



VIAGOLD RARE EARTH RESOURCES HOLDINGS LIMITED

(ARBN 070 352 500)

Appendix 4C

Q1 FY23 Quarterly Cash Flow and Activities Report

ViaGold Rare Earth Resources Holdings Limited (hereinafter “VIA” or the “Company”) is pleased to announce its (unaudited) First Quarter Cash Flow and Activities Report for its Fiscal Year 2022-2023.

Highlights

Performance

1. Revenue from operation amounted to A\$11,510K in Q1 FY23. It was a 23.57% decrease over same quarter previous fiscal year (Q1 FY22: A\$15,059K).
2. Revenue was basically generated by two segment: (1) the rare earth business which contributed some 99.01% of the total and (2) the car leasing business which generated the rest of 0.99% of the total Q1 FY23 revenue.

Cash flow

1. VIA’s receipts from customers had reached A\$10,473K.
2. Net cash used in operating activities for the quarter amounted to A\$3,331K.
3. Cash balance maintained as at 30 June 2022 amounted to A\$1,815K.

ViaGold Rare Earth Resources Holdings Limited

(Listed in ASX code VIA)

Suite 1102, Level 11, 370 Pitt Street

Sydney, NSW 2000

+61 2 9283 3933

ARBN 070 352 500



Operating Cash Flow/Performance of Operations

During the period of Q1 FY23, the Company continues to maintain three basic business segments:

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

CASH POSITION

1. Cash flows from operating activities were generated from:
 - a. Receipts from customers of A\$10,473K, which comprises of:
 - a) A\$10,359K from operating revenue of the rare earth business segment; and
 - b) A\$114K from operating revenue of the car leasing segment.
 - b. receipt of bank interest of A\$5K;
 - c. other income of A\$110K.

and after payment for:

- d. product manufacturing and operating costs of A\$12,216K;
- e. advertising and marketing of A\$2K;
- f. staff costs of A\$282K;
- g. administration and corporate costs of A\$1,355K;
- h. income tax of A\$64k; and

This end up a result of a net cash used in operating activities of A\$3,331K.

2. Cash flows from investing activities: for 2.2(d), the A\$11K proceeds from disposal of investment was from the return of financial products for the car leasing segment; and the result is a net inflow of cash in investing activities for A\$11K.
3. Cash flows used in financing activities of A\$49K were generated from proceeds from and repayment to the related parties of the rare earth business segment.
- 4&5. The cash and cash equivalent at the beginning of Q1 FY23 was A\$5,076K and at the end was A\$1,815K.
6. There is A\$3K director and other kinds of fees made to director.
7. There is a A\$556K (HK\$3,000K) financing credit provided by Ling Ge Art Foundation to support the Company but there was no record of use of this financing facilities in period Q1 2023.
8. The total available funding as at 30 June 2022 was amounted to A\$2,371K which A\$1,815K is Cash and cash equivalent at quarter end and A\$556K is unused finance credit.

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.

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.

FORWARD LOOKING STATEMENT

These ASX announced statements includes certain forward-looking statements that are based on information known as of the date 30 June 2022 and are subject to various uncertainties. The actual results and performance could be significantly different from those expressed in, or implied by, these Forward Looking Statements. These statements are not guarantees of future performance or results, and may involve risks, uncertainties and other negative factors which may cause actual result substantially deviate from those expressed herein the statements.

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



Appendix 4C

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

Name of entity

VIAGOLD RARE EARTH RESOURCES HOLDINGS LIMITED

ABN

070 352 050

Quarter ended ("current quarter")

30 June 2022

| Consolidated statement of cash flows | Current quarter \$A'000 | Year to date (3 months) \$A'000 |
|--|----------------------------|---------------------------------------|
| 1. Cash flows from operating activities | | |
| 1.1 Receipts from customers | 10,473 | 10,473 |
| 1.2 Payments for | | |
| (a) research and development | - | - |
| (b) product manufacturing and operating costs | (12,216) | (12,216) |
| (c) advertising and marketing | (2) | (2) |
| (d) leased assets | - | - |
| (e) staff costs | (282) | (282) |
| (f) administration and corporate costs | (1,355) | (1,355) |
| 1.3 Dividends received (see note 3) | - | - |
| 1.4 Interest received | 5 | 5 |
| 1.5 Interest and other costs of finance paid | - | - |
| 1.6 Income taxes paid | (64) | (64) |
| 1.7 Government grants and tax incentives | - | - |

ViaGold Rare Earth Resources Holdings Limited

(Listed in ASX code VIA)

Suite 1102, Level 11, 370 Pitt Street

Sydney, NSW 2000

+61 2 9283 3933

ARBN 070 352 500

| Consolidated statement of cash flows | | Current quarter \$A'000 | Year to date (3 months) \$A'000 |
|--------------------------------------|---|----------------------------|---------------------------------------|
| 1.8 | Other (provide details if material) | 110 | 110 |
| 1.9 | Net cash from / (used in) operating activities | (3,331) | (3,331) |

| | | | |
|-----------|---|-----------|-----------|
| 2. | Cash flows from investing activities | | |
| 2.1 | Payments to acquire or for: | | |
| | (a) entities | - | - |
| | (b) businesses | - | - |
| | (c) property, plant and equipment | - | - |
| | (d) investments | - | - |
| | (e) intellectual property | - | - |
| | (f) other non-current assets | - | - |
| 2.2 | Proceeds from disposal of: | | |
| | (a) entities | - | - |
| | (b) businesses | - | - |
| | (c) property, plant and equipment | - | - |
| | (d) investments | 11 | 11 |
| | (e) intellectual property | - | - |
| | (f) other non-current assets | - | - |
| 2.3 | Cash flows from loans to other entities | - | - |
| 2.4 | Dividends received (see note 3) | - | - |
| 2.5 | Other (provide details if material) | - | - |
| 2.6 | Net cash from / (used in) investing activities | 11 | 11 |

| Consolidated statement of cash flows | | Current quarter \$A'000 | Year to date (3 months) \$A'000 |
|--------------------------------------|---|----------------------------|---------------------------------------|
| 3. | Cash flows from financing activities | | |
| 3.1 | Proceeds from issues of equity securities (excluding convertible debt securities) | - | - |
| 3.2 | Proceeds from issue of convertible debt securities | - | - |
| 3.3 | Proceeds from exercise of options | - | - |
| 3.4 | Transaction costs related to issues of equity securities or convertible debt securities | - | - |
| 3.5 | Proceeds from borrowings | 1,720 | 1,720 |
| 3.6 | Repayment of borrowings | (1,769) | (1,769) |
| 3.7 | Transaction costs related to loans and borrowings | - | - |
| 3.8 | Dividends paid | - | - |
| 3.9 | Other (provide details if material) | - | - |
| 3.10 | Net cash from / (used in) financing activities | (49) | (49) |

| | | | |
|-----------|--|---------|---------|
| 4. | Net increase / (decrease) in cash and cash equivalents for the period | | |
| 4.1 | Cash and cash equivalents at beginning of period (details as below note) | 5,076 | 5,076 |
| 4.2 | Net cash from / (used in) operating activities (item 1.9 above) | (3,331) | (3,331) |
| 4.3 | Net cash from / (used in) investing activities (item 2.6 above) | 11 | 11 |
| 4.4 | Net cash from / (used in) financing activities (item 3.10 above) | (49) | (49) |

| Consolidated statement of cash flows | | Current quarter \$A'000 | Year to date (3 months) \$A'000 |
|---|---|----------------------------|---------------------------------------|
| 4.5 | Effect of movement in exchange rates on cash held | 108 | 108 |
| 4.6 | Cash and cash equivalents at end of period | 1,815 | 1,815 |
| <i>Note: Details included in box 4.1 Cash and cash equivalents at beginning of period:</i> | | \$A'000 | |
| As per Appendix 4C Q4 FY22 Cash Flow Report for 31 March 2022 | | 6,681 | |
| Less: | | | |
| Bank structured deposits | | (398) | |
| Note: as per auditor's recommendation, this should be reported as Financial assets at FYTPL. | | | |
| Pledged deposit | | (1,019) | |
| Note: as per auditor's recommendation, this should be listed as a separate line item in the Consolidated Statement of Financial Position. | | | |
| Other items including exchange differences and others not accounted for | | (188) | |
| Cash and cash equivalents at beginning of period as stated in this Cash Flow Report | | 5,076 | |

| 5. | Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts | Current quarter \$A'000 | Previous quarter \$A'000 |
|------------|---|------------------------------------|-------------------------------------|
| 5.1 | Bank balances | 1,802 | 5,076 |
| 5.2 | Call deposits | - | - |
| 5.3 | Bank overdrafts | - | - |
| 5.4 | Other (provide details: Cash in hands \$A13K) | 13 | - |
| 5.5 | Cash and cash equivalents at end of quarter (should equal item 4.6 above) | 1,815 | 5,076 |

| 6. | Payments to related parties of the entity and their associates | Current quarter \$A'000 |
|-----------|---|------------------------------------|
| 6.1 | Aggregate amount of payments to related parties and their associates included in item 1 | (3) |
| 6.2 | Aggregate amount of payments to related parties and their associates included in item 2 | - |

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

| | | |
|--|---|------------------------------------|
| 7. Financing facilities | Total facility amount at quarter end | Amount drawn at quarter end |
| <i>Note: the term “facility’ includes all forms of financing arrangements available to the entity.</i> | \$A’000 | \$A’000 |
| <i>Add notes as necessary for an understanding of the sources of finance available to the entity.</i> | | |
| 7.1 Loan facilities | - | - |
| 7.2 Credit standby arrangements | - | - |
| 7.3 Other (please specify) | 556 | - |
| 7.4 Total financing facilities | 556 | - |
| 7.5 Unused financing facilities available at quarter end | 556 | |
| 7.6 | Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well. | |
| <div>The facility of A\$556,000 (HK\$3,000,000) is</div> <div>Lender: Ling Ge Art Foundation</div> <div>Facility Amount: HK\$3,000,000 (maximum)</div> <div>Interest: Non-interest bearing</div> <div>Expiry Date: 31 March 2023</div> | | |

| 8. Estimated cash available for future operating activities | \$A'000 |
|--|----------------|
| 8.1 Net cash from / (used in) operating activities (item 1.9) | (3,331) |
| 8.2 Cash and cash equivalents at quarter end (item 4.6) | 1,815 |
| 8.3 Unused finance facilities available at quarter end (item 7.5) | 556 |
| 8.4 Total available funding (item 8.2 + item 8.3) | 2,371 |
| 8.5 Estimated quarters of funding available (item 8.4 divided by item 8.1) | (1) |
| <i>Note: if the entity has reported positive net operating cash flows in item 1.9, answer item 8.5 as "N/A". Otherwise, a figure</i> | |

for the estimated quarters of funding available must be included in item 8.5.

8.6 If item 8.5 is less than 2 quarters, please provide answers to the following questions:

8.6.1 Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?

Answer: More raw materials were purchased relative to the amount received from customers, resulting in a larger cash outflow in the first quarter. However, this result was a one-off.

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

Answer: No. The entity is confident it has sufficient cash to fund its operations.

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

Answer: Yes. Refer to 8.6.1

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

Compliance statement

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

Date: 17 May 2023

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

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



Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standard applies to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [name of board committee – eg Audit and Risk Committee]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.