased significantly:

VIAGOLD RARE EARTH RESOURCES HOLDINGS LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued) FOR THE YEAR ENDED 31 MARCH 2022

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.9. Financial instruments (Continued)

(a) Financial assets (Continued)

(v) Impairment of financial assets (Continued)

Significant increase in credit risk (Continued)

- an actual or expected significant deterioration in the financial instrument's external (if available) or internal credit rating;
- significant deterioration in external market indicators of credit risk, e.g. a significant increase in the credit spread, the credit default swap prices for the debtor;
- existing or forecast adverse changes in business, financial or economic conditions that are expected to cause a significant decrease in the debtor's ability to meet its debt obligations;
- an actual or expected significant deterioration in the operating results of the debtor;
- an actual or expected significant adverse change in the regulatory, economic, or technological environment of the debtor that result in a significant decrease in the debtor's ability to meet its debt obligations.

Irrespective of the outcome of the above assessment, the Group presumes that the credit risk has increased significantly since initial recognition when contractual payments are more than 30 days past due, unless the Group has reasonable and supportable information that demonstrates otherwise.

The Group regularly monitors the effectiveness of the criteria used to identify whether there has been a significant increase in credit risk and revises them as appropriate to ensure that the criteria are capable of identifying significant increase in credit risk before the amount becomes past due.

Definition of default

For internal credit risk management, the Group considers an event of default occurs when information developed internally or obtained from external sources indicates that the debtor is unlikely to pay its creditors, including the Group, in full (without taking into account any collaterals held by the Group).

VIAGOLD RARE EARTH RESOURCES HOLDINGS LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued) FOR THE YEAR ENDED 31 MARCH 2022

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.9. Financial instruments (Continued)

(a) Financial assets (Continued)

(v) Impairment of financial assets (Continued)

Definition of default (Continued)

Irrespective of the above, the Group considers that default has occurred when a financial asset is more than 90 days past due unless the Group has reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

Credit-impaired financial assets

A financial asset is credit-impaired when one or more events of default that have a detrimental impact on the estimated future cash flows of that financial asset have occurred. Evidence that a financial asset is credit-impaired includes observable data about the following events:

- significant financial difficulty of the issuer or the borrower;
- a breach of contract, such as a default or past due event;
- the lender(s) of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession(s) that the lender(s) would not otherwise consider;
- it is becoming probable that the borrower will enter bankruptcy or other financial reorganisation; or
- the disappearance of an active market for that financial asset because of financial difficulties.

Write-off policy

The Group writes off a financial asset when there is information indicating that the counterparty is in severe financial difficulty and there is no realistic prospect of recovery, for example, when the counterparty has been placed under liquidation or has entered into bankruptcy proceedings, or in the case of trade receivables, when the amounts are over two years past due, whichever occurs sooner. Financial assets written off may still be subject to enforcement activities under the Group's recovery procedures, taking into account legal advice where appropriate. A write-off constitutes a derecognition event. Any subsequent recoveries are recognised in profit or loss.

VIAGOLD RARE EARTH RESOURCES HOLDINGS LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued) FOR THE YEAR ENDED 31 MARCH 2022

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.9. Financial instruments (Continued)

(a) Financial assets (Continued)

(v) Impairment of financial assets (Continued)

Measurement and recognition of ECL

The measurement of ECL is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data adjusted by forward-looking information. Estimation of ECL reflects an unbiased and probability-weighted amount that is determined with the respective risks of default occurring as the weights. The Group uses a practical expedient in estimating ECL on trade receivables using a provision matrix taking into consideration historical credit loss experience, adjusted for forward-looking information that is available without undue cost or effort.

Generally, the ECL is the difference between all contractual cash flows that are due to the Group in accordance with the contract and the cash flows that the Group expects to receive, discounted at the effective interest rate determined at initial recognition.

Where ECL is measured on a collective basis or cater for cases where evidence at the individual instrument level may not yet be available, the financial instruments are grouped by considering the following factors:

- Nature of financial instruments;
- Past-due status;
- Nature, size and industry of debtors; and
- External credit ratings where available.

The grouping is regularly reviewed by management to ensure the constituents of each group continue to share similar credit risk characteristics.

Interest income is calculated based on the gross carrying amount of the financial asset unless the financial asset is credit impaired, in which case interest income is calculated based on amortised cost of the financial asset.

The Group recognises an impairment gain or loss in profit or loss for all financial instruments by adjusting their carrying amount, with the exception of trade receivables, where the corresponding adjustment is recognised through a loss allowance account.

VIAGOLD RARE EARTH RESOURCES HOLDINGS LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued) FOR THE YEAR ENDED 31 MARCH 2022

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.9. Financial instruments (Continued)

(a) Financial assets (Continued)

(vi) Derecognition of financial assets

The Group derecognises a financial asset only when the contractual rights to the cash flows from the assets expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity.

On derecognition of a financial asset measured at amortised cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss.

On derecognition of an investment in equity instrument which the Group has elected on initial recognition to measure at FVTOCI, the cumulative gain or loss previously accumulated in the fair value reserve for financial assets at FVTOCI is not reclassified to profit or loss, but is transferred to accumulated losses.

(b) Financial liabilities and equity

(i) Classification as debt or equity

Debt and equity instruments are classified either as financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

(ii) Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the group are recognised at the proceeds received, net of direct issue costs.

(iii) Financial liabilities

All financial liabilities are subsequently measured at amortised cost using the effective interest method or at FVTPL.

(iv) Financial liabilities at FVTPL

Financial liabilities are classified as at FVTPL when the financial liability is (i) contingent consideration of an acquirer in a business combination to which IFRS 3 applies, (ii) held for trading or (iii) it is designated as at FVTPL.

VIAGOLD RARE EARTH RESOURCES HOLDINGS LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued) FOR THE YEAR ENDED 31 MARCH 2022

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.9. Financial instruments (Continued)

(b) Financial liabilities and equity (Continued)

(iv) Financial liabilities at FVTPL (Continued)

A financial liability is held for trading if:

- it has been acquired principally for the purpose of repurchasing it in the near term; or
- on initial recognition it is part of a portfolio of identified financial instruments that the Group manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative, except for a derivative that is a financial guarantee contract or a designated and effective hedging instrument.

A financial liability other than a financial liability held for trading or contingent consideration of an acquirer in a business combination may be designated as at FVTPL upon initial recognition if:

- such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise; or
- the financial liability forms part of a group of financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis, in accordance with the Group's documented risk management or investment strategy, and information about the grouping is provided internally on that basis; or
- it forms part of a contract containing one or more embedded derivatives, and IFRS 9 permits the entire combined contract to be designated as at FVTPL.

For financial liabilities that are designated as at FVTPL, the amount of change in the fair value of the financial liability that is attributable to changes in the credit risk of that liability is recognised in other comprehensive income, unless the recognition of the effects of changes in the liability's credit risk in other comprehensive income would create or enlarge an accounting mismatch in profit or loss. For financial liabilities that contain embedded derivatives, such as convertible bonds, the changes in fair value of the embedded derivatives are excluded in determining the amount to be presented in other comprehensive income. Changes in fair value attributable to a financial liability's credit risk that are recognised in other comprehensive income are not subsequently reclassified to profit or loss; instead, they are transferred to accumulated losses upon derecognition of the financial liability.

VIAGOLD RARE EARTH RESOURCES HOLDINGS LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued) FOR THE YEAR ENDED 31 MARCH 2022

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.9. Financial instruments (Continued)

(b) Financial liabilities and equity (Continued)

(v) Financial liabilities at amortised cost

Financial liabilities including trade payables, other payables and borrowings are subsequently measured at amortised cost, using the effective interest method.

(vi) Derecognition of financial liabilities

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

(vii) Changes in the basis for determining the contractual cash flows as a result of interest rate benchmark reform

For changes in the basis for determining the contractual cash flows of a financial asset or financial liability to which the amortised cost measurement applies as a result of interest rate benchmark reform, the Group applies the practical expedient to account for these changes by updating the effective interest rate, such change in effective interest rate normally has no significant effect on the carrying amount of the relevant financial asset or financial liability.

A change in the basis for determining the contractual cash flows is required by interest rate benchmark reform if and only if, both these conditions are met:

- the change is necessary as a direct consequence of interest rate benchmark reform; and
- the new basis for determining the contractual cash flows is economically equivalent to the previous basis (i.e. the basis immediately preceding the change).

2.10. Cash and cash equivalents

For the purpose of the statement of cash flows, cash and cash equivalents represent cash at bank and on hand, demand deposits with banks and other financial institutions, and short-term highly liquid investments which are readily convertible into known amounts of cash and subject to an insignificant risk of change in value.

VIAGOLD RARE EARTH RESOURCES HOLDINGS LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued) FOR THE YEAR ENDED 31 MARCH 2022

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.11. Inventories

Inventories are carried at the lower of cost and net realisable value. Cost is calculated using the weighted average cost formula and comprises all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

2.12. Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit before taxation because of income or expense that are taxable or deductible in other years and items are never taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted or substantially enacted by the end of the reporting period.

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit. In addition, deferred tax liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill.

Deferred tax liabilities are recognised for taxable temporary differences associated with investment in subsidiaries and associate, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

VIAGOLD RARE EARTH RESOURCES HOLDINGS LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued) FOR THE YEAR ENDED 31 MARCH 2022

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.12. Taxation (Continued)

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of each reporting period, to recover or settle the carrying amount of its assets and liabilities.

For the purposes of measuring deferred tax for leasing transactions in which the Group recognises the right-of-use assets and the related lease liabilities, the Group first determines whether the tax deductions are attributable to the right-of-use assets or the lease liabilities.

For leasing transactions in which the tax deductions are attributable to the lease liabilities, the Group applies IAS 12 "Income Taxes" requirements to the leasing transaction as a whole. Temporary differences relating to right-of-use assets and lease liabilities are assessed on a net basis. Excess of depreciation on right-of-use assets over the lease payments for the principal portion of lease liabilities resulting in net deductible temporary differences.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied to the same taxable entity by the same taxation authority.

Current and deferred tax are recognised in profit or loss. Where current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

2.13. 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 the Company's subsidiaries which operate 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. These subsidiaries are required to contribute a certain percentage of their covered payroll to the CPS to fund the benefits. The only obligation of the subsidiaries with respect to the CPS is to pay the ongoing required contribution under the CPS. Contribution under the CPS are charged to the profit or loss as they become payable in accordance with the rules of the CPS.

VIAGOLD RARE EARTH RESOURCES HOLDINGS LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued) FOR THE YEAR ENDED 31 MARCH 2022

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.13. Employee benefits (Continued)

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 profit or loss, 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.

2.14. Provisions and contingent liabilities

Provisions are recognised for liabilities of uncertain timing or amount when the Group has a present legal or constructive obligation arising as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made. Where the time value of money is material, provisions are stated at the present value of the expenditures expected to settle the obligation.

Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability, unless the probability of outflow is remote. Possible obligations, whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events are also disclosed as contingent liabilities unless the probability of outflow is remote.

2.15. Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those asset, until such time as the assets are substantially ready for their intended use or sale.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

VIAGOLD RARE EARTH RESOURCES HOLDINGS LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued) FOR THE YEAR ENDED 31 MARCH 2022

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.16. Government grants

Government grants are not recognised until there is reasonable assurance that the Group will comply with the conditions attaching to them and that the grants will be received.

Government grants are recognised in profit or loss on a systematic basis over the periods in which the Group recognises as expenses the related costs for which the grants are intended to compensate. Specifically, government grants whose primary condition is that the Group should purchase, construct or otherwise acquire non-current assets are recognised as deferred income in the consolidated statement of financial position and transferred to profit or loss on a systematic and rational basis over the useful lives of the related assets.

Government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Group with no future related costs are recognised in profit or loss in the period in which they become receivable.

2.17. Related parties

A related party is a person or entity that is related to the Group in these financial statements, as follows:-

- (a) A person, or a close member of that person's family, is related to the Group if that person:
 - (i) has control or joint control over the Group;
 - (ii) has significant influence over the Group; or
 - (iii) is a member of the key management personnel of the Group or the Group's parent.
- (b) An entity is related to the Group if any of the following conditions applies:
 - (i) The entity and the Group are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).
 - (ii) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).
 - (iii) Both entities are joint ventures of the same third party.
 - (iv) One entity is a joint venture of a third entity and the other entity is an associate of the third entity.
 - (v) The entity is a post-employment benefit plan for the benefit of employees of either the Group or an entity related to the Group.
 - (vi) The entity is controlled or jointly controlled by a person identified in Note 2.17(a).
 - (vii) A person identified in Note 2.17(a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).
 - (viii) The entity, or any member of a group of which it is a part, provides key management personnel services to the Group or to the Group's parent.

VIAGOLD RARE EARTH RESOURCES HOLDINGS LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued) FOR THE YEAR ENDED 31 MARCH 2022

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.17. Related parties (Continued)

Close members of the family of a person are those family members who may be expected to influence, or be influenced by, that person in their dealings with the entity.

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 Company has no significant exposure to foreign currency risk as substantially all of the Group's transactions are denominated in the functional currency of the entity to which they relate, mainly Renminbi ("RMB").

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 20. Since the bank interest income are insignificant, management considers that cash flow and fair value interest rate risks of the Group are insignificant. Therefore no sensitivity analysis is presented thereon.

3.2. Credit risk

Credit risk refers to the risk that the Group's counterparties default on their contractual obligations resulting in financial losses to the Group. The Group's credit risk is primarily attributable to pledged bank deposits, cash and cash equivalent, trade and other receivables and amounts due from related parties. Management has a credit policy in place and the exposures to these credit risks are monitored on an ongoing basis.

VIAGOLD RARE EARTH RESOURCES HOLDINGS LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued) FOR THE YEAR ENDED 31 MARCH 2022

3. FINANCIAL RISK MANAGEMENT (CONTINUED)

3.2. Credit risk (Continued)

In respect of trade and other receivables, individual credit evaluations are performed on all customers requiring credit over a certain amount. These evaluations focus on the customer's past history of making payments when due and current ability to pay, and take into account information specific to the customer as well as pertaining to the economic environment in which the customer operates.

The credit risk on pledged bank deposits and cash and cash equivalent is limited because the majority of the counterparties are state-owned banks with good reputation.

The Group has significant concentration of credit risk on trade receivables as they are mainly attributable from certain limited counterparties. At the end of the reporting period, 72% (2021: 77%) and 100% (2021: 100%) of the total trade receivables were due from the Group's largest customer and the five largest customers respectively within the rare earth business segment.

The Group has significant concentration of credit risk on other receivables as they are mainly attributable from certain limited counterparties. At the end of the reporting period, 38% (2021: 49%) and 89% (2021: 76%) of the total other receivables were due from the Group's largest debtor and the five largest debtors respectively within the rare earth business segment.

Other than concentration of credit risk on trade and other 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.

The tables below detail the credit risk exposures of the Group's financial assets, which are subject to ECL assessment:

| 2022 | Notes | Internal credit rating | 12-month or lifetime ECL | Gross carrying amount AS\$'000 |
|--|--------------|-------------------------------|---------------------------------|---|
| Financial assets at amortised costs | | | | |
| Cash and bank balances | 20 | N/A | 12-month ECL | 5,076 |
| Pledged bank deposits | 19 | N/A | 12-month ECL | 1,019 |
| Trade receivables | 17 | (note i) | Lifetime ECL | 2,489 |
| Other receivables | 17 | (note ii) | 12-month ECL | - |
| | | (note iii) | Lifetime ECL | 10,504 |
| Amounts due from related parties | 25 | (note ii) | 12-month ECL | 111 |

VIAGOLD RARE EARTH RESOURCES HOLDINGS LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued) FOR THE YEAR ENDED 31 MARCH 2022

3. Financial risk management (Continued)

3.2. Credit risk (Continued)

| 2021 | Notes | Internal credit rating | 12-month or lifetime ECL | Gross carrying amount A\$'000 |
|--|-------|-------------------------|------------------------------|----------------------------------|
| Financial assets at amortised costs | | | | |
| Cash and bank balances | 20 | N/A | 12-month ECL | 1,586 |
| Pledged bank deposits | 19 | N/A | 12-month ECL | 872 |
| Trade receivables | 17 | (note i) | Lifetime ECL | 8,795 |
| Other receivables | 17 | (note ii) (note iii) | 12-month ECL Lifetime ECL | - 8,065 |
| Amounts due from related parties | 25 | (note ii) | 12-month ECL | 100 |

Notes:

- (i) For trade receivables, the Group has applied the simplified approach in IFRS 9 to measure the loss allowance at lifetime ECL. Except for items that are subject to individual evaluation, which are assessed for impairment individually, the Group determines the ECL on these items by past due status.
- (ii) For the purposes of internal credit risk management, the Group uses past due information to assess whether credit risk has increased significantly since initial recognition. As at 31 March 2022 and 2021, these balances are either not past due or doesn't have fixed repayment.
- (iii) The directors of the Company considers credit risks have increased significantly and those past due more than 90 days are considered as credit-impaired.

As part of the Group's credit risk management, the Group uses debtors' aging to assess the impairment for its customers because these customers have common risk characteristics that are representative of the customers' abilities to pay all amounts due in accordance with the contractual terms. The following table provides information about the exposure to credit risk for trade receivables which are assessed based on provision matrix within lifetime ECL (not credit-impaired).

VIAGOLD RARE EARTH RESOURCES HOLDINGS LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued) FOR THE YEAR ENDED 31 MARCH 2022

3. Financial risk management (Continued)

3.2. Credit risk (Continued)

| <u>At 31 March 2022</u> | Expected credit loss rate (%) | Gross carrying amount A\$'000 | Loss allowance A\$'000 | Net carrying amount A\$'000 |
|-----------------------------|--|-------------------------------------|------------------------------|-----------------------------------|
| Current (not past due) | 0% | 22 | - | 22 |
| Less than 180 days past due | 49% | 1,679 | (821) | 858 |
| 181 to 365 days past due | 0% | - | - | - |
| More than 365 days past due | 100% | 788 | (788) | - |
| | | <u>2,489</u> | <u>(1,609)</u> | <u>880</u> |

| <u>At 31 March 2021</u> | Expected credit loss rate (%) | Gross carrying amount A\$'000 | Loss allowance A\$'000 | Net carrying amount A\$'000 |
|-----------------------------|--|-------------------------------------|------------------------------|-----------------------------------|
| Current (not past due) | 0% | 39 | - | 39 |
| Less than 180 days past due | 0% | - | - | - |
| 181 to 365 days past due | 3% | 1,322 | (43) | 1,279 |
| More than 365 days past due | 100% | 7,434 | (7,434) | - |
| | | <u>8,795</u> | <u>(7,477)</u> | <u>1,318</u> |

The estimated loss rates are estimated based on historical observed default rates over the expected life of the debtors and are adjusted for forward-looking information that is available without undue cost or effort. The grouping is regularly reviewed by management to ensure relevant information about specific debtors is updated.

VIAGOLD RARE EARTH RESOURCES HOLDINGS LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued) FOR THE YEAR ENDED 31 MARCH 2022

3. Financial risk management (Continued)

3.2. Credit risk (Continued)

Movements in impairment losses recognised in respect of trade receivables are as follows:

| | 2022 | 2021 |
|------------------------------|----------------|----------------|
| | A\$'000 | A\$'000 |
| At beginning of the year | 7,477 | 8,315 |
| Impairment losses recognised | 3 | 191 |
| Reversal of impairment loss | (6,023) | - |
| Write-off | (247) | - |
| Exchange realignment | 399 | (1,029) |
| | <u>1,609</u> | <u>7,477</u> |
| At end of the year | <u>1,609</u> | <u>7,477</u> |

Movements in impairment losses recognised in respect of other receivables, prepayment and amounts due from related parties are as follows:

| | 2022 | 2021 |
|------------------------------|----------------|----------------|
| | A\$'000 | A\$'000 |
| At beginning of the year | 8,646 | 9,860 |
| Impairment losses recognised | 1,068 | - |
| Reversal of impairment loss | (185) | - |
| Write-off | (54) | - |
| Exchange realignment | 450 | (1,214) |
| | <u>9,925</u> | <u>8,646</u> |
| At end of the year | <u>9,925</u> | <u>8,646</u> |

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.

VIAGOLD RARE EARTH RESOURCES HOLDINGS LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued) FOR THE YEAR ENDED 31 MARCH 2022

3. Financial risk management (Continued)

3.3. Liquidity risk (Continued)

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 AS'000 | On demand AS'000 | Less than 1 year AS'000 | More than 1 year AS'000 | Total undiscounted cash flow AS'000 |
|--|------------------------------|------------------------|-------------------------------|-------------------------------|--|
| As at 31 March 2022 | | | | | |
| Trade and other payables | 20,388 | - | 20,388 | - | 20,388 |
| Amounts due to key management personnel | 1,709 | 1,709 | - | - | 1,709 |
| Amounts due to related companies | 28,040 | 12,354 | - | 16,844 | 29,198 |
| Total | 50,137 | 14,063 | 20,388 | 16,844 | 51,295 |

| | Carrying amount AS'000 | On demand AS'000 | Less than 1 year AS'000 | More than 1 year AS'000 | Total undiscounted cash flow AS'000 |
|--|------------------------------|------------------------|-------------------------------|-------------------------------|--|
| As at 31 March 2021 | | | | | |
| Trade and other payables | 15,118 | - | 15,118 | - | 15,118 |
| Amounts due to key management personnel | 2,782 | 2,782 | - | - | 2,782 |
| Amounts due to related companies | 30,448 | 15,544 | - | 16,005 | 31,549 |
| Total | 48,348 | 18,326 | 15,118 | 16,005 | 49,449 |

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.

VIAGOLD RARE EARTH RESOURCES HOLDINGS LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued) FOR THE YEAR ENDED 31 MARCH 2022

3. Financial risk management (Continued)

3.5. Fair value estimation

The carrying amounts of the Group's current financial assets, including trade and other receivables, amounts due from related parties, financial assets at fair value through profit or loss, pledged bank deposits and cash and cash equivalents; and current financial liabilities including trade and other payables, amounts due to key management personnel and amounts due to related companies, approximate to their fair values due to their short maturities, except for the amount due to a related company of approximately of A\$15,686,000 (2021: A\$14,904,000). 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 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).

Disclosures of level in fair value hierarchy

| | Fair value measurements using: | | | |
|------------------------------------|--------------------------------|---------|---------|---------|
| | Level 1 | Level 2 | Level 3 | Total |
| | A\$'000 | A\$'000 | A\$'000 | A\$'000 |
| At 31 March 2022 | | | | |
| Recurring fair value measurements: | | | | |
| Financial assets at FVTOCI | - | 3,866 | - | 3,866 |
| Financial assets at FVTPL | - | 398 | - | 398 |
| Amount due to a related company | - | - | 15,686 | 15,686 |

At 31 March 2021

Recurring fair value measurements:

| | | | | |
|---------------------------------|---|-------|--------|--------|
| Financial assets at FVTOCI | - | 3,610 | - | 3,610 |
| Financial assets at FVTPL | - | 5,122 | - | 5,122 |
| Amount due to a related company | - | - | 14,904 | 14,904 |

Valuation techniques and inputs used in Level 3 fairvalue measurements

The carrying amount of amount due to a related company of A\$16,844,000 is interest-free, and will be repayable in full on 30 April 2023. The fair value of approximately A\$15,686,000 is estimated as being the present values of future cash flows, discounted at prevailing market interest rates for an equivalent loan of 6.8%.

VIAGOLD RARE EARTH RESOURCES HOLDINGS LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued) FOR THE YEAR ENDED 31 MARCH 2022

4. Critical accounting estimates and judgments

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.

Provision of ECL for trade receivables

The provision rates are based on assumption about risk of default and expected credit loss rates, taking into consideration forward-looking information that is reasonable and supportable available without undue costs or effort. At every reporting date, the risk of default and expected credit loss rates are reassessed and changes in the forward-looking information are considered. In addition, trade receivables with significant balances and credit impaired are assessed for ECL individually.

The provision of ECL is sensitive to changes in estimates. The information about the ECL and the Group's trade receivables are disclosed in Notes 3.2 and 17.

Valuation of inventories

Inventories are stated at the lower of cost and net realisable value. Net realisable value of inventories is based on estimated selling prices less any estimated costs to be incurred to completion and disposal. It is the Group's policy to review the net realisable value of inventories periodically with reference to current market situation and conditions of the items. The Group's management reviewed regularly the suitability of the allowance policy and then applied allowances on those inventories by considering the net realisable value. The Group's management reviewed the inventory age listing to identify slow-moving inventories and then estimated the amount of allowance primarily based on the pricing policy and strategies and the historical experience in selling goods of similar nature.

Accounting for companies governed under contractual arrangements as subsidiaries

The Company and its subsidiaries do not hold any equity interests in Jintan Hailin Rare Earth Company Limited, nor, in any of its subsidiaries. Nevertheless, under the contractual agreements entered into between the Group, Jintan Hailin Rare Earth Company Limited and the registered owners of Jintan Hailin Rare Earth Company Limited, the directors of the Company determine that the Group has the power to govern the financial and operating policies of Jintan Hailin Rare Earth Company Limited so as to obtain benefits from their activities. As such, Jintan Hailin Rare Earth Company Limited is accounted for as subsidiary of the Group for accounting purposes.

VIAGOLD RARE EARTH RESOURCES HOLDINGS LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued) FOR THE YEAR ENDED 31 MARCH 2022

4. Critical accounting estimates and judgments (Continued)

Income taxes

The Group is subject to income taxes in numerous jurisdictions. Significant judgment 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. Management will increase/decrease the depreciation charges where useful life are less/more than previous estimates.

Fair value measurement of financial instruments

As at 31 March 2022, certain of the Group's financial assets, including an investment in structured deposit and unlisted equity shares in bank are measured at fair value with fair value being determined based on significant unobservable inputs using valuation techniques. Judgment and estimation are required in establishing the relevant valuation techniques and the relevant inputs thereof. Changes in assumptions relating to these factors could result in material adjustments to the fair value of these instruments. See note 3 for further disclosures.

5. Revenue and segment information

(a) Revenue

(i) Analysis of revenue

| | 2022 | 2021 |
|--|----------------------|----------------------|
| | A\$'000 | A\$'000 |
| Total revenue recognised during the year | | |
| Leasing and capital financing | 455 | 278 |
| Provision of consultancy and management services to educational institutions | - | 151 |
| Sales of minerals and rare earth business | <u>38,614</u> | <u>18,793</u> |
| | <u><u>39,069</u></u> | <u><u>19,222</u></u> |

VIAGOLD RARE EARTH RESOURCES HOLDINGS LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued) FOR THE YEAR ENDED 31 MARCH 2022

5. Revenue and segment information (Continued)

(a) Revenue (Continued)

(i) Analysis of revenue (Continued)

| | 2022 | 2021 |
|--|---------------|---------------|
| | AS'000 | AS'000 |
| Revenue from contracts with customers within the scope of IFRS 15 | | |
| Provision of consultancy and management services to educational institutions | - | 151 |
| Sales of minerals and rare earth business | 38,614 | 18,793 |
| | <u>38,614</u> | <u>18,944</u> |
| Revenue from other sources | | |
| Leasing and capital financing | 455 | 278 |
| | <u>39,069</u> | <u>19,222</u> |
| Timing of revenue recognition | | |
| Point in time basis | 38,614 | 18,944 |
| Point over time basis | 455 | 278 |
| | <u>39,069</u> | <u>19,222</u> |

(ii) Performance obligations for contracts with customers

Provision of consultancy and management services to educational institutions

For contracts entered into with customers on consultancy and management services, taking into consideration of the relevant contract terms and the legal environment, the Group concluded that the Group does not have an enforceable right to payment prior to completion of the consultancy and management services. Besides, the customers only received and consumed the benefits upon completion of the consultancy and management services. Revenue from provision of consultancy and management services to educational institutions is therefore recognised at a point in time when the provision of consultancy and management services to educational institutions rendered and the Group has present right to payment and collection of the consideration is probable.

VIAGOLD RARE EARTH RESOURCES HOLDINGS LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued) FOR THE YEAR ENDED 31 MARCH 2022

5. Revenue and segment information (Continued)

(a) Revenue (Continued)

(ii) Performance obligations for contracts with customers (Continued)

Sales of minerals and rare earth business

Customers obtain control of the minerals and rare earth when the goods are delivered to and have been accepted. Revenue is thus recognised upon when the customers accepted the products. There is generally only one performance obligation. Invoices are usually payable within 30 days. In the comparative period, revenue from sales of goods is recognised on transfer of risks and rewards of ownership, which was taken as at the time of delivery and the title is passed to customer.

The Group has applied the practical expedient of IFRS 15 to its contracts for provision of consultancy and management services to educational institutions and rare earth business such that the above information does not include information about revenue that the Group will be entitled to when it satisfies the remaining performance obligations under the contracts for sales of new energy vehicles and provision for logistics related services that had an original expected duration of one year or less.

(b) Segment information

The Group manages its business by divisions, which are organised 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.

- Rare earth business
- Leasing and capital financing
- Provision of consultancy and management services to educational institutions

Geographically, the Group's businesses are divided into Hong Kong and the People's Republic of China (the "PRC"). The main business in Hong Kong is investment holdings. The businesses in the PRC are segregated into rare earth business, leasing and capital financing services, and consultancy and management services to educational institutions.

VIAGOLD RARE EARTH RESOURCES HOLDINGS LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued) FOR THE YEAR ENDED 31 MARCH 2022

5. Revenue and segment information (Continued)

(b) Segment information (Continued)

100% of the Group's customers are located in Mainland China and revenue of the Group is derived from operations in Mainland China.

100% of the Group's non-current assets are located in Mainland China. The geographical location of the non-current assets is based on the physical location of assets in the case of investment property, property, plant and equipment and land use rights, and the location of the operation to which they are allocated in the case of goodwill and interests in an associate.

The management assesses the performance of the operating segments based on the profit/loss for the period. This measurement basis excludes corporate income and expenses and result of associate.

All assets are allocated to reportable segments other than interests in an associate and unallocated corporate assets. All liabilities are allocated to reportable segments other than unallocated corporate liabilities.

VIAGOLD RARE EARTH RESOURCES HOLDINGS LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued) FOR THE YEAR ENDED 31 MARCH 2022

5. Revenue and segment information (Continued)

The segment information for the reporting segments for the year ended 31 March 2022 is as follows:

| | Leasing and capital financing AS'000 | Provision of consultancy and management services to educational institutions AS'000 | Rare earth business AS'000 | Total AS'000 |
|---|--|---|-------------------------------|-----------------|
| Segment revenue | 455 | - | 38,614 | 39,069 |
| Inter-segment revenue | - | - | - | - |
| Revenue from external customers | 455 | - | 38,614 | 39,069 |
| Reportable segment (loss)/profit before income tax | 205 | (69) | 813 | 949 |
| Unallocated corporate expenses | | | | (420) |
| Profit before income tax | | | | 529 |
| Depreciation of fixed assets | (210) | (55) | (668) | (933) |
| Depreciation of right-of-use assets | - | - | (64) | (64) |
| Interest income | 5 | - | 65 | 70 |
| As at 31 March 2022 | | | | |
| Reportable segment assets | 1,660 | 158 | 60,657 | 62,475 |
| Interests in an associate | | | | 538 |
| Unallocated corporate assets | | | | 550 |
| Consolidated total assets | | | | 63,563 |
| Non-current assets (Other than financial instruments) | 1,005 | 134 | 9,498 | 10,637 |
| Unallocated corporate assets | | | | 538 |
| | | | | 11,175 |
| Additions to non-current assets (Other than financial instruments) | - | - | 812 | 812 |
| Reportable segment liabilities | (25) | (504) | (51,914) | (52,443) |
| Unallocated corporate liabilities | | | | (1,972) |
| Consolidated total liabilities | | | | (54,415) |

The Group's customer base includes three (2021: three) customers with whom transactions have exceeded 10% of the Group's total revenue. Revenue from sales to these customers amounted to A\$12,407,000, A\$6,615,000 and A\$5,904,000 each which related to rare earth business segment (2021: A\$4,121,000, A\$3,747,000 and A\$3,182,000 each which related to rare earth business segment).

VIAGOLD RARE EARTH RESOURCES HOLDINGS LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued) FOR THE YEAR ENDED 31 MARCH 2022

5. Revenue and segment information (Continued)

The segment information for the reporting segments for the year ended 31 March 2021 is as follows:

| | Leasing and capital financing AS'000 | Provision of consultancy and management services to educational institutions AS'000 | Rare earth business AS'000 | Total AS'000 |
|---|--|---|-------------------------------|-----------------|
| Segment revenue | 278 | 151 | 18,793 | 19,222 |
| Inter-segment revenue | - | - | - | - |
| Revenue from external customers | 278 | 151 | 18,793 | 19,222 |
| Reportable segment (loss)/profit before income tax | (182) | (59) | 1,991 | 1,750 |
| Unallocated corporate expenses | | | | (449) |
| Profit before income tax | | | | 1,301 |
| Depreciation of fixed assets | (208) | (54) | (814) | (1,076) |
| Depreciation of right-of-use assets | - | - | (62) | (62) |
| Interest income | 20 | - | 29 | 49 |
| As at 31 March 2021 | | | | |
| Reportable segment assets | 1,555 | 188 | 57,858 | 59,601 |
| Interests in an associate | | | | 522 |
| Unallocated corporate assets | | | | 432 |
| Consolidated total assets | | | | 60,555 |
| Non-current assets (Other than financial instruments) | 781 | 179 | 9,125 | 10,085 |
| Unallocated corporate assets | | | | 522 |
| | | | | 10,607 |
| Additions to non-current assets (Other than financial instruments) | - | - | 174 | 174 |
| Reportable segment liabilities | (194) | (454) | (51,238) | (51,886) |
| Unallocated corporate liabilities | | | | (1,421) |
| Consolidated total liabilities | | | | (53,307) |

VIAGOLD RARE EARTH RESOURCES HOLDINGS LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued) FOR THE YEAR ENDED 31 MARCH 2022

6. Other income

| | 2022 AS'000 | 2021 AS'000 |
|----------------------|------------------------------|------------------------------|
| Bank interest income | 70 | 49 |
| Sundry income | 538 | 121 |
| | <u>608</u> | <u>170</u> |

7. Finance costs

| | 2022 AS'000 | 2021 AS'000 |
|---|------------------------------|------------------------------|
| Interest on amount due to a related company | <u>1,000</u> | <u>-</u> |

8. Profit before taxation

| | 2022 AS'000 | 2021 AS'000 |
|---|------------------------------|------------------------------|
| Profit before income tax is arrived at: | | |
| After charging and (crediting) the following items: | | |
| Auditor's remuneration | | |
| - Audit and review service | 36 | 99 |
| Depreciation of right-of-use assets | 64 | 62 |
| Depreciation of fixed assets | 933 | 1,076 |
| Directors' remuneration (Note 9) | 132 | 90 |
| Employee benefit expense (excluding director's remuneration) (Note 10) | 634 | 653 |
| Impairment losses under expected credit loss model, net of reversal on: | | |
| - trade receivables | (6,020) | 191 |
| - other receivables, prepayment and amounts due from related parties | <u>883</u> | <u>-</u> |
| | (5,137) | 191 |
| Expense relating to short-term lease and other leases with lease lease term within 12 months | 111 | 87 |
| Cost of inventories sold | <u>39,989</u> | <u>15,561</u> |

VIAGOLD RARE EARTH RESOURCES HOLDINGS LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued) FOR THE YEAR ENDED 31 MARCH 2022

9. Directors' and senior management's emoluments

| | 2022 A\$'000 | 2021 A\$'000 |
|---|-----------------|-----------------|
| Directors' remuneration | | |
| - fees | 124 | 76 |
| - salaries, allowances and benefits in kind | 8 | 14 |
| | <u>132</u> | <u>90</u> |

The remuneration of each director for the year ended 31 March 2022 is set out below:

| | Fees A\$'000 | Salaries, allowances and benefits in kind A\$'000 | Total A\$'000 |
|---|-----------------|---|------------------|
| <u>Non-executive directors</u> | | | |
| Dr. Longguang Shi | 8 | - | 8 |
| <u>Executive directors</u> | | | |
| Ms. Mulei Shi | 75 | - | 75 |
| Mr. King Choi Leung | 33 | 8 | 41 |
| Mr. Changyuan Liao | 8 | - | 8 |
| Ms. Jingcui Hong | - | - | - |
| <u>Independent non-executive directors</u> | | | |
| Mr. Yan Wang | - | - | - |
| Mr. Fuchuan Guo | - | - | - |
| Mr. Xunchang Hu | - | - | - |
| | <u>124</u> | <u>8</u> | <u>132</u> |

VIAGOLD RARE EARTH RESOURCES HOLDINGS LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued) FOR THE YEAR ENDED 31 MARCH 2022

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

The remuneration of each director and an executive for the year ended 31 March 2021 is set out below:

| | Fees AS'000 | Salaries, allowances and benefits in kind AS'000 | Total AS'000 |
|---|----------------|--|-----------------|
| <u>Non-executive directors</u> | | | |
| Dr. Longguang Shi | 4 | - | 4 |
| <u>Executive directors</u> | | | |
| Ms. Mulei Shi | 39 | - | 39 |
| Mr. King Choi Leung | 29 | 14 | 43 |
| Mr. Changyuan Liao | 4 | - | 4 |
| Ms. Jingcui Hong | - | - | - |
| <u>Independent non-executive directors</u> | | | |
| Mr. Yan Wang | - | - | - |
| Mr. Fuchuan Guo | - | - | - |
| Mr. Xunchang Hu | - | - | - |
| | <u>76</u> | <u>14</u> | <u>90</u> |

10. Employee benefit expenses

| | 2022 AS'000 | 2021 AS'000 |
|----------------------|----------------|----------------|
| Wages and salaries | 529 | 408 |
| Social insurance | 26 | 191 |
| Other staff benefits | 79 | 54 |
| | <u>634</u> | <u>653</u> |

VIAGOLD RARE EARTH RESOURCES HOLDINGS LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued) FOR THE YEAR ENDED 31 MARCH 2022

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 jurisdictions where the Group operates and generates taxable income.

During the year, no provision for Hong Kong Profits Tax has been made as the Group did not generate any assessable profits arising from Hong Kong (2021: Nil). PRC subsidiaries are subject to PRC Enterprise Income Tax at 25% for the years ended 31 March 2022 and 2021.

| | 2022 A\$'000 | 2021 A\$'000 |
|-----------------------------|-------------------------------|-------------------------------|
| Current | | |
| - PRC Enterprise Income Tax | 80 | 562 |
| Deferred | - | - |
| | <u>80</u> | <u>562</u> |

The income tax expense for the year can be reconciled to the profit before income tax per the consolidated statement of profit or loss and other comprehensive income as follows:

| | 2022 A\$'000 | 2021 A\$'000 |
|--|-------------------------------|-------------------------------|
| Profit before income tax | <u>529</u> | <u>1,301</u> |
| Notional tax on profit calculated at the rates applicable to profits in the jurisdiction concerned | 181 | 400 |
| Tax effect of: | | |
| Expenses not deductible for tax purposes | 945 | 70 |
| Income not subject to tax | (1,058) | (5) |
| Share of results of associate | 3 | 1 |
| Tax effect of unused tax losses not recognised | <u>9</u> | <u>96</u> |
| Income tax expenses | <u>80</u> | <u>562</u> |

VIAGOLD RARE EARTH RESOURCES HOLDINGS LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued) FOR THE YEAR ENDED 31 MARCH 2022

12. Loss per share

(a) Basic loss per share

The calculation of basic loss per share attributable to owners of the Company is based on the loss for the year attributable to owners of the Company of A\$109,000 (2021: loss for the year of A\$280,000) and the weighted average number of ordinary shares of 83,312,000 (2021: 83,312,000) in issue during the year.

(b) Diluted loss per share

There was no dilutive potential ordinary shares outstanding during the year as the Company's outstanding share options for the years ended 31 March 2022 and 2021 had anti-dilutive effects. Accordingly, the diluted loss per share is same as basic loss per share for both years.

VIA GOLD RARE EARTH RESOURCES HOLDINGS LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued) FOR THE YEAR ENDED 31 MARCH 2022

13. Fixed assets

| Cost | Motor vehicles A\$'000 | Leasehold improvements A\$'000 | Furniture and equipment A\$'000 | Plant and Machinery A\$'000 | Building A\$'000 | Sub-total A\$'000 | Investment property A\$'000 | Total A\$'000 |
|---------------------------------|-----------------------------------|---|--|--|-----------------------------|------------------------------|--|--------------------------|
| As at 1 April 2020 | 1,988 | 2,409 | 115 | 3,359 | 4,280 | 12,151 | 902 | 13,053 |
| Additions | 174 | - | - | - | - | 174 | - | 174 |
| Disposals | (49) | - | - | - | - | (49) | - | (49) |
| Exchange realignment | (249) | (297) | (14) | (414) | (527) | (1,501) | (111) | (1,612) |
| As at 31 March 2021 | 1,864 | 2,112 | 101 | 2,945 | 3,753 | 10,775 | 791 | 11,566 |
| Additions | 413 | 386 | 13 | - | - | 812 | - | 812 |
| Disposals | (76) | - | - | - | - | (76) | - | (76) |
| Written-off | (363) | - | - | - | - | (363) | - | (363) |
| Exchange realignment | 306 | 110 | 6 | 154 | 197 | 773 | 42 | 815 |
| As at 31 March 2022 | 2,144 | 2,608 | 120 | 3,099 | 3,950 | 11,921 | 833 | 12,754 |
| Accumulated depreciation | | | | | | | | |
| As at 1 April 2020 | 1,371 | 615 | 48 | 1,880 | 888 | 4,802 | 406 | 5,208 |
| Depreciation | 270 | 187 | 9 | 268 | 342 | 1,076 | - | 1,076 |
| Eliminated on disposal | (49) | - | - | - | - | (49) | - | (49) |
| Exchange realignment | (173) | (81) | (7) | (239) | (118) | (618) | (50) | (668) |
| As at 31 March 2021 | 1,419 | 721 | 50 | 1,909 | 1,112 | 5,211 | 356 | 5,567 |
| Depreciation | 236 | 173 | 8 | 210 | 267 | 894 | 39 | 933 |
| Eliminated on disposal | (76) | - | - | - | - | (76) | - | (76) |
| Written-off | (363) | - | - | - | - | (363) | - | (363) |
| Exchange realignment | 73 | 39 | 3 | 100 | 59 | 274 | 19 | 293 |
| As at 31 March 2022 | 1,289 | 933 | 61 | 2,219 | 1,438 | 5,940 | 414 | 6,354 |
| Net carrying amounts | | | | | | | | |
| As at 31 March 2022 | 855 | 1,675 | 59 | 880 | 2,512 | 5,981 | 419 | 6,400 |
| As at 31 March 2021 | 445 | 1,391 | 51 | 1,036 | 2,641 | 5,564 | 435 | 5,999 |

The investment property and building are located in the PRC.

VIAGOLD RARE EARTH RESOURCES HOLDINGS LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued) FOR THE YEAR ENDED 31 MARCH 2022

14. Right-of-use assets

| | Land use right A\$'000 |
|---|---------------------------|
| Cost | |
| As at 1 April 2020 | 5,005 |
| Exchange realignment | (616) |
| | <hr/> 4,389 |
| As at 31 March 2021 | 4,389 |
| Exchange realignment | 231 |
| | <hr/> 4,620 |
| Deduct: Accumulated depreciation | |
| As at 1 April 2020 | 276 |
| Charged for the year | 62 |
| Exchange realignment | (35) |
| | <hr/> 303 |
| As at 31 March 2021 | 303 |
| Charged for the year | 64 |
| Exchange realignment | 16 |
| | <hr/> 383 |
| Net book values | |
| As at 31 March 2022 | <hr/> 4,237 |
| As at 31 March 2021 | <hr/> 4,086 |

It represents the Group's ownership interests on two leasehold land held for own use in the PRC, with remaining lease term of 40 and 31 years respectively.

The depreciation charged for the year has been recognised as an expense in the period, within the "administrative expenses" line item in the consolidated statement of profit or loss.

15. Interests in an associate

| | 2022 A'000 | 2021 A'000 |
|-----------------------------------|---------------|---------------|
| At beginning of the year | 522 | 194 |
| Addition | - | 350 |
| Share of post-acquisition results | (12) | 2 |
| Exchange realignment | 28 | (24) |
| | <hr/> 538 | <hr/> 522 |
| At end of the year | <hr/> 538 | <hr/> 522 |

VIAGOLD RARE EARTH RESOURCES HOLDINGS LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued) FOR THE YEAR ENDED 31 MARCH 2022

15. Interests in an associate (Continued)

At 31 March 2022 and 2021, the Group has interest in the following associates:

| Name of associate | Place of establishment and operations | Registered capital | Percentage of equity attributable to the Group | | Principal activities |
|--|---------------------------------------|--------------------|--|--------|--|
| | | | 2022 | 2021 | |
| 茂名市金晟礦業有限公司 Maoming Jinsheng Minerals Company Limited @ | PRC | RMB 9,600,000 | 21.17% | 21.17% | Refining and trading of metal |
| 珠海金網工業品交易科技 有限公司 Viagold Industrial Products Trading Technology Company Limited@ | PRC | RMB 50,000,000 | 29.05% | 29.05% | Retail of refined oil , cargo transportation |

@ The English name is for identification purpose only

Aggregate information of associates that are not individually material

| | 2022 A'000 | 2021 A'000 |
|--|---------------|---------------|
| The Group's share of (loss)/profit from continuing operations | <u>(12)</u> | <u>2</u> |
| The Group's share of other comprehensive (expenses)/income | <u>(12)</u> | <u>2</u> |
| The Group's share of total comprehensive (expenses)/income | <u>(12)</u> | <u>2</u> |
| Aggregate carrying amount of the Group's interests in these associates | <u>538</u> | <u>522</u> |

In the opinion of the Directors, Maoming Jinsheng Minerals Company Limited and Viagold Industrial Products Trading Technology Company Limited did not have a material effect on the results or financial position of the Group.

VIAGOLD RARE EARTH RESOURCES HOLDINGS LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued) FOR THE YEAR ENDED 31 MARCH 2022

16. Financial assets at fair value through other comprehensive income

| | 2022 A\$'000 | 2021 A\$'000 |
|---|-----------------|-----------------|
| Financial assets at FVOCI | <u>3,866</u> | <u>3,610</u> |
| | 2022 A\$'000 | 2021 A\$'000 |
| Unlisted equity shares Jiangsu Jiangnan Rural Commercial Bank Company Limited | <u>3,866</u> | <u>3,610</u> |

The financial assets represents 4,975,837 ordinary shares (2021: 4,975,837 ordinary shares) in Jiangsu Jiangnan Rural Commercial Bank Company Limited.

The fair value of unlisted equity shares that are not traded in an active market is determined by using valuation techniques. These valuation techniques maximize the use of observable market data where it is available and rely as little as possible on entity-specific estimates. The financial asset is included in level 2.

17. Trade and other receivables

| | 2022 A\$'000 | 2021 A\$'000 |
|----------------------------------|-----------------|-----------------|
| Trade receivables | 2,489 | 8,795 |
| Less: Impairment loss recognised | <u>(1,609)</u> | <u>(7,477)</u> |
| | <u>880</u> | <u>1,318</u> |
| Other receivables | 10,504 | 8,065 |
| Deposits and prepayments | 10,707 | 9,772 |
| Less: Impairment loss recognised | <u>(9,925)</u> | <u>(8,646)</u> |
| | <u>11,286</u> | <u>9,191</u> |
| | <u>12,166</u> | <u>10,509</u> |

VIAGOLD RARE EARTH RESOURCES HOLDINGS LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued) FOR THE YEAR ENDED 31 MARCH 2022

17. Trade and other receivables (Continued)

All the receivables are expected to be recovered or recognised as expense within one year or are receivable on demand.

- (a) The aged analysis of trade receivables presented based on the invoice date, net of impairment losses recognised was as follows:

| | 2022 A\$'000 | 2021 A\$'000 |
|-----------------|-------------------------------|-------------------------------|
| 1 to 90 days | 22 | 39 |
| 91 to 180 days | 858 | - |
| 181 to 365 days | - | 1,279 |
| | <u>880</u> | <u>1,318</u> |

- (b) As of 31 March 2022, trade receivables of approximately A\$858,000 (2021: A\$1,279,000) were past due but not credit-impaired. These relate to a number of independent customers for whom there is no recent history of default. The aging analysis of these trade receivables is as follows:

| | 2022 A\$'000 | 2021 A\$'000 |
|-----------------------------|-------------------------------|-------------------------------|
| Less than 180 days past due | 858 | - |
| 181 to 365 days past due | - | 1,279 |
| | <u>858</u> | <u>1,279</u> |

- (c) Details of impairment assessment are set out in Note 3.2.

18. Inventories

| | 2022 A\$'000 | 2021 A\$'000 |
|------------------|-------------------------------|-------------------------------|
| Raw materials | 315 | 402 |
| Work-in-progress | 23,105 | 25,296 |
| Finished goods | <u>6,332</u> | <u>2,451</u> |
| | <u>29,752</u> | <u>28,149</u> |

VIAGOLD RARE EARTH RESOURCES HOLDINGS LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued) FOR THE YEAR ENDED 31 MARCH 2022

19. Pledged bank deposits

As at 31 March 2022, the Group pledged approximately A\$1,019,000 (2021: A\$872,000) bank deposits, which is denominated in RMB, to bankers of the Group to secure the bill payables due within twelve months. The pledged bank deposits will be released upon the settlement of relevant bill payables.

20. Cash and bank balances

For the years ended 31 March 2022 and 2021, the Group performed impairment assessment on bank balances and concluded that the probability of defaults of the counterparty banks are insignificant and accordingly, no allowance for credit losses is provided.

At 31 March 2022, the bank balance and cash equivalents of the Group denominated in RMB amounted to approximately RMB24,110,000 (2021: RMB7,925,000). RMB is in not freely convertible into other currencies, however, under Mainland China's Foreign Exchange Control Regulations and Administration of Settlement, Sale and Payment of Foreign Exchange Regulations, the Group is permitted to exchange RMB for other currencies through authorised banks to conduct foreign exchange business.

21. Financial assets at fair value through profit or loss

| | 2022 | 2021 |
|---------------------|----------------|----------------|
| | A\$'000 | A\$'000 |
| Structured deposits | <u>398</u> | <u>5,122</u> |

The structured deposits are wealth management products issued by bank in Mainland China and are classified as financial assets at fair value through profit or loss at 31 March 2022 and 31 March 2021 as their contractual cash flows are not solely payments of principal and interest. The Group uses structured deposits primarily to enhance the return on investment.

VIAGOLD RARE EARTH RESOURCES HOLDINGS LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued) FOR THE YEAR ENDED 31 MARCH 2022

| 22. Share capital | Number of shares '000 | Ordinary shares AS'000 |
|---------------------------------------|--------------------------------------|---------------------------------------|
| Issued and fully paid | | |
| As at 31 March 2021 and 31 March 2022 | <u>83,312</u> | <u>16,662</u> |

23. Warrant reserve

On 13 June 2014, unlisted warrants issued to private professional investors were approved by shareholders at the Company's Special General Meeting. 6,000,000 warrants were issued at A\$0.05 each on 8 November 2014, with each warrant entitling the holder to one ordinary share in the Company on further payment of the exercise price of A\$0.40. Final date for the exercise of these warrants is 6 November 2019.

On 5 December 2015, unlisted warrants issued to private professional investors were approved by shareholders at the Company's Special General Meeting. 4,000,000 warrants were issued on 17 December 2015, 5,000,000 warrants were issued on 2 March 2016 and 3,000,000 warrants were issued on 3 March 2016 at A\$0.05 each respectively, with each warrant entitling the holder to one ordinary share in the Company on further payment of the exercise price of A\$0.44. Final date for the exercise of these warrants is 3 December 2020.

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

| | Weighted average exercise price per share A\$ | Number of underlying shares |
|---------------------------------------|--|--|
| As at 31 March 2020 | 0.43 | 12,000,000 |
| Lapsed | 0.26 | <u>(12,000,000)</u> |
| As at 31 March 2021 and 31 March 2022 | - | <u>-</u> |

VIAGOLD RARE EARTH RESOURCES HOLDINGS LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued) FOR THE YEAR ENDED 31 MARCH 2022

24. Trade and other payables

| | 2022 | 2021 |
|------------------------------------|---------------|---------------|
| | AS'000 | AS'000 |
| Trade payables | 16,182 | 10,638 |
| Bills payables | 1,019 | 872 |
| Other payables and accrued charges | 3,187 | 3,608 |
| | <u>20,388</u> | <u>15,118</u> |

The aged analysis of trade payables presented based on the invoice date at the end of the reporting period was as follows:

| | 2022 | 2021 |
|-----------------|---------------|---------------|
| | AS'000 | AS'000 |
| 1 to 90 days | 6,400 | 367 |
| 91 to 180 days | 859 | - |
| 181 to 365 days | 1 | 81 |
| Over 365 days | 8,922 | 10,190 |
| | <u>16,182</u> | <u>10,638</u> |

25. Amounts due from/ (to) related parties/ related companies/ key management personnel

| | 2022 | 2021 | Maximum outstanding balance during the year |
|----------------------------------|---------------|---------------|--|
| | AS'000 | AS'000 | AS'000 |
| Amounts due from related parties | <u>111</u> | <u>100</u> | <u>111</u> |

The amounts are unsecured, interest free and repayable on demand.

| | 2022 | 2021 |
|--|---------------|---------------|
| | AS'000 | AS'000 |
| Amounts due to related companies (Note 1) | 28,040 | 30,448 |
| Amounts due to key management personnel (Note 2) | <u>1,709</u> | <u>2,782</u> |

* Analysed as:

| | | |
|--|---------------|---------------|
| Amount due within 1 year shown under current liabilities | 12,354 | 15,544 |
| Amount due more than 1 year | <u>15,686</u> | <u>14,904</u> |
| | <u>28,040</u> | <u>30,448</u> |

VIAGOLD RARE EARTH RESOURCES HOLDINGS LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued) FOR THE YEAR ENDED 31 MARCH 2022

25. Amounts due from/ (to) related parties/ related companies/ key management personnel (Continued)

Notes:

1. The principal amount of approximately A\$16,844,000 is unsecured, interest-free and repayable on 30 April 2023. The amount is measured at amortised cost using effective interest method with effective interest rate at 6.8% per annum. For the year ended 31 March 2022, the Group credited an amount of approximately A\$1,056,000 (2021: A\$1,101,000) to other reserve which represented the difference between the carrying amount of amount due to a related company and its fair value at amortised cost.

The amounts of approximately A\$12,354,000 (2021: A\$15,544,000) are unsecured, interest-free and repayable within one year.

2. The amounts are unsecured, interest free and repayable on demand.

26. Contract liabilities

| | 2022 A\$'000 | 2021 A\$'000 |
|-------------------------------|-----------------|-----------------|
| Leasing and capital financing | - | 93 |
| Rare earth business | 3,638 | 4,321 |
| | <u>3,638</u> | <u>4,414</u> |

Movements in contract liabilities

| | | |
|--|--------------|--------------|
| At 1 April | 4,414 | 202 |
| Decrease in contract liabilities as a result of recognising revenue during the year that was included in the contract liabilities at the beginning of the period | -4,414 | -202 |
| Increase in contract liabilities as a result of advances received from customers of sales of minerals and rare earth business and leasing and capital financing | 3,638 | 4,414 |
| At 31 March | <u>3,638</u> | <u>4,414</u> |

When the Group receives a deposit before the goods this will give rise to contract liabilities at the start of a contract, until the revenue recognised.

For some sales orders, the Group may ask the customers to made a deposit on acceptance of the order, with the remainder of the consideration payable at the earlier of delivery of the finished goods and notice from the customer to cancel the order. If the customer cancels the order, then the group is immediately entitled to receive payment for work done to date.

VIAGOLD RARE EARTH RESOURCES HOLDINGS LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued) FOR THE YEAR ENDED 31 MARCH 2022

26. Contract liabilities (Continued)

Decrease in contract liabilities is due to billing in advance from customers of sales of minerals and rare earth business.

27. Cash flow information

Net cash generated from operating activities

| | 2022 | 2021 |
|---|----------------|----------------|
| | A\$'000 | A\$'000 |
| Profit before income tax | 529 | 1,301 |
| Adjustments for: | | |
| - Depreciation of Right-of-use assets | 64 | 62 |
| - Depreciation of fixed assets | 933 | 1,076 |
| - Share of result of associates | 12 | (2) |
| - Impairment loss on trade and other receivables, prepayment, net of reversal | (5,137) | 191 |
| - Interest income | (70) | (49) |
| - Interest expenses | 1,000 | - |
| Changes in working capital: | | |
| - Trade and other receivables | 3,469 | (2,232) |
| - Trade and other payables | 1,845 | (1,844) |
| - Contract liabilities | (1,007) | 4,236 |
| - Inventories | (127) | 2,071 |
| Cash generated from operations | 1,511 | 4,810 |
| Tax refunded | 15 | - |
| Net cash generated from operating activities | <u>1,526</u> | <u>4,810</u> |

VIAGOLD RARE EARTH RESOURCES HOLDINGS LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued) FOR THE YEAR ENDED 31 MARCH 2022

28. Related-party transactions

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

| | | 2022 | 2021 |
|--------------------------|--|----------------|----------------|
| | | A\$'000 | A\$'000 |
| Related parties | Nature of transactions | | |
| Related companies | Consultancy and management services income | - | 151 |
| | Amounts due from related parties # | 111 | 100 |
| | Amounts due to related companies @ | (28,040) | (30,448) |
| | Amounts due to key management personnel | (1,709) | (2,782) |
| Directors of the Company | Key management compensation | <u>132</u> | <u>90</u> |

Note:

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

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

#: The related parties are the family members of the key management personnel of the Group.

@: The related companies are controlled by the key management personnels of the Group.

VIAGOLD RARE EARTH RESOURCES HOLDINGS LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued) FOR THE YEAR ENDED 31 MARCH 2022

29. Particulars of principal subsidiaries

Particulars of principal subsidiaries at 31 March 2022 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 International Education Management Group Holdings Limited | British Virgin Islands ("BVI") | US\$1 | 100% | - | Investment holding |
| Goldwin Century Limited | BVI | US\$1 | - | 100% | Investment holding |
| Goldwin Century Limited | Hong Kong | HK\$1 | - | 100% | Investment holding |
| 珠海金网教育咨询有限公司 (Zhuhai ViaGOLD Education Consulting Limited * @) | PRC | HK\$5,400,000 | - | 100% | Provision of management and consultancy services to educational institutions |
| ViaGOLD Technology Limited | BVI | US\$1 | 100% | - | Investment holding |
| ViaGOLD Inc. Limited | Hong Kong | HK\$2 | - | 100% | Investment holding |
| 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 RARE EARTH RESOURCES HOLDINGS LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued) FOR THE YEAR ENDED 31 MARCH 2022

29. 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 | |
| ViaGOLD Mining Group Limited | BVI | US\$1 | 100% | - | Investment holding |
| ViaGOLD Mining Group Limited | Hong Kong | HK\$2 | - | 100% | Trading of minerals |
| Polygoal Capital Limited | BVI | US\$10 | - | 100% | Investment holding |
| 兴邦物联网（澳门）研 究中心有限公司 (Xingbang Internet of things (Macao) Research Center Co., Ltd. @) | Macau | MOP\$25,000 | - | 100% | Investment holding |
| 珠海金网物联网科技有 限公司 (Viagold Internet of Things Technology Co., Limited @) | PRC | HK\$4,450,000 | - | 83% | Investment holding |
| 深圳市讯达投资 有限公司 (Shenzhen Xunda Investment Company Limited @) | PRC | RMB10,000,000 | - | 42.3% | Investment holding |
| 常州市海林稀土 有限公司 (Jintan Hailin Rare Earth Company Limited @ #) | PRC | RMB16,000,000 | - | - | Rare earth business |

VIAGOLD RARE EARTH RESOURCES HOLDINGS LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued) FOR THE YEAR ENDED 31 MARCH 2022

29. Particulars of principal subsidiaries (Continued)

Note:

* Wholly foreign-owned enterprises registered in the PRC

@ The English names are for identification purpose only

The Company and its subsidiaries do not hold any equity interests in Jintan Hailin Rare Earth Company Limited, nor, in any of its subsidiaries. Nevertheless, under the contractual agreements entered into between the Group, Jintan Hailin Rare Earth Company Limited and the ultimate controlling shareholders who are the registered owners of Jintan Hailin Rare Earth Company Limited, the directors of the Company determine that the Group has the power to govern the financial and operating policies of Jintan Hailin Rare Earth Company Limited so as to obtain benefits from their activities. As such, Jintan Hailin Rare Earth Company Limited is accounted for as subsidiary of the Group for accounting purposes.

Details of the Group's subsidiary that has material non-controlling interests ("NCI") is set out below:

| Name of subsidiary | Place of incorporation and principal place of business | Proportion of ownership interests and voting rights indirectly held by | | Profit/(loss) allocated to NCI | | Accumulated NCI | |
|---|--|--|-------|--------------------------------|--------------|-----------------|--------------|
| | | NCI | | | | | |
| | | 2022 | 2021 | 2022 | 2021 | 2022 | 2021 |
| | | | | AS'000 | AS'000 | AS'000 | AS'000 |
| Jintan Hailin Rare Earth Company Limited | PRC | 74.6% | 74.6% | 531 | 1,078 | 7,542 | 6,761 |
| Individually immaterial subsidiaries with NCI | | | | 27 | (59) | 772 | 609 |
| | | | | <u>558</u> | <u>1,019</u> | <u>8,314</u> | <u>7,370</u> |

VIAGOLD RARE EARTH RESOURCES HOLDINGS LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued) FOR THE YEAR ENDED 31 MARCH 2022

29. Particulars of principal subsidiaries (Continued)

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

| | 2022 A\$'000 | 2021 A\$'000 |
|--|-------------------------------|-------------------------------|
| <u>Jintan Hailin Rare Earth Company Limited</u> | | |
| Non-current assets | 13,366 | 12,735 |
| Current assets | 47,810 | 45,615 |
| Current liabilities | (35,758) | (36,988) |
| Non-current liabilities | <u>(15,686)</u> | <u>(14,904)</u> |
| Turnover | 38,614 | 18,792 |
| Profit for the year | 712 | 1,446 |
| Total comprehensive income for the year | <u>779</u> | <u>1,446</u> |
| Net cash (used in)/generated from operating activities | (1,633) | 5,288 |
| Net cash generated from/(used in) investing activities | 4,913 | (4,693) |
| Net cash generated from financing activities | <u>102</u> | <u>643</u> |

VIAGOLD RARE EARTH RESOURCES HOLDINGS LIMITED


NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued) FOR THE YEAR ENDED 31 MARCH 2022

30. Statement of the Company's financial position

| | 2022 A\$'000 | 2021 A\$'000 |
|---|-----------------|-----------------|
| Non-current assets | | |
| Investment in subsidiaries | 16 | 17,627 |
| Current assets | | |
| Other receivables | 6 | 6 |
| Amounts due from subsidiaries | 17,101 | 16,930 |
| Bank balance and cash | 1 | 97 |
| | <u>17,108</u> | <u>17,033</u> |
| Current liabilities | | |
| Other payables and accruals | 67 | 66 |
| Amounts due to subsidiaries | 31,203 | 30,907 |
| Amounts due to key management personnel | 1,112 | 951 |
| | <u>32,382</u> | <u>31,924</u> |
| Net Current liabilities | <u>(15,274)</u> | <u>(14,891)</u> |
| Net (liabilities)/assets | <u>(15,258)</u> | <u>2,736</u> |
| Equity | | |
| Share capital | 16,662 | 16,662 |
| Reserve | (31,920) | (13,926) |
| Total (deficit)/equity | <u>(15,258)</u> | <u>2,736</u> |

The Company's statement of financial position was approved and authorised for issue by the board of directors on 19 January 2023 and are signed on its behalf by:


Changyuan Liao
Director


Mulei Shi
Director

VIAGOLD RARE EARTH RESOURCES HOLDINGS LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued) FOR THE YEAR ENDED 31 MARCH 2022

30. Statement of the Company's financial position (Continued)

| | Share premium A\$'000 | Translation reserve A\$'000 | Contributed surplus A\$'000 | Warrant reserve A\$'000 | Accumulated losses A\$'000 | Total A\$'000 |
|---|-----------------------------|-----------------------------------|-----------------------------------|-------------------------------|----------------------------------|------------------|
| As at 1 April 2020 | 37,248 | (4,433) | 47,645 | 600 | (94,059) | (12,999) |
| Loss and total comprehensive expenses for the year | - | (622) | - | - | (305) | (927) |
| Transactions with equity holders in their capacity | | | | | | |
| - Transfer of warrant reserve upon lapse of warrants | - | - | - | (600) | 600 | - |
| As at 31 March 2021 | 37,248 | (5,055) | 47,645 | - | (93,764) | (13,926) |
| As at 1 April 2021 | 37,248 | (5,055) | 47,645 | - | (93,764) | (13,926) |
| Loss and total comprehensive expenses for the year | - | (16) | - | - | (17,978) | (17,994) |
| As at 31 March 2022 | 37,248 | (5,071) | 47,645 | - | (111,742) | (31,920) |

31. Disposal of equity interest of a subsidiary without losing control

During the year ended 31 March 2021, the third parties of the Company acquired 17% issued shares of Viagold Internet of Things Technology Co., Limited ("Viagold Internet"), a subsidiary of the Company, by settlement of its liabilities owed to the third parties, the Group's equity interests in Viagold Internet was diluted from 100% to 83%. The difference between the consideration receivable and the carrying value of net assets partially disposed of in an equity transaction with non-controlling interests resulted from the change in the Group's ownership interest in Viagold Internet that do not result in a loss of control over Viagold Internet amounting to approximately A\$491,000 was recognised in accumulated losses and an increase in the non-controlling interests.

32. Event after the reporting period

In July 2022, the Company signed an interest swap agreement (the "Agreement") with Zhuhai Yinying Enterprise Management Consulting Co. Ltd. ("Zhuhai Yinying"), pursuant to which, Zhuhai Yinying has agreed to exchange its 55% equity interest in its wholly owned subsidiary, Yinying (Huizhou) Industrial Park Management Co. Ltd for the following assets of the Group:

- (i) 36% equity interest in 北京华宝时代国际设备租赁有限公司 (Beijing HuaBao Times International Leasing Co., Ltd); and
- (ii) 25.4% interest in 常州市海林稀土有限公司 (Jintan Hailin Rare Earth Company Limited), which interest is held by the Company through a VIE structure.

VIAGOLD RARE EARTH RESOURCES HOLDINGS LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued) FOR THE YEAR ENDED 31 MARCH 2022

32. Event after the reporting period (Continued)

In the opinion of the Directors, based on the initial discussion on 17 Aug 2022 with ASX and the advice from ASX, the Agreement may involve a significant change to the nature or scale of VIA's activities and/or a disposal of VIA's main undertaking, in each case as described in Chapter 11 of the ASX Listing Rules. If the transaction constitutes a significant change to the nature or scale of VIA's activities and/or a disposal of VIA's main undertaking, VIA may be required under Chapter 11 of the ASX Listing Rules to seek shareholder approval and/or re-comply with Chapters 1 and 2 of the ASX Listing Rules. VIA has not applied to ASX for in-principle advice in relation to whether the Agreement will constitute a significant change to the nature or scale of VIA's activities and/or a disposal of VIA's main undertaking, whether VIA will, post-completion of the Agreement, have structure and operations suitable for re-admission to the official list under ASX Listing Rules 1.1 condition 1 and 1.19, or any other aspect of the Agreement.

As at the reporting date, the Agreement has still not yet completed.

VIAGOLD RARE EARTH RESOURCES HOLDINGS 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 14 December 2022 is as follows:

a. Distribution of shareholdings:

| Size of holding | No. of ordinary shareholders |
|-------------------------------|-------------------------------------|
| 1 - 1,000 | 472 |
| 1,001 - 5,000 | 48 |
| 5,001 - 10,000 | 11 |
| 10,001 - 100,000 | 23 |
| 100,001 - 999,999,999 | 21 |
| 1,000,000,000 - 9,999,999,999 | - |
| | <u>575</u> |

b. The name of the substantial shareholder and the number of securities held as at 14 December 2022 are:

| Names | No. of ordinary shares held |
|--------------------------------|------------------------------------|
| Harvest Smart Overseas Limited | 38,320,018 |
| Capital Luck Group Limited | 20,000,000 |
| Mr. Zhou Halin | 7,000,000 |
| Citicorp Nominees Pty Limited | <u>4,747,328</u> |
| | <u>70,067,346</u> |

c. The 20 largest holders of the Company's securities as at 14 December 2022 are:

| Names | No. of ordinary shares held | % of total issued of ordinary capital held |
|--|------------------------------------|---|
| Harvest Smart Overseas Ltd | 38,320,018 | 46.00% |
| Capital Luck Group Limited | 20,000,000 | 24.01% |
| Mr Zhou Hailin | 7,000,000 | 8.40% |
| Citicorp Nominees Pty Limited | 4,747,328 | 5.70% |
| BNP Paribas Nominees Pty Ltd <IB AU NOMS Retailclient DRP> | 1,845,413 | 2.22% |
| Mr Liao Chang Yuan <Ling Ge Art Foundation A/C> | 1,600,000 | 1.92% |
| Sai Ha Leong | 1,500,000 | 1.80% |

VIAGOLD RARE EARTH RESOURCES HOLDINGS LIMITED

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

1. The statement of interests in share capital as at 14 December 2022 is as follows (Continued):

c. The 20 largest holders of the Company's securities as at 14 December 2022 are (continued):

| Names | No. of ordinary shares held | % of total issued of ordinary capital held |
|--|--|---|
| Mr Chen Wei Qing | 1,235,862 | 1.48% |
| Guangdong Rare Earths Industry Group Co. Ltd | 1,200,000 | 1.44% |
| BNP Paribas Nominees Pty Ltd ACF CLEARSTREAM | 1,186,900 | 1.42% |
| HSBC Custody Nominees (Australia) Limited | 1,046,614 | 1.26% |
| Winway HK Investments Limited | 584,970 | 0.70% |
| Mr Sio Kai Kuan | 301,750 | 0.36% |
| Io Chong Leong | 300,000 | 0.36% |
| Bay Square Holdings Ltd | 291,250 | 0.35% |
| Lanstone Investment Limited | 225,000 | 0.27% |
| Chow Lai Wah | 217,500 | 0.26% |
| Mrs Liliana Teofilova | 200,000 | 0.24% |
| Hainan Finance Limited | 154,600 | 0.19% |
| BNP Paribas Nominees Pty Ltd <DRP> | 130,407 | 0.16% |

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.

VIAGOLD RARE EARTH RESOURCES HOLDINGS LIMITED

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

3. The name of the Company Secretary

Mr. King Choi Leung

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 Australia is:

Suite 1102, Level 11,
370 Pitt Street, Sydney, NSW,
Australia
Post Code: 2000
Telephone: 61-2 9283 3933

The address and contact number of the registered office provider in Bermuda is:

Conyers Corporate Services (Bermuda) Limited
Clarendon House
2 Church Street, Hamilton HM 11
Bermuda
Telephone: +1 (441) 295 5950

5. Register of securities are kept at the following address in Australia:

Computershare Investor Services Pty Limited
Yarra Falls, 452 Johnston Street
Abbotsford, Victoria, 3067
Australia
Telephone: 1300 850 505 (within Australia)
61 (3) 9415 4000 (outside Australia)