

Market Announcement

28 August 2023

Viagold Rare Earth Resources Holdings Limited (ASX: VIA) – Removal from Official List

Description

Viagold Rare Earth Resources Holdings Limited ('VIA') will be removed from the Official List with effect from commencement of trading today, 28 August 2023, in accordance with Listing Rule 17.12.

On 15 October 2021, securities of VIA were suspended from official quotation pending ASX's enquiries into a transaction proposed by VIA. Subsequently, VIA's securities have remained suspended pending resolution of various compliance issues.

On 12 April 2023, ASX sent VIA a letter which:

1. Outlined ASX's views regarding various breaches and potential breaches of the Listing Rules by VIA, including: multiple failures to comply with continuous disclosure obligations; 17 instances of failures to lodge periodic reports within the timeframes required by the Listing Rules, including three Appendix 4C Quarterly Cash Flow And Activities Reports which were outstanding at the date of the letter, one of which remains outstanding; failure to adequately explain or disclose inconsistencies between figures for comparable periods in financial statements, including material financial restatements without appropriate disclosure to the market; breaches of related party transaction rules and potentially having an inadequate financial condition or operations to warrant quotation of its securities and continued listing.
2. Required VIA to provide to ASX a comprehensive response addressing all of the matters set out in the letter by no later than 12 July 2023 (later extended to 4 August 2023).
3. Advised that unless VIA can provide adequate submissions to ASX addressing each of these requirements, ASX may consider whether it is appropriate to terminate VIA's admission to the Official List under Listing Rule 17.12.

On 17 August 2023, ASX sent VIA a letter which outlined the reasons why ASX considers it appropriate to remove VIA from the Official List. VIA's responses, received by ASX on 22 August 2023 and 27 August 2023, did not dissuade ASX from its view that it is appropriate to remove VIA from the Official List.

ASX formed the view that it was appropriate to remove VIA from the Official List having regard to VIA's failure to provide a satisfactory and comprehensive response addressing all outstanding matters by no later than 4 August 2023, including a failure to lodge an Appendix 4C Quarterly Cash Flow and Activities Report for the quarters ended 31 December 2022 (due 31 January 2023), 30 March 2023 (due 30 April 2023) and 30 June 2023 (due 31 July 2023), a preliminary final report for the year ended 31 March 2023 (due 31 May 2023) and final audited financial statements for the year ended 31 March 2023 (due 30 June 2023). Further, ASX is not satisfied that the proposed transaction described by VIA in its correspondence with ASX will resolve all of ASX's concerns regarding outstanding breaches of the Listing Rules.

Copies of correspondence between ASX and VIA in relation to these matters are attached to this announcement.

Issued by

Jonathan Bisset

Senior Adviser, Listings Compliance



12 April 2023

Reference: ODIN72255

Mr Peter Leung
Company Secretary
Viagold Rare Earth Resources Holdings Limited
Suite 1102, Level 11, 370 Pitt Street
Sydney NSW 2000

By email: [REDACTED]

Dear Mr Leung

ViaGold Rare Earth Resources Holdings Limited ('VIA'): Breach notice

Background

1. ASX refers to the following:

- 1.1 The suspension from quotation of VIA's securities since 15 October 2021. Initially, VIA's securities were suspended pending further enquiries into the memorandum of understanding ('**MOU**') referred to in VIA's trading halt request made on 13 October 2021 and VIA's response to an ASX price query dated 12 October 2021. On 18 October 2021 ASX requested (among other things) that VIA make submissions in relation to the application of Listing Rules 10.1 and 11.1 to the MOU. VIA did not provide the requested submissions, but subsequently advised ASX that it is no longer pursuing the MOU. Since VIA abandoned the MOU, VIA's securities have been suspended pending resolution of various compliance issues, including (without limitation):
 - (a) VIA providing adequate responses to a series of queries from ASX regarding a range of breaches and potential breaches of the Listing Rules.
 - (b) On 21 December 2021, ASX imposed upon VIA a requirement to obtain shareholder approval to ratify a transaction completed in April 2020, which was in breach of Listing Rule 10.1, and is described in further detail below in paragraph 23.
 - (c) Since 1 June 2022, VIA has been in continuous breach of its reporting obligations by failing to lodge the periodic reports outlined below in paragraph 21. This means that, notwithstanding any other compliance issue, VIA must remain suspended pursuant to Listing Rule 17.5 unless and until all outstanding periodic reports are prepared and given to ASX in accordance with the Listing Rules.
- 1.2 The draft announcement dated 22 February 2023 regarding VIA's proposal to hold an extraordinary general meeting for shareholders to consider the following resolutions:
 - (a) a resolution under Listing Rule 10.1 to approve the Interest Swap Agreement between VIA and Zhuhai Yinying Enterprise Management Consulting Co., Ltd. ('**Zhuhai Yinying**'), pursuant to which VIA will acquire a 55% equity interest in Yinying (Huizhou) Industrial Park Management Co. Ltd ('**Huizhou Yinying**'), and such agreement, the '**Interest Swap Agreement**';
 - (b) a resolution to ratify the breach of Listing Rule 10.1 described in paragraph 1.1(b) above; and
 - (c) a resolution to approve a rights issue offer to VIA's shareholders of 2 shares for each existing share held by a shareholder at an issue price of \$0.01 per share (the '**Rights Issue**'),(the '**Draft Announcement**').
- 1.3 The recent correspondence from VIA to ASX in response to certain queries from ASX in respect of the Draft Announcement, including an email request dated 28 February 2023 for confirmation that VIA is no

longer required under Listing Rules 4.7B and 4.7C to lodge Appendix 4C quarterly cash flow and quarterly activity reports within one month after the end of each quarter of VIA's financial year.

- 1.4 All other prior correspondence between ASX, VIA and VIA's advisers regarding the matters noted above and described in more detail below.

Summary of ASX's response

2. For the reasons set out in more detail in this letter, ASX advises VIA as follows:
- 2.1 VIA is required to complete and lodge on the ASX Market Announcements Platform ('MAP') Appendix 4C quarterly cash flow and quarterly activity reports until VIA is notified otherwise by ASX. This includes both overdue historical reports for the quarters ended 30 June 2022, 30 September 2022 and 31 December 2022 and reports that may fall due under Listing Rules 4.7B and 4.7C after the date of this letter.
 - 2.2 VIA has provided insufficient information regarding the Interest Swap Agreement and Huizhou Yinying for ASX to confirm whether the Interest Swap Agreement constitutes a significant change to the nature and scale of VIA's activities that will attract the operation of Listing Rules 11.1.2 and 11.1.3, or a disposal of VIA's main undertaking requiring compliance with Listing Rule 11.2.
 - 2.3 The proposed Rights Issue will breach Listing Rule 7.11.3 and must not proceed on the current terms.
 - 2.4 ASX considers that VIA has engaged in multiple serious historical and ongoing breaches of the Listing Rules, and has demonstrated that it is unable or unwilling to comply with its obligations under the Listing Rules. In order to demonstrate to ASX that it is appropriate for VIA to remain admitted to the Official List of ASX and as a pre-condition to ASX's consideration of any request for VIA's securities to be reinstated to quotation, ASX requires that VIA provides to ASX submissions addressing each of the matters set out in paragraph 28 below, including a detailed and comprehensive explanation of the following matters, in a form suitable for release to the market:
 - (a) how VIA has or will rectify the outstanding breaches identified in this letter;
 - (b) how VIA has established systems and controls in place to manage its obligations to comply with the Listing Rules; and
 - (c) why it would otherwise be appropriate to reinstate VIA's securities to quotation in all of the circumstances.
3. ASX draws to VIA's attention Guidance Note 33 – Removal of Entities from the ASX Official List, setting out ASX's policy that it will automatically remove an entity from the Official List if the entity fails to lodge any of the documents referred to in Listing Rule 17.5 for a continuous period of one year after the deadline for lodgement of that document, or if the entity's securities have been suspended from trading for a continuous period of two years. In accordance with this policy, if the issues described in paragraph 2 above are not resolved to ASX's satisfaction, VIA's securities will remain suspended and VIA will be removed from the Official List before the commencement of trading on the earlier of:
- 3.1 if VIA does not lodge a compliant Appendix 4C Quarterly Cash Flow and Activities Report for the quarter ended 30 June 2022 by 31 July 2023, 1 August 2023; or
 - 3.2 otherwise, 15 October 2023,
- if VIA is not removed earlier.

Detailed reasons

Quarterly reporting – Listing Rules 4.7B(c) and 4.7C

4. ASX confirms to VIA that pursuant to listing rules 4.7B(c) and 4.7C, VIA is required to complete and lodge on MAP Appendix 4C quarterly cash flow and quarterly activity reports until VIA is notified otherwise by ASX.
5. VIA has breached Listing Rule 4.7B(c) because VIA has not lodged Appendix 4C quarterly cash flow and quarterly activity reports for the quarters ended 30 June 2022, 30 September 2022 or 31 December 2022.
6. The Appendix 4C quarterly cash flow and quarterly activity reports lodged by VIA for the quarters ended 30 June 2020, 30 September 2020, 31 December 2020, 31 March 2021, 30 June 2021, 30 September 2021, 31 December 2021 and 31 March 2022 contain inconsistencies with each other and with VIA's other periodic reports.
7. Many of these inconsistencies have been previously identified to VIA by ASX and others are outlined in paragraph 21 below. These inconsistencies will need to be explained to the market to ASX's satisfaction, and all outstanding quarterly reports will need to be prepared on a compliant basis and lodged with ASX, before ASX would be in a position to consider any further application by VIA to cease quarterly reporting or any application for VIA's securities to be reinstated to quotation.

Interest Swap Agreement

8. On 17 August 2022 ASX requested that VIA provide submissions about whether Listing Rules 11.2 and/or 11.1.3 apply to the Interest Swap Agreement.
9. VIA's response of 22 February 2023 does not address the requirements set out in section 2.7 of Guidance Note 12 for an application for in-principle advice on ASX's view on the application of Listing Rules 11.2 and/or 11.1.3. In particular, VIA's response does not contain all of the information that ASX would expect to be included in the announcement of the transaction to the market under Listing Rule 11.1 and does not satisfactorily address the relevant considerations outlined in sections 1.3 and 2.9 of that guidance note. VIA's response contains insufficient detail for ASX to confirm whether Listing Rules 11.2 or 11.1.3 apply to the Interest Swap Agreement. As a result of VIA's unclear response, ASX has concerns that the Interest Swap Agreement may constitute a significant change to the nature and scale of VIA's activities or a disposal of VIA's main undertaking and may require shareholder approval under Listing Rule 11.2 or 11.1.2 and/or re-compliance with Chapters 1 and 2 of the Listing Rules under Listing Rule 11.1.3.
10. ASX will not be in a position to assess the application of Chapter 11 of the Listing Rules to the Interest Swap Agreement unless and until VIA provides detailed submissions describing the Interest Swap Agreement, which address all of the requirements for in-principle advice in Guidance Note 12. Further, in light of the serious Listing Rule compliance issues raised above and later in this letter, as a pre-condition to ASX considering the application of Chapter 11 to the Interest Swap Agreement, ASX requires VIA to provide a detailed and comprehensive explanation to ASX of how it has or will rectify the outstanding Listing Rule breaches identified in this letter and the systems and controls that VIA will implement to manage its obligation to comply with the Listing Rules.
11. If VIA pursues the Interest Swap Agreement without seeking further advice from ASX, there is a significant risk that the transaction will breach Listing Rule 11.1 and/or Listing Rule 11.2 and that ASX will take further action in relation to VIA which may include, but is not limited to, removal of VIA from the Official List.

Rights Issue

12. Listing Rule 7.11.3 provides that where a listed entity makes a pro rata issue of its securities, the ratio of securities offered must not be greater than one security for each security held. The rule does not apply to a bonus issue and does not apply where both of the following conditions are met:
 - 12.1 the offer is renounceable; and

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- 12.2 the issue price is not more than the volume weighted average market price for securities in that class, calculated over the last 5 days on which sales in the securities were recorded before the day on which the issue was announced.
13. The Rights Issue contains an offer of two securities for each one security held, and does not meet any of the above conditions to qualify it for exemption from the rule. Accordingly, as it currently stands, the Rights Issue will breach Listing Rule 7.11.3.
14. Even if VIA amends the ratio of securities offered to comply with Listing Rule 7.11.3, based solely on the information provided by VIA to date, ASX is not satisfied that it is appropriate for VIA to raise capital for the stated purpose of providing seed capital as the promoter of a special purpose acquisition company. In particular, if VIA was to pursue this purpose, ASX would have concerns that VIA's structure and operations would not be in compliance with Listing Rule 12.5.

Historical and ongoing Listing Rule breaches and concerns

15. For the reasons outlined below, ASX considers that VIA may have breached Listing Rules 3.1 and 10.1, has breached Listing Rules 3.19, 4.2B, 4.3A, 4.3D, 4.7.3, 4.10.3 (and/or 4.7.4) and 19.11A and may have breached or be in breach of Listing Rule 12.2.

Insufficient disclosure of material risks involved in structure and operations

16. ASX notes the following matters:

- 16.1 The document entitled 'Legal Opinion on The Variable Interest Entities (VIE) Structure of ViaGold Rare Earth Resources Holdings Limited (VIA) and China's regulations on Foreign Investment in rare earth industry' dated 31 December 2021 and provided by VIA to ASX as Appendix XII to VIA's letter to ASX dated 10 January 2022 (the '**Guangdong Yunsheng Legal Opinion**') notes that:
- (a) prior to 2018, per the *Catalogue for the Guidance of Foreign Investment Industries* (the '**Catalogue**'), foreign investment in 'Smelting and separation of rare earth' in the People's Republic of China was prohibited unless it was through a sino-foreign equity joint venture or sino-foreign co-operative joint venture and foreign investment in 'prospection, mining and beneficiation of rare earth' was prohibited; and
 - (b) since 2018, per *The Special Administrative Measures on access to Foreign Investment* ('**Negative List**'), 'foreign investment in prospection, mining and beneficiation of rare earth [in the People's Republic of China] is prohibited'.
- 16.2 VIA has disclosed at various times that its activities in the rare earths industry include prospection, exploration, mining and beneficiation of rare earths. Based on the advice contained in the Guangdong Yunsheng Legal Opinion, ASX has concerns that foreign investment in respect of those activities is prohibited under the Negative List and was previously prohibited under the Catalogue. Without limitation, these disclosures by VIA include:
- (a) statements in the 'Explanatory statement and Notice of general meeting' for VIA's acquisition of Polygoal Capital Limited (the '**Polygoal Acquisition**') released by VIA to the market on 8 April 2016 (the '**Polygoal Acquisition NoM**') that:
 - (i) '[t]he acquisition of Polygoal (with its interests in JHRE [Jintan Hailin Rare Earth Co. Ltd] and MJSM [Maoming Jinsheng Minerals Co. Ltd]) ... will introduce the Company into the rare earth mining and processing sector' (section 3);
 - (ii) 'the acquisition of Polygoal (with its interests in JHRE and MJSM) will take the Company into the rare earth mining and processing sector' (section 4);

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- (iii) advantages of the Polygoal Acquisition include 'a lower risk means to access a new investment sector – the mining and processing of rare earths' (section 5); and
 - (iv) '[o]nce acquired, the intention of the Company is that JHRE and MJSM will ... expand their exploration programs for rare earth resources in and around Xinyi City in Guangdong Province' (section 3); and
 - (b) the statement in the announcement released to the market by VIA on 31 May 2018 that '[a]s a result of the [Polygoal] acquisition, ViaGold gained a controlling interest in a rare earth mining, processing and refining project in Changzhou, Jiangsu Province in the PRC'.
- 16.3 VIA has disclosed at various times that prior to the introduction of the Negative List, its activities included the separation of rare earth, which (according to the Guangdong Yunsheng Legal Opinion) was at the time prohibited under the Catalogue unless conducted through a sino-foreign equity joint venture or sino-foreign co-operative joint venture. Without limitation, this includes statements in the Polygoal Acquisition NoM that:
- (a) 'JHRE is a privately owned business involved in the refining and separation of rare earth elements' (section 2); and
 - (b) 'JHRE has an excellent operations team and over 15 years experience in the mining and separation of rare earths' (section 3).
- 16.4 In its letter to ASX dated 23 May 2022, VIA instructed ASX that:
- (a) under the variable interest entity ('VIE') structure through which VIA controls JHRE, VIA considers JHRE to be a domestic enterprise and neither a sino-foreign equity joint venture nor sino-foreign co-operative joint venture; and
 - (b) neither JHRE or MJSM engages in, nor have they engaged in, at least since the Polygoal Acquisition, the beneficiation, exploration or mining of rare earths.
17. ASX considers that VIA may have breached Listing Rule 3.1, having regard to the above and the following:
- 17.1 VIA's public disclosure of the activities carried out by JHRE and MJSM is inconsistent with how VIA has explained those entities' activities to ASX. To the extent that neither JHRE nor MJSM engages in rare earth mining or exploration, or has engaged in rare earth mining or exploration since the Polygoal Acquisition, the statements to the contrary in the Polygoal Acquisition NoM may potentially be misleading and should be clarified.
 - 17.2 The prohibitions and restrictions upon foreign investment in the rare earth industry under the Catalogue and the Negative List represent material financial, regulatory and/or legal risks to VIA's operations, which risks have not been adequately disclosed to the market.
 - 17.3 In ASX's opinion, the status of the VIE structure under Chinese law is, and/or has historically been, unclear and it relies heavily on the Chinese owners performing their contractual obligations, and these risks have not been adequately disclosed to the market by VIA.
18. To address these matters, ASX requires VIA to provide clear disclosure to the market describing the activities carried out by JHRE and MJSM since the Polygoal Acquisition and the financial, regulatory and/or legal risks associated with both the VIE structure and the activities of VIA and its subsidiaries in light of the prohibitions and restrictions upon foreign investment in the rare earth industry under the Catalogue and the Negative List.

Failure to comply with continuous disclosure obligations

19. ASX considers that VIA may have also breached Listing Rule 3.1, having regard to the following:
- 19.1 On 31 May 2019, VIA made an announcement to the market which included the following statement:

[VIA] may record a Loss from operation for the year ended 31 March 2019 as compared to the profit and loss for corresponding period in 2018. The expected loss is mainly attributed to impaired loss in inventory aroused from an incident of illegal moving of inventory by third party (mainly raw material for rare earth production and final rare earth products), and placed outside along the sideway of the rented warehouse which was then either stolen and/or damaged.

19.2 On 6 June 2019, in response to a query from ASX, VIA advised that the event referred to in paragraph 19.1 above occurred ‘at the end of March / very early April’ and VIA became aware of the event on 25 April 2019. ASX does not consider VIA’s explanation of the reason for the delay in disclosure to be satisfactory for the following reasons:

- (a) VIA advised ASX that it did not become aware of the event until 25 April 2019 because JHRE did not report the matter to VIA. ASX does not accept this explanation because the definition of ‘aware’ in Listing Rule 19.12 provides that ‘an entity becomes aware of information if, and as soon as, an officer of the entity ... has, or ought reasonably to have, come into possession of the information in the course of the performance of their duties as an officer of that entity’. For the purposes of this rule, ASX considers that VIA was aware of the event at least as early as the date on which an officer of JHRE became aware of the event.
- (b) VIA advised ASX that it took over one month to ascertain the impact of the event on JHRE’s inventory, before which time VIA considered that it was not in a position to disclose the event. ASX does not accept this explanation because ASX expects listed entities to immediately disclose market sensitive information. ASX notes Example G in Guidance Note 8, in particular the following statement (*emphasis added*):

M is aware of market sensitive information (the fact that its major project has suffered considerable damage caused by a severe cyclone and that this is likely to have a material effect on the price or value of its securities). M therefore should immediately give that information to ASX under Listing Rule 3.1 without waiting for the results of the review [which review will determine the financial impact of the cyclone].

Accordingly, VIA should have immediately disclosed the event instead of waiting until it had ascertained the financial impact of the event before disclosing the event.

19.3 On 2 April 2020, VIA disposed of a 17% equity interest in Viagold Internet of Things Technology Co., Limited (**‘Viagold Internet’**), a subsidiary of VIA, to Mr Changyuan Liao, Chairman and Executive Director of VIA, and an entity associated with Mr Changyuan Liao. VIA did not disclose this transaction until it was referred to in Note 30 to VIA’s audited accounts for the full year ended 31 March 2021 (the **‘FY21 Final Report’**), lodged on the ASX Market Announcements Platform on 1 July 2021. This is despite the transaction involving disposal of a substantial asset to a related party, in breach of Listing Rule 10.1.

19.4 JHRE receives a bi-annual quota for the production of rare earths from the government of the People’s Republic of China. JHRE’s revenue, the majority of which ASX understands is generated from production of rare earths, represented over 98.8% of VIA’s revenue in the financial year ended 31 March 2022. Accordingly, JHRE’s rare earth production quotas are material. VIA has neither disclosed these quotas to the market nor provided a satisfactory explanation of why it has not disclosed these quotas to the market. VIA’s response dated 23 May 2022 to ASX’s queries in respect of this matter, in which VIA referred to disclosure practices of entities listed on the Shenzhen Stock Exchange, Shanghai Stock Exchange and Hong Kong Stock Exchange, is not satisfactory to ASX. The entities to which VIA referred are not listed on ASX and are not subject to the Listing Rules. While admitted to the official list of ASX, VIA must comply with the ASX Listing Rules.

19.5 On 2 March 2023, in response to a query from ASX, VIA advised that it does not consider a 51% decrease in VIA’s total assets from 31 March 2021 to 31 March 2022 to be information that a reasonable person

would expect to have a material effect on the price or value of VIA's securities because 'there is no impact on the Group's consolidated financial statements due to elimination of adjustments of this Subsidiary Impairment on consolidation'. Page 39 of VIA's audited accounts for the full year ended 31 March 2022 (the '**FY22 Final Report**') states that as at 31 March 2022 the value of equity interests attributable to equity holders of VIA is \$834,000, or 9.1% of the value of total equity in the VIA consolidated group, while the value of equity interests attributable to non-controlling interests is \$8,314,000, or 90.9% of total equity in the VIA consolidated group. In circumstances where the majority of interests in the consolidated group are attributable to persons other than equity holders of VIA, ASX does not accept VIA's explanation that a substantial decrease in the value VIA's assets is immaterial because of consolidation adjustments. Accordingly, ASX considers that VIA may have breached Listing Rule 3.1 by failing to promptly disclose this matter to the market.

20. ASX considers that the above issues demonstrate a poor disclosure record by VIA and a consistent failure to comply with the letter and spirit of its continuous disclosure obligations under the Listing Rules.

Breach of periodic reporting obligations and inadequacy of financial reporting systems

21. ASX considers VIA to have breached Listing Rules 3.19A.1, 3.19A.2, 3.19B, 4.2B, 4.3A, 4.3D, 4.7.3, 4.7.4 and 19.11A having regard to the following:

21.1 VIA's failure to lodge the following documents within the timeframes required by the Listing Rules:

Document	Listing Rule(s)	Deadline	Received by ASX
Appendix 4C Quarterly Cash Flow and Activities Report for the quarter ended 31 December 2022	4.7B, 4.7C	31 January 2023	Not received (overdue for more than 2 months)
Half year financial report for the half-year ended 30 September 2022	4.2A, 4.2B	30 November 2022	15 March 2023 (over 3 months late)
Appendix 4C Quarterly Cash Flow and Activities Report for the quarter ended 30 September 2022	4.7B, 4.7C	31 October 2022	Not received (overdue for more than 5 months)
Appendix 4C Quarterly Cash Flow and Activities Report for the quarter ended 30 June 2022	4.7B, 4.7C	31 July 2022	Not received (overdue for more than 8 months)
Audited financial report for the year ended 31 March 2022 (including corporate governance statement and Appendix 4G)	4.5, 4.7	30 June 2022	19 January 2023 (over 6 months late)
Preliminary financial report for the year ended 31 March 2022	4.3A, 4.3B	31 May 2022	15 December 2022 (over 6 months late)
Appendix 4C Quarterly Cash Flow and Activities Report for the quarter ended 31 March 2022	4.7B, 4.7C	30 April 2022	2 May 2022
Half year financial report for the half-year ended 30 September 2021	4.2A, 4.2B	30 November 2021	7 December 2021
Appendix 4C Quarterly Cash Flow and Activities Report for the quarter ended 30 June 2021	4.7B, 4.7C	31 July 2021	2 August 2021

Half year financial report for the half-year ended 30 September 2018	4.2A, 4.2B	30 November 2018	31 December 2018
Appendix 4C Quarterly Cash Flow and Activities Report for the quarter ended 30 June 2020	4.7B, 4.7C	31 July 2020	3 August 2020
Appendix 3X – Initial Director’s Interest Notice (Jingcui Hong)	3.19A.1	7 October 2019 ¹	27 April 2020
Appendix 3Y – Change of Director’s Interest Notice (Changyuan Liao)	3.19A.2	30 August 2019 ²	27 April 2020
Appendix 3Y – Change of Director’s Interest Notice (Longguang Shi)	3.19A.2	30 August 2019 ³	27 April 2020
Appendix 3Y – Change of Director’s Interest Notice (Mulei Shi)	3.19A.2	30 August 2019 ⁴	27 April 2020

21.2 VIA’s failure to lodge a compliant corporate governance statement and Appendix 4G for each of the full years ended 31 March 2021 and 31 March 2022. ASX reiterates the comments that it has previously made in correspondence to VIA dated 18 October 2021, 9 November 2021, 3 February 2023 and 27 February 2023 regarding inaccuracies in these documents.

21.3 ASX has identified material inconsistencies between VIA’s financial report for the full year ended 31 March 2020 (**‘FY20 Final Report’**) and the comparative figures for this period reported in the FY21 Final Report, including, without limitation:⁵

	FY20 Final Report	FY20 comparative figures in FY21 Final Report
Total comprehensive expenses attributable to equity holders of the company	1,459	(12,164)
Total comprehensive expenses attributable to non-controlling interests	(19,408)	(5,785)
Equity Reserves	(3,975)	(17,598)
Capital and reserves attributable to equity holders of the company	12,687	(936)
Non-controlling interests	(7,046)	6,577

21.4 ASX has identified material inconsistencies between the FY20 Final Report and VIA’s preliminary report for the full year ended 31 March 2020 (**‘FY20 Preliminary Report’**), including, without limitation:

	FY20 Preliminary Report	FY20 Final Report
Cost of services and sales	18,955	32,700

¹ Five business days after Jingcui Hong was appointed to the board of directors on 30 September 2019.

² Five business days after Changyuan Liao acquired 800,500 securities on 23 August 2019.

³ Five business days after Longguang Shi acquired 6,000,000 securities on 23 August 2019.

⁴ Five business days after Mulei Shi acquired 4,000,000 securities on 23 August 2019.

⁵ All figures in the tables in paragraphs 21.3 – 21.8 are in A\$’000.

	FY20 Preliminary Report	FY20 Final Report
Impairment loss under expected credit loss model, net of reversal	Nil	(13,726)
Profit (loss)	21	(20,120)

21.5 ASX has identified material inconsistencies between the FY21 Final Report and VIA's preliminary report for the full year ended 31 March 2021 ('**FY21 Preliminary Report**'), including, without limitation:

	FY21 Preliminary Report	FY21 Final Report
Profit	1,613	739

21.6 ASX has identified material inconsistencies between balances and cash equivalents in (a) the FY21 Final Report and the HY21 Report, and (b) VIA's Q1, Q2, Q3 and Q4 FY22 Quarterly Cash Flow and Activities Reports including, without limitation:

Date	FY21 Final Report	HY21 Report	Q1 FY22 Cash Report	Q2 FY22 Cash Report	Q3 FY22 Cash Report	Q4 FY22 Cash Report
31 March 2021	1,586 / 2,310 ⁶	1,586	1,593	1,593	7,603	7,603
30 September 2021	N/A	2,867	N/A	301	3,104	N/A

21.7 ASX has identified material inconsistencies between cash flows reported in the HY21 Report and VIA's Q2 FY22 Quarterly Cash Flow and Activities Reports including, without limitation:

	HY21 Report	Q2 FY22 Cash Report
Net cash flows from operating activities 31 March – 30 September 2021	(3,861)	2,398
Net cash flows from investing activities 31 March – 30 September 2021	4,818	(3,731)
Net cash flows from financing activities 31 March – 30 September 2021	328	nil

21.8 ASX has identified material inconsistencies between cash flows reported in the FY21 Final Report and VIA's Q4 FY21 Quarterly Cash Flow and Activities Reports including, without limitation:

	HY21 Report	Q4 FY21 Cash Report
Net cash flows from operating activities 31 March 2020 – 31 March 2021	4,810	5,949
Net cash flows from investing activities 31 March 2020 – 31 March 2021	(5,597)	(798)
Net cash flows from financing activities 31 March 2020 – 31 March 2021	(627)	(49)

⁶ The Consolidated Statement of Cash Flows indicates cash and cash equivalents as at 31 March 2021 of \$2,310,000 while the Consolidated Statement of Financial Position indicates cash and bank balances as at 31 March 2021 of \$1,586,000. This discrepancy is not explained in the report.

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- 21.9 ASX reiterates its previous comments regarding the 'Annual Financial Statement Discrepancies' and 'Cash Flow Financial Statement Discrepancies', in each case as defined in the letter from ASX to VIA dated 3 February 2023.
- 21.10 ASX does not consider VIA's responses to ASX's previous queries regarding the matters identified in paragraphs 21.3 to 21.9 above to be satisfactory. VIA has not provided adequate disclosure to the market explaining the discrepancies and the reasons for the discrepancies, nor has VIA provided an adequate explanation to ASX of the reasons for the discrepancies.
- 21.11 ASX has significant concerns with the adequacy of VIA's financial reporting and audit systems and controls. This includes concerns in relation to the adequacy of systems and controls which led to the repeated restatements of financial statements discussed in paragraphs 21.3 to 21.9 above, in each case involving a failure to make adequate disclosure to the market of the reasons or causes of the restatements and, in relation to paragraphs 21.4 and 21.5 above, a failure to immediately notify ASX of the circumstances giving rise to the discrepancies as required by Listing Rule 4.3D.
- 21.12 ASX reiterates its previous comments and concerns regarding VIA's disputes with its auditor KTC Partners CPA Limited ('KTC'), and in particular comments in VIA's email to ASX on 30 November 2021 that it was "negotiating" with KTC to amend reports, had "ordered" KTC to amend reports and "might have to change auditor accordingly". ASX continues to have concerns about the independence of VIA's auditor and VIA's approach towards audit requirements and the importance of auditor independence requirements. VIA's response of 9 January 2022 does not adequately address the concerns raised by ASX in this regard.
22. In the circumstances, ASX considers the above evidences a poor disclosure record by VIA, poor financial reporting systems and a failure to comply with the letter and spirit of its periodic reporting obligations under the Listing Rules. ASX also has concerns that the financial reports provided to ASX by VIA may not provide a true and fair view of its financial position.

Related party transactions

23. ASX considers VIA to be in breach of Listing Rule 10.1, having regard to the following:
- 23.1 On 2 April 2020, VIA disposed of a 17% equity interest in Viagold Internet to Mr Changyuan Liao, Chairman and Executive Director of VIA, and an entity associated with Mr Changyuan Liao for consideration of RMB2,726,912.60. The transaction diluted VIA's interest in Viagold Internet from 100% to 83% in exchange for consideration amounting to approximately A\$491,000.
- 23.2 At the time of the transaction, Mr Changyuan Liao was a related party of VIA for the purposes of Listing Rule 10.1, and accordingly any entity associated with Mr Changyuan Liao was captured under Listing Rule 10.1.4.
- 23.3 ASX understands that VIA considers that the asset was not a substantial asset because the FY20 Final Report discloses that, as at 31 March 2020, 'Total equity' less 'Non-controlling interests' equals \$12,687,000, of which 5% is equal to \$634,350. The FY21 Final Report discloses that, as at 31 March 2020, 'Total equity' less 'Non-controlling interests' equals (\$936,000). Consideration of approximately \$491,000 exceeds 5% of (\$936,000). ASX does not accept VIA's assertion that the 5% substantial asset threshold ought to be tested by reference to figures reported in the FY20 Final Report which have subsequently been restated. VIA is responsible for providing accurate financial statements to the market. ASX does not consider VIA's reliance upon inaccurate financial statements prepared and issued by VIA to excuse its breach of Listing Rule 10.1.
- 23.4 Accordingly, the asset disposed of by VIA was a substantial asset because the consideration provided was, in ASX's opinion, 5% or more of the equity interests of VIA and the transaction breached Listing Rule 10.1 as it occurred without shareholder approval.

23.5 ASX understands that VIA intends to seek shareholder approval under Listing Rule 10.1 to ratify the transaction. Notwithstanding any subsequent ratification by shareholders, ASX considers that this demonstrates a failure by VIA to comply with the letter and spirit of Listing Rule 10.1 and a poor record of compliance with the Listing Rules.

24. ASX considers that VIA has breached Listing Rule 10.11, having regard to the following:

24.1 On 23 August 2019 VIA issued 800,500 shares to Mr Changyuan Liao as trustee for the Ling Ge Arts Foundation, following participation in a 1:1 entitlement offer. Prior to this transaction, Mr Changyuan Liao held 800,000 shares as trustee for the Ling Ge Arts Foundation and was entitled to subscribe for 800,000 shares in the entitlement offer. At the time, Mr Changyuan Liao was a director of VIA and therefore a related party of VIA.

24.2 Listing Rule 10.12 Exception 1 provides an exception from the requirement to obtain shareholder approval in Listing Rule 10.11 for 'an issue of securities to holders of ordinary securities made under a pro rata issue and to holders of other equity securities to the extent that the terms of the issue of the equity securities permit participation in the pro rata issue'. This exception does not apply to the issuance of the 500 surplus shares, and VIA shareholder approval was not sought for the issuance of the 500 surplus shares. Accordingly, the share issue was in breach of Listing Rule 10.11.

24.3 ASX acknowledges that VIA has rectified this breach upon request by arranging for the 500 surplus shares to be transferred to a non-related party at the original cost of the shares. Notwithstanding the steps taken to rectify the breach, ASX considers that this demonstrates a failure by VIA to comply with the letter and spirit of Listing Rule 10.11 and a poor record of Listing Rule compliance by VIA.

Inadequate financial condition

25. ASX considers that VIA may be in breach of Listing Rule 12.2 having regard to the following:

25.1 Note 29 to the FY21 Final Report states that VIA (on a non-consolidated basis) had a net current asset deficiency of \$14,891,000 as at 31 March 2021.

25.2 Note 30 to the FY22 Final Report states that VIA (on a non-consolidated basis) had a net current asset deficiency of \$15,274,000 and a net asset deficiency of \$15,258,000 as at 31 March 2022.

25.3 ASX notes the letter of commitment dated 26 August 2021 and provided as Appendix VII to VIA's letter to ASX dated 9 January 2022, under which Ling Ge Art Foundation, an entity associated with Changyuan Liao, has committed to provide financial support of HKD3,000,000 (approximately \$520,000) to VIA 'in case of need'. ASX does not consider this arrangement provides satisfactory evidence that VIA's financial condition is adequate. This is because of the uncertain nature of an uncommercial interest-free related party loan, and the fact that the commitment represents only 3.4% of each of VIA's net current asset deficiency and net asset deficiency.

25.4 As at the date of this letter, and in light of the above, VIA has failed to satisfy ASX that it has an adequate financial condition to warrant the quotation of its securities and its continued listing. ASX's concerns are heightened by the statement from KTC in the FY20 Final Report regarding the existence of a material uncertainty which may cast significant doubt about the VIA group's ability to continue as a going concern. ASX also holds concerns about VIA's poor financial reporting systems (for the reasons described earlier in this letter), which may indicate that VIA's financial reports do not provide a true and fair view of its financial position.

26. ASX requires VIA to provide detailed submissions to ASX explaining why VIA's financial condition is adequate to warrant the continued quotation of its securities and its continued listing. Particularly in light of the significant non-controlling interests in the VIA consolidated group, such submissions should address VIA's financial condition both on a consolidated and non-consolidated basis.

27. An example of an entity which ASX considers to have adequate financial condition to satisfy Listing Rule 12.2 is a listing applicant applying for admission to the official list of ASX as an ASX Listing under the 'asset test', which must demonstrate (among other things) working capital of at least \$1.5m (Listing Rule 1.3.3(c)) and either net tangible assets of at least \$4m or a market capitalisation of at least \$15m (Listing Rule 1.3.1). ASX is generally satisfied that an entity which can meet these requirements (or the requirements of the 'profit test' in Listing Rule 1.2) is likely to have an adequate financial condition to warrant admission to the Official List and quotation of securities. While VIA does not meet either of these thresholds, it is open to VIA to demonstrate to ASX that VIA has adequate financial condition to satisfy Listing Rule 12.2.

Request for further submissions

28. ASX requires VIA to provide the following:

28.1 A comprehensive explanation of how it has or will rectify the outstanding Listing Rule breaches and potential Listing Rule breaches identified in this letter.

28.2 A detailed and comprehensive compliance plan describing how VIA has established systems and controls in place to manage its obligations to comply with the Listing Rules, including evidence of a sustained period of compliance with all reporting requirements and other applicable Listing Rules.

28.3 Detailed submissions describing the Interest Swap Agreement, addressing all of the requirements set out in Guidance Note 12 for an entity applying for in-principle advice on the application of Chapter 11 of the ASX Listing Rules to a significant transaction.

28.4 An explanation of why it is otherwise appropriate to reinstate VIA's securities in all of the circumstances.

29. Your response is required as soon as reasonably possible and, in any event, by no later than **12 July 2023**.

30. Unless VIA can provide adequate submissions to ASX addressing each of these requirements, ASX may consider whether it is appropriate to terminate VIA's admission to the Official List under Listing Rule 17.12.

31. In light of the number and seriousness of the breaches of the Listing Rules identified above, ASX will not consider any request for VIA's securities to be reinstated to quotation unless and until VIA provides the submissions requested in this letter in full.

32. Your response should be sent to me by e-mail at **ListingsComplianceMelbourne@asx.com.au**. It should not be sent directly to the ASX Market Announcements Office.

ASX reminds VIA of its contract to comply with the Listing Rules.

ASX reserves the right to release all or any part of this letter, your reply and any other related correspondence between us to the market under Listing Rule 18.7A.

If you have any questions in relation to the above, please do not hesitate to contact me.

Yours sincerely

Jonathan Bisset
Senior Adviser, Listings Compliance (Melbourne)



Mr. Jonathan Bisset
Senior Adviser, Listings Compliance
ASX Compliance Pty Limited
525 Collins Street, Melbourne VIC 3000

8 June, 2023

Background

Since VIA's securities are suspended, VIA has actively communicated with ASX, repeatedly consulted VIA's legal team, advisors, auditors and other professionals on the issues raised by ASX, and responded to ASX's queries by combining the opinions and recommendations of internal and external professionals in the hope of satisfying ASX and reinstating the official quotation as soon as possible. On 12 April 2023, ASX issued a breach notice to VIA and requested the following documents.

1. A comprehensive explanation of how it has or will rectify the outstanding Listing Rule breaches and potential Listing Rule breaches identified in the breach notice.
2. A detailed and comprehensive compliance plan describing how VIA has established systems and controls in place to manage its obligations to comply with the Listing Rules, including evidence of a sustained period of compliance with all reporting requirements and other applicable Listing Rules.
3. Detailed submissions describing the Interest Swap Agreement, addressing all of the requirements set out in Guidance Note 12 for an entity applying for in-principle advice on the application of Chapter 11 of the ASX Listing Rules to a significant transaction.
4. An explanation of why it is otherwise appropriate to reinstate VIA's securities in all of the circumstances.

Response

In regards to the request in the breach notice sent by ASX to VIA on 12 April 2023, VIA responded as follows.

1. A comprehensive explanation of how it has or will rectify the outstanding Listing Rule breaches and potential Listing Rule breaches identified in the breach notice.

Disclosure of material risks involved in structure and operations

- 1.1. ASX considers that VIA may have breached Listing Rule 3.1 by failing to disclose the material risks involved in its structure and operations and has required VIA to provide clear disclosure to the market describing the activities carried out by JHRE and MJSM since Polygoal Acquisition and the financial, regulatory and/or legal risks associated with both the VIE structure and the activities of VIA and its subsidiaries in light of the prohibitions and restrictions upon foreign investment in the rare earth industry under the Foreign Investment Industrial Guidance Catalogue (**Catalogue**) and Special Administrative Measures for Access of Foreign Investments (**Negative List**). VIA is required by ASX to make clear to the market the following disclosures:

- 1.1.1. The activities carried out by JHRE and MJSM since Polygoal Acquisition.

- A. Since Polygoal Acquisition, JHRE has been engaged in the business of rare earth smelting and separation.
- B. The business scope of MJSM is processing and selling: ferrous metal ores, non-ferrous metal ores, rare metal ores and rare earth metal ores, etc. MJSM started the project of processing 50,000 tons of zircon ore per year in September 2013 and the project of recycling and comprehensive utilization of 5,000 tons of rare earths, whose activities include the beneficiation and processing of rare earths.

The shareholder of MJSM, Guangdong Rising Nonferrous Metals Share Company Limited signed the "Cooperation Framework Agreement on Joint Development of Rare Earth Resources within Xinyi City" with Xinyi Municipal Government on April 17, 2014.

Based on the above project basis, MJSM had planned to carry out exploration of overburdened rare earth resources, but the project was shelved until now due to the depressed rare earth market at that time.

1.1.2. The financial, regulatory and/or legal risks associated with both the VIE structure.

A. The following risks are common to VIE structures in the PRC:

- a. VIE structures rely on contractual arrangements to conduct business operations in the PRC, which may not be as effective in providing operational control or allowing access to economic benefits as through ownership of a controlling interest.

If either party to a VIE contract fails to meet its respective responsibilities under the contractual arrangement, it may incur significant costs and consume resources to enforce its rights under the contract. All such contractual arrangements are governed by and construed in accordance with the laws of the PRC and disputes arising out of such contractual arrangements will be resolved by arbitration or litigation in the PRC. There is significant uncertainty as to the outcome of such arbitration or litigation. Such uncertainties may limit the ability to enforce the contractual arrangements, such as the possibility of not exercising effective control and the possible loss of control over the assets of the controlled entities. As a result, it may not be possible to consolidate the financial position of the consolidated entity into the Group's consolidated financial statements.

- b. If the option to acquire an interest in an operating entity controlled by a VIE is exercised, the transfer of ownership may result in certain restrictions and significant costs.

Under the contractual arrangement, if the VIE structure is dissolved and effective shareholding takes place, the equity transfer may be subject to the approval and filing by the

Ministry of Commerce, the Ministry of Industry and Information Technology, the State Administration of Business Administration and/or their local branches in the PRC. In addition, the price of the equity transfer is subject to review and approval of the transaction tax by the PRC tax authorities.

- B. Our PRC attorneys believe that "the manner in which China regulates legally compliant offshore indirect listed companies, including VIE structured companies, is now clearer, more transparent and more predictable than before, and there are currently no PRC laws or regulations that barring the offshore listing of legally compliant VIE structured companies or affect the ability of VIE structured companies to raise capital. " Accordingly, VIA's management does not believe that the VIE structure currently poses a risk to VIA's normal operation. VIA will, follow the advice of ASX, closely monitor any operational risks posed to VIA by the VIE structure and disclose them to the market in a timely manner.

1.1.3. The activities of VIA and its subsidiaries in light of the prohibitions and restrictions upon foreign investment in the rare earth industry under the Catalogue and Negative List.

- A. In 2015, 2016 and 2017, the prohibitions and restrictions on foreign investment in the rare earth industry under the Catalogue are as follows:
- a. Foreign investment in "exploration, mining and beneficiation of rare earths" is prohibited;
 - b. Foreign investors may engage in "rare earth smelting and separation" through Sino-foreign joint ventures or Sino-foreign cooperation.
- B. From 2018, the Catalogue is replaced by the Negative List. 2018-2021, the Negative List in the rare earth industry is restricted to prohibit foreign investment in "exploration, mining and beneficiation of rare earths".
- C. VIA controls JHRE through VIE structure. Under the VIE structure,



JTRE is still characterized as a domestic enterprise, therefore, the Catalogue and the Negative List do not apply to JHRE. The rare earth smelting and separation business carried out by JHRE is not a business restricted by the Negative List.

- D. The above views have been reached after consultation with VIA's China lawyer. VIA attaches great importance to the legality of its business and the spirit of risk disclosure, and if the Catalogue and the Negative List pose significant financial, regulatory and/or legal risks to VIA's operations, VIA will make full disclosure of such risks to the market in a timely manner.

Failure to comply with continuous disclosure obligations

- 1.2. ASX believes that VIA has a poor disclosure record and has consistently failed to comply with the letter and spirit of its continuing disclosure obligations under the Listing Rules and may have breached Rule 3.1 of the Listing Rules.

VIA is regretted for the events identified by ASX in its letters, paragraph 19.1-19.4 and in response VIA has established a Listing Compliance Office, members of the Listing Compliance Office have completed a Listing Rules compliance course and obtained satisfactory marks in the examination. A Listing Compliance Plan has been developed by the Listing Compliance Office to ensure that VIA complies with the letter and spirit of its continuing disclosure obligations under the Listing Rules.

Breach of periodic reporting obligations and inadequacy of financial reporting systems

- 1.3. On the letter, ASX considers that VIA has a poor disclosure record, a poor financial reporting systems and a failure to comply with the letter and spirit of its periodic reporting obligations under the Listing Rules
- 1.3.1. VIA has appointed Mr. Chen Shaojun (Certified Public Accountant, PRC) of Guangdong Huashui Yinhe CPA Firm (General Partnership) as internal auditor for the purposes of ongoing monitoring of operational and financial aspects of VIA's activities, working closely with the Audit Committee and business units, identifying and assessing financial risks, making recommendations to the Board, reviewing and assessing the

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views of external auditors and other consultants on the operational and financial risks faced by the Company.

1.3.2. Through the establishment of the internal audit function, VIA is confident that the recurrence of the matters described in paragraphs 21.3 to 21.9 of ASX's letter will be eliminated.

1.3.3. VIA's reports that are late as of today are also being prepared and reviewed by our internal and external auditors to comply with the standards set out in the Listing Rules.

1.4. Regarding ASX's concern that the financial reports provided by VIA may not provide a true and fair view of its financial position.

1.4.1. VIA states that it does not influence the auditor's independence, resulting in financial reports that do not give a true and fair view of the financial situation. KTC Partners CPA Limited is an internationally renowned institution of auditor and has maintained its due independence by adhering to the principles of independence, objectivity and impartiality in the execution of VIA's audit.

1.4.2. VIA's appointed internal auditor will also maintain the independence of the function and follow an internal audit function that is consistent with the definition of internal audit under the Institute of Internal Auditors' International Professional Practices Framework.

Related party transactions

1.5. VIA will hold an Extraordinary General Meeting as soon as possible to obtain shareholder ratification for the transaction, and the Compliance Office is responsible for continuing to monitor the progress of the compliance correction for the transaction.

Inadequate financial condition

1.6. VIA will provide detailed submissions in both a consolidated and non-consolidated scenario to ASX following the FY23 audit, explaining why VIA's financial position is adequate to warrant the continued quotation of its securities and its continued listing.

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The deficiency in net assets mentioned by ASX is due to the impairment of VIA's investment in subsidiaries in the non-consolidated scenario by the external auditors. According to the opinion of the external auditor, the Subsidiary Impairment only affected the Company's financial statements for the year, but there is no impact on the Group's consolidated financial statements due to elimination of adjustments of this Subsidiary Impairment on consolidation. As for the Group's consolidated financial statements, VIA's audited net current assets were A\$9,793,000 as of March 31, 2022 while its net current assets were A\$8,527,000 as of September 30, 2022.

It should be further clarified that even though ASX considers the uncommercial interest-free related party loan provided by the Lingge Art Foundation to VIA is uncertain, VIA believes that the financial support from the Lingge Art Foundation is not the only way to finance the company. VIA and its various businesses are currently operating normally, and VIA will use different approaches to raise funds according to its own operating conditions, capital position, and the company's future business development needs, etc.

2. VIA has adopted the establishment of a Compliance Office, and the Compliance Office has developed a Listing Compliance Plan, as detailed in the Appendix.
3. VIA will apply for a In-Principle Advice on the Interest Swap Agreement as soon as practicable.
4. VIA believes that the Company, following numerous communications with ASX, now has more than adequate risk management and internal control systems in place through the establishment of internal audit, compliance management and other functions to effectively manage the business and meet reporting obligations and to reduce the occurrence of errors or invalid information that could impact our business.

VIA also believes that with its ability to implement risk management and internal control measures and its commitment to continuously improve and enhance its risk management and internal control systems and procedures in the future, which will continue to enhance VIA's risk management and corporate governance capabilities and will continue to increase ASX's confidence in VIA's compliance with the letter and spirit of the Listing Rules.



VIA wishes that this response will be satisfactory to ASX and that the official quotation will be reinstated upon completion of all periodic disclosure obligations. The reinstatement of VIA's official quotation is also consistent with ASX's commitment to safeguarding the interests of the general public and the fair and equitable disclosure of information in the market.

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VIAGOLD RARE EARTH RESOURCES HOLDINGS LIMITED

LISTING COMPLIANCE PLAN

June 2023



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1. Objective

ViaGold Rare Earth Resources Holdings Limited (**VIA** or **Company**) is a company listing in Australian Securities Exchange (ASX), and, as a result, operates in a highly regulated environment. The Company takes its obligations to comply with ASX Listing Rules and other applicable laws, and regulations seriously. Demonstrating Listing Compliance is a core part of how we do business, which is critical to maintaining the trust of our customers, and protecting the interests of our stakeholders.

This Listing Compliance Plan sets the principles, standards and a systematic process for managing Compliance Risks across the Company and also describes key roles and responsibilities of the independent Company Listing Compliance function in supporting the Company to focus attention and maintain compliance with ASX Listing Rules, reduce VIA's risk of non-compliance with any and all of requirements and develop a culture of compliance within the company and to communicate the importance of this goal to all internal Team Members and external affiliates.

2. Scope

This Listing Compliance Plan applies to VIA, its directors, its management team, its employees, and the directors, management and employees of the business units, subsidiaries and branches of the Company.

3. Listing Compliance function and activities

3.1 Listing Compliance function

The responsibility of the Listing Compliance function is to proactively:

- A. identify, assess and monitor the Listing Compliance and the risks of non-compliance faced by VIA;
- B. assist, support and advise the Board and the Management in fulfilling their listing compliance responsibilities;
- C. advise any employee or officer with respect to their (personal) listing compliance obligations;
- D. helping VIA to carry on business successfully and in conformity with external and internal standards.

Whenever a situation arises requiring Listing Compliance input, the task of the Compliance Officer is not limited to analyzing the situation, identifying a solution and giving advice to the Board and the Management. The Compliance Officer must continue to pursue the matter until a satisfactory solution has been fully implemented.

3.2 The Listing Compliance activities

The Listing Compliance activities including:

A. Listing Rules and standards

Describes and analyses risks of listing compliance in relation to laws, regulations and standards specially Listing Rules which are material and relevant to the business and fall within the generic scope of the Listing Compliance function.

In collaboration with the legal department, to translate its inventory and analysis of new and proposed listing compliance risk related rules into internal Compliance standards, procedures and guidelines and to ensure that new regulatory requirements are duly incorporated into the procedures to be followed by the business unit.

B. Risk identification and assessment

Identification and prioritization of potential areas of listing compliance risk, leading to damage to VIA's reputation, legal or regulatory sanctions, or financial loss.

C. Risk mitigation including standards, procedures and guidelines

Development and implementation of (or advise and assist with) risk mitigating measures, including clear standards, procedures and guidelines, to prevent, mitigate or minimize (important) listing compliance risks and to detect, report and respond to listing compliance violations.

D. Risk monitoring

On-going monitoring of the adherence to the Listing rules and regulatory standards, and assisting in enforcement as needed.

E. Incidents management

Reporting of and responding to listing compliance incidents, i.e. initiate or drive appropriate (Management) action; develop Lessons Learned.

F. Training and education

Development, maintenance and conducting of an on-going Listing Compliance training and education programme, appropriate to the specific business (unit), to promote an appropriate compliance culture, awareness and understanding of listing compliance standards, procedures and guidelines and of compliance-relevant issues.

G. Action-tracking

Action-tracking of the resolution of all compliance-related audit or regulatory findings and related actions, management initiated actions, and actions coming from Listing Compliance Framework activities.

H. Advisory

Proactive advisor of the Board and the Management and the employees with respect to any listing compliance risks.

Implementation of the Listing Compliance Plan and standards and proactive assistance and support of the Board and the Management in driving the day-to-day implementation of the Listing Compliance Plan.

I. Liaison

Leading the relationship with the regulators with respect to listing compliance risk matters.

It will be clear that the Listing Compliance activities has important responsibilities and duties, requiring the direct and full support from the Board and the Management and the allocation of proportional and qualified resources.

4. Listing Compliance Organization

4.1 Compliance Officers

The Compliance Officer assists and supports the Executive Board in looking after its duties pertaining to the responsibility to manage VIA's listing compliance risks. The Compliance Officer is responsible for the development and establishment of the Listing Compliance Plan within VIA Group and he/she establishes and approves the Compliance standards. The Compliance Officer coordinates compliance assistance and support to the Board and the Management, manages and supervises VIA's listing compliance framework and advises on specific listing compliance issues with Group-wide relevance.

4.2 Organizational position of Compliance Officers

A. Independence and reporting line

To avoid potential conflicts of interests, the Compliance Officer shall be independent of the business activities of VIA's business or business line.

B. Report and reporting line

The Compliance Officer report directly to the Board or the Chairman of the Board and a compliance report is provided to the Board or the Chairman of the Board in which key risks, major developments and issues and compliance incidents are brought to attention, including recommendations for follow-up.

C. Appointment, appraisal and remuneration

Appointment, appraisal and remuneration of the Compliance Officer is the joint responsibility of the Board. They jointly set the performance requirements for their Compliance Officers and ensure that they:

- a. have the required skills, experience and authority;
- b. have the required resources;
- c. allocate sufficient time and commitment to the function;
- d. meet their duties and responsibilities.

4.3 Capabilities and authorities of Compliance Officers

Staff exercising compliance responsibilities shall have the necessary qualifications, experience and professional and personal skills to enable them to carry out their duties effectively.

Accordingly, Compliance Officer shall have completed ASX Listing Rules compliance course and attained a satisfactory pass mark in the examination for that course and an overall understanding of the organization and commercial operation of the business, which he or she advises. To be effective, Compliance Officers shall therefore have/be:

- A. the status, authority and personality to challenge anyone about any action in an appropriate and balanced manner. They shall also be able to follow-up on any concern;
- B. direct access to all operations within their jurisdiction, which includes access to all documents if the Compliance Officer believes such is relevant for an effective execution of his or her compliance responsibilities;
- C. the authority to visit units under his/her responsibility to perform review when it is considered necessary;
- D. enabled to attend any meeting (including committees) if the Compliance Officer believes such is relevant for an effective execution of his or her compliance responsibilities;
- E. direct and unfettered access to all levels of Management in the units for which they carry responsibility;
- F. independent from the commercial activities to be able to perform their duties objectively, as appropriate;
- G. provided with adequate financial and human resources to meet the compliance requirements;
- H. the capability and (procedural) authority to escalate material issues to appropriate Management level.

If a Compliance Officer reasonably believes that he or she does not have sufficient expertise, time or resources to carry out compliance duties properly – whether on a specific matter, or generally – the issue must be raised with the Board.

5. Listing Compliance Plan

The Listing Compliance Plan is the set of compliance risk management processes and

tools which shall be used by VIA's businesses, Management and Compliance Officers for managing listing compliance risks, establishing systems and controls in place to manage its obligations to comply with the Listing Rules. It consists of the following components:

- Listing Compliance Chart;
- Listing Compliance Risk Identification and Assessment;
- Listing Compliance Risk Mitigation;
- Listing Compliance Risk Monitoring;
- Incidents Management;
- Training and Education;
- Action-tracking;
- Advisor;
- Scorecard.

5.1 Listing Compliance Chart

A Listing Compliance Chart defines the specific scope of compliance in terms of ASX Listing Rules and provides the general Listing Compliance landscape of VIA. It describes and analyses in terms of compliance risk those Listing Rules which are material and relevant to the business and fall within the generic scope of the Compliance function.

Key characteristics of Listing Compliance Chart:

- Continuous disclosure;
- Periodic reporting;
- Issue of equity securities;
- Transactions with persons in a position of influence;
- Significant transactions;
- Corporate governance disclosures;
- General meetings;
- Lodging documents with ASX;
- Trading halts and suspensions;
- Waivers and in-principle advice;
- Directors' interest notifications.

5.2 Listing Compliance Risk Identification and Assessment

The Compliance Officer is responsible and required to perform a listing compliance risk identification and assessment (compliance risk assessment) which shall aim to review, identify and prioritize potential areas of listing compliance risk, and advise on appropriate solutions.

A. Combination of techniques

The compliance risk assessments consist of a combination of the following risk and control self-assessment techniques:

- a. Expert-based, i.e. compliance risk assessment by the Compliance Officer himself or herself, based on self assessment questionnaires, checklists, desk research, reports, etc. And the Compliance Officer will cooperate with external regulators, to the extent possible, in relation to inquiries concerning VIA's listing compliance risk;
- b. Interview-based, i.e. compliance risk assessment through interactive risk and control self-assessment interviews by the Compliance Officer with carefully selected key participants from VIA;
- c. Workshop-based, i.e. compliance risk assessment through interactive risk and control self-assessment workshops with carefully selected key business and support function participants. The workshop(s) will normally be facilitated by the Compliance Officer, advisor and; or participant.

B. Focus on identifying and assessing key risks

The compliance risk assessments take place with appropriate business participation and sufficient intensity and interaction to ensure that the key risks are identified and assessed.

The compliance risk assessments are a crucial part of the Listing Compliance Plan. The overall compliance risk assessment report shall be discussed within the Board. The report shall contain a listing of the key risks and the approved actions to be taken to appropriately mitigate the key risks.

5.3 Listing Compliance Risk Mitigation

Based on the risk identification and assessment, The Compliance Officer shall:

- A. establish appropriate risk mitigating measures for key risks, including clear standards, procedures and guidelines;
- B. advise, improve or assist with improving or implementing standards, procedures and guidelines, also by asking the business participants for their input and requirements;
- C. develop timetables for the current year of training, monitoring, regulatory reporting etc.
- D. incorporate specific requirements of the regulator which are not already covered by corporate requirements.

Whenever a situation arises requiring Compliance input, the task of the Compliance Officer is not limited to analyzing the situation, identifying a solution and giving advice to management. The Compliance Officer must continue to pursue the matter until a satisfactory solution has been fully implemented.

5.4 Listing Compliance Risk Monitoring

The Compliance Officer shall ensure the effectiveness and integrity of the compliance process of VIA with appropriate and detailed monitoring of the adherence to ASX Listing Rules and its standards.

The Compliance Officer is responsible for establishing an appropriate Monitoring Plan addressing (key) compliance risks within his/her business.

The outcome of the monitoring activities shall be reported yearly (more often if appropriate or required) to the Board and the Management. This report shall inform its audience about whether the key risks are acceptable and highlight important compliance developments or events.

The following monitoring activities are included:

- A. key risks monitoring:
 - a. Review the operations to ensure that significant compliance risk areas have strong effective internal controls, by making monitoring visits or spot checks

of key activities, in particular, continuous disclosure obligations and periodic disclosure obligations;

- b. KRI - monitoring: monitoring of Compliance Key Risk Indicators (KRI), by setting and periodically assessing or measuring qualitative or quantitative, predefined and approved KRI tolerances.

B. key controls monitoring:

- a. Review of compliance with relevant regulatory requirements, in particular, continuous disclosure obligations and periodic disclosure obligations;
- b. Periodically review compliance with compliance standards, procedures and guidelines;
- c. Seeking advice from management, business participants on whether standards, procedures and guidelines can be improved;
- d. Make recommendations to the Board for improvements to improve (or assist in improving) standards and procedures.

5.5 Incidents Management

Material compliance incidents are defined as events which have impaired VIA 's integrity, leading to material damage to VIA's reputation, sanctions, or financial loss, as a result of a failure (or perceived failure) to comply with all applicable ASX Listing Rules.

Material compliance incidents must be periodically and immediately reported if they meet any of the following criteria:

- criminal or fraudulent event (all events to be reported irrespective of loss amount)
- material breach of applicable ASX Listing Rules
- material reputation damage
- regulatory sanction
- material nearmiss

The Compliance Officer shall:

- A. (immediately) report any material compliance incident to the Board;
- B. initiate and support appropriate remedial action is taken;
- C. ensure, in case of suspected misconduct, that investigation takes place, and, where and when appropriate, recommend corrective or disciplinary action to the

Board and the Management;

- D. development of Lessons Learned to ensure that VIA can learn from what happened and is able to implement the controls which are necessary to avoid such type of event from happening again;
- E. appropriate discussion of material compliance incidents in the Board;
- F. encourage reporting of compliance breaches or violations.

The Compliance Officer is the Reporting Officer for the Whistle-blower procedure, unless another officer has been appointed to perform this duty.

5.6 Training and Education

With the assistance of the Legal and/or Training department, the Compliance Officer will develop, maintain and conduct an on-going compliance training and education program, appropriate to his or her business (unit), to promote an appropriate compliance culture, awareness and understanding of:

- A. Listing compliance standards, procedures and guidelines;
- B. staff member's role in the listing compliance process;
- C. key listing compliance risks that could affect the Company;
- D. how, when, from whom to seek advice on listing compliance issues and to report compliance concerns;
- E. consequences of failing to follow applicable ASX Listing Rules;
- F. available compliance documentation and where to find/obtain hard/electronic copies of it while using available resources and expertise of relevant staff departments (e.g. Legal department, HR and/or Training department).

The Compliance Officer will ensure that guidance on proper conduct is available to all people in VIA at all times.

5.7 Action-tracking

The Compliance Officer is responsible for the action-tracking of the resolution of all compliance-related:

- A. internal/external audit or regulatory findings and related actions;
- B. Management initiated actions;
- C. actions coming from Compliance Framework activities (e.g. Charts, Risk Assessment, etc).

The action-tracking process of category shall have an integral (and efficient) audit and regulatory action-tracking process, and the Compliance Officer is responsible for the oversight with respect to the quality of resolution of compliance-related actions.

5.8 Advisor

The Compliance Officer is advisor of Management, Committees and Employees, and participates in relevant Committees, with respect to any compliance risk management responsibilities, obligations, concerns or issues. This can take the following forms:

- Respond to requests for guidance and reports of compliance concerns from managers and employees at all levels.
- Participate to the extent appropriate in determinations as to whether particular conduct or activities are compliant with applicable standards.
- Take appropriate initiative where compliance concerns are evident.

It is essential that the Compliance Officer consistently comes up with appropriate solutions to problems, taking into account the commercial issues involved while fully respecting the regulatory constraints of ASX Listing Rules.

A. New-Announcement Review Process

The Compliance Officer will play a proactive and key role in the New-Announcement Review Process by providing advice with respect to the risks and possible remedial actions.

The Company, planning to release a new announcement or materially modify an existing announcement, shall seek advice from the Compliance Officer, to address listing compliance risks. And the Board is responsible for the final (dis)approval of new/modified announcement proposals.

B. Negative Advice

For significant listing compliance risks the Compliance Officer is authorised to apply the Negative Advice policy, i.e. he or she issues a negative advice to the Board and the Management on a planned activity or decision. The Board must be informed if a Compliance Officer plans to issue negative advice.

C. Advice

For the proper conduct of VIA's business, the Compliance Officer can provide advice in respect of, for example:

- what type of announcements can be released;
- under what conditions and other restrictions VIA's announcements are released;
- the documentation required for any particular announcements;
- the approval processes and other standards to be observed before announcements are released;
- the processes announcements are released (e.g. monitoring of ongoing obligations).

5.9 Scorecard

The Compliance Scorecard scores the extent of implementation of the Compliance Chart and translates into a red/amber/green traffic-light-indicator which informs about whether further actions are required or need to be implemented.

Review

This Listing Compliance Plan is reviewed and updated at least every two years. These changes must be approved by the Board of Directors.

From: [Jonathan Bisset](#)
To: ["peter_leung"](#)
Cc: [REDACTED]
Subject: RE: Response to Breach Notice
Date: Tuesday, 20 June 2023 11:34:00 AM
Attachments: [image002.png](#)

Dear Peter

Thank you for providing these materials.

In order to demonstrate to ASX that it is appropriate for VIA to remain admitted to the Official List of ASX and as a pre-condition to ASX's consideration of any request for VIA's securities to be reinstated to quotation, ASX requires VIA to provide a complete response addressing all of the matters set out in ASX's letter to VIA dated 12 April 2023.

ASX reiterates its previous request for VIA to provide:

- (a) A comprehensive explanation of how it has or will rectify the outstanding Listing Rule breaches and potential Listing Rule breaches identified in this letter.
- (b) A detailed and comprehensive compliance plan describing how VIA has established systems and controls in place to manage its obligations to comply with the Listing Rules, including evidence of a sustained period of compliance with all reporting requirements and other applicable Listing Rules.
- (c) Detailed submissions describing the Interest Swap Agreement, addressing all of the requirements set out in Guidance Note 12 for an entity applying for in-principle advice on the application of Chapter 11 of the ASX Listing Rules to a significant transaction.
- (d) An explanation of why it is otherwise appropriate to reinstate VIA's securities in all of the circumstances.

VIA's response of 11 June 2023 does not address all of the requests in ASX's letter of 12 April 2023. Particular matters which have not been addressed include:

1. VIA has not provided a comprehensive explanation of how VIA has or will rectify the following outstanding Listing Rule breaches and potential Listing Rule breaches identified in ASX's letter of 12 April 2023:
 - a. Breach of periodic reporting obligations and inadequacy of financial reporting systems:
 - i. VIA continues to breach Listing Rules 4.3A, 4.3B, 4.7B and 4.7C by failing to lodge an Appendix 4C Quarterly Cash Flow and Activities Report for the quarters ended 31 December 2022 (due 31 January 2023) and 30 March 2023 (due 30 April 2023) and its preliminary final report for the year ended 31 March 2023 (due 31 May 2023).
 - ii. VIA continues to provide inadequate and inconsistent financial statements to ASX. On 14 June 2023, VIA provided a restated Appendix 4C Quarterly Cash Flow and Activities Report for the quarter ended 30 September 2021 which was inadequate and inconsistent with other financial statements provided by VIA for the reasons set out in ASX's email of 15 June 2023.
 - iii. VIA has not provided a comprehensive explanation for release to the market explaining all of the inconsistencies in past financial statements described in paragraph 21 of ASX's letter or the reasons for those

- inconsistencies.
- b. Inadequate financial condition: VIA has not provided submissions explaining why VIA's financial position is adequate to warrant continued quotation of its securities and its continued listing.
- 2. VIA has not provided evidence of a sustained period of compliance with all reporting requirements and other applicable Listing Rules.
 - 3. VIA has not provided detailed submissions describing the Interest Swap Agreement, addressing all of the requirements set out in Guidance Note 12 for an entity applying for in-principle advice on the application of Chapter 11 of the ASX Listing Rules to a significant transaction.

Please let me know of any questions.

Kind regards

Jonathan

Jonathan Bisset

Senior Adviser

Listings Compliance



ASX – heart of Australia's financial markets



525 Collins Street, Rialto, South Tower Level 50 Melbourne VIC 3000

www.asx.com.au

Follow ASX



From: peter_leung [REDACTED]

Sent: Sunday, 11 June 2023 3:19 PM

To: Jonathan Bisset [REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

Subject: Response to Breach Notice

EXTERNAL EMAIL: Do not click on links or open attachments unless you trust the sender and know the content is safe.

Dear Jonathan,

How's weekend? Please find attached our response to ASX Breach Notice on 12/04/2023 together with Appendix-VIA Listing Compliance Plan.

W. Reg

Peter

Mr. Jonathan Bisset
 ASX Compliance Pty Limited
 525 Collins Street, Melbourne VIC 3000

10 July, 2023

Background

On 12 April 2023, ASX issued a breach notice to VIA and identified material inconsistencies in paragraphs 21.3 to 21.9 of the breach notice, which as shown below:

21.3 ASX has identified material inconsistencies between VIA's financial report for the full year ended 31 March 2020 ('FY20 Final Report') and the comparative figures for this period reported in the FY21 Final Report, including, without limitation:¹

	FY20 Final Report	FY20 comparative figures in FY21 Final Report
Total comprehensive expenses attributable to equity holders of the company	1,459	(12,164)
Total comprehensive expenses attributable to non-controlling interests	(19,408)	(5,785)
Equity Reserves	(3,975)	(17,598)
Capital and reserves attributable to equity holders of the company	12,687	(936)
Non-controlling interests	(7,046)	6,577

21.4 ASX has identified material inconsistencies between the FY20 Final Report and VIA's preliminary report for the full year ended 31 March 2020 ('FY20 Preliminary Report'), including, without limitation:

	FY20 Preliminary Report	FY20 Final Report
Cost of services and sales	18,955	32,700
Impairment loss under expected credit loss model, net of reversal	Nil	(13,726)
Profit (loss)	21	(20,120)

21.5 ASX has identified material inconsistencies between the FY21 Final Report and VIA's

¹ All figures in the tables in paragraphs 21.3 - 21.8 are in A\$' 000.

s preliminary report for the full year ended 31 March 2021 ('FY21 Preliminary Report'), including, without limitation:

	FY21 Preliminary Report	FY21 Final Report
Profit	1,613	739

21.6 ASX has identified material inconsistencies between balances and cash equivalents in (a) the FY21 Final Report and the HY21 Report, and (b) VIA's Q1, Q2, Q3 and Q4 FY22 Quarterly Cash Flow and Activities Reports including, without limitation:

Date	FY21 Final Report	HY21 Report	Q1 FY22 Cash Report	Q2 FY22 Cash Report	Q3 FY22 Cash Report	Q4 FY22 Cash Report
31 March 2021	1,586 / 2,310 ²	1,586	1,593	1,593	7,603	7,603
30 September 2021	N/A	2,867	N/A	301	3,104	N/A

21.7 ASX has identified material inconsistencies between cash flows reported in the HY21 Report and VIA's Q2 FY22 Quarterly Cash Flow and Activities Reports including, without limitation:

	HY22 Report	Q2 FY22 Cash Report
Net cash flows from operating activities 31 March – 30 September 2021	(3,861)	2,398
Net cash flows from investing activities 31 March – 30 September 2021	4,818	(3,731)
Net cash flows from financing activities 31 March – 30 September 2021	328	nil

21.8 ASX has identified material inconsistencies between cash flows reported in the FY21 Final Report and VIA's Q4 FY21 Quarterly Cash Flow and Activities Reports including, without limitation:

	FY21 Report	Q4 FY21 Cash Report
Net cash flows from operating activities	4,810	5,949

² The Consolidated Statement of Cash Flows indicates cash and cash equivalents as at 31 March 2021 of \$2,310,000 while the Consolidated Statement of Financial Position indicates cash and bank balances as at 31 March 2021 of \$1,586,000. This discrepancy is not explained in the report.

31 March 2020 – 31 March 2021		
Net cash flows from investing activities	(5,597)	(798)
31 March 2020 – 31 March 2021		
Net cash flows from financing activities	(627)	(49)
31 March 2020 – 31 March 2021		

21.9 ASX reiterates its previous comments regarding the ‘Annual Financial Statement Discrepancies’ and ‘Cash Flow Financial Statement Discrepancies’, in each case as defined in the letter from ASX to VIA dated 3 February 2023.

Response

VIA considers complying with the letter and spirit of the Listing Rules is essential and have therefore been in communication with ASX during the suspension period and continue to improve its compliance control and financial reporting system.

The material inconsistencies mentioned in paragraph 21.3–21.5

After repeated checks with the internal and external auditors, the external auditors provided VIA with SUPPLEMENTAL NOTE TO THE ANNUAL REPORT FOR THE YEAR ENDED 31 MARCH 2021 ('**Appendix I**') and Material differences between preliminary final report (4E) and audited annual report of FY20 and FY21 ('**Appendix II**') on the explanations and reasons for the discrepancies.

Appendix I explains the reasons for the material inconsistencies mentioned in paragraph 21.3, which are due to the omission to take up the share of the deferred tax of a subsidiary, non-controlling interests and translation reserve were wrongly determined.

Pages 1–3 in Appendix II explain the reasons for the material inconsistencies mentioned in paragraph 21.4, and pages 4–6 explain the reasons for the material inconsistencies mentioned in paragraph 21.5.

The material inconsistencies mentioned in paragraph 21.6– 21.8

VIA and its auditors identified that classification standards applied in the released Appendix 4C of Q1 FY22, Q2 FY22 and Q4 FY21 were not the same when using the direct method of classification, and therefore, revised the Q1 FY22 Quarterly Cash Flow and Activities Report ('**Appendix III**') and Q2 FY22 Quarterly Cash Flow and Activities Report ('**Appendix IV**').

According to Appendix III and IV, the following inconsistencies remain in VIA's cash and cash equivalents:

Date	FY21 Final Report	HY21 Report	Revised Q1 FY22 Cash Report	Revised Q2 FY22 Cash Report	Q3 FY22 Cash Report	Q4 FY22 Cash Report
31 March 2021 (See Note A)	1,586 ³	1,586	7,603	7,603	7,603	7,603
30 September 2021 (See Note B)	N/A	2,867	N/A	3,486	3,486	N/A

³ The correct number should be 1,586, but a mistake was made in the preparation and review, resulting in the appearance of 2,310.

The discrepancies of cash and cash equivalents of period between the Appendix 4C Quarterly Cash Flow and Activities Report and FY21 Final Report or HY21 Report were mainly due to the inclusion of the bank structure deposits and pledged deposited, which VIA believes that should be classified as cash and cash equivalents in the 4C Quarterly Cash Flow and Activities Report as per paragraph 7 under IAS 7 – Statement of Cash Flow, it cited that cash and cash equivalents are held for the purpose of meeting short-term cash commitments rather than for investment or other purposes. Meanwhile, under IFRS9 the Structural Deposits could be classified as financial assets at FVTPL, and being adopted for FY21 Final Report and HY21 Report.

As a result, the above discrepancies arise in the Appendix 4C and other periodic reports (Appendix 4D, Appendix 4E and the Annual Report) due to the different classification of deposits.

In any case, starting from the preparation of the Q1 FY23 Quarterly Cash Flow and Activities report, VIA and its auditors decided to exclude the structure deposits from cash and cash equivalents in order to avoid the above-mentioned discrepancies in the 4C Quarterly Cash Flow and Activities Report and other periodic reports in the future.

Regarding the discrepancies mentioned in paragraphs 21.7 and 21.8, they are mainly due to the differences arising from the classification of structured deposits mentioned above, combined with the different methods used to prepare Appendix 4C and other periodic reports. For the consolidated statement of cash flows in the Appendix 4D, 4E, or Annual Report were prepared under the indirect method instead of direct method (cash basis) used in the Appendix 4C.

By emails on 27 February 2023 and 15 May 2023, ASX advised VIA that, going forward, wherever there are discrepancies between cash flow statements in VIA's Appendix 4C and cash flow statements in VIA's full year and half year reports. VIA should include a reconciliation or explanation of the discrepancies. Therefore, some of the above explanations are also included in Appendix III and Appendix IV.

Note A: Discrepancies in cash and cash equivalents as of March 31, 2021 between FY21 Final Report, HY21 Report and Cash Report.

	as at 31 March 2021
Bank and cash balance as disclosed in FY21 Final Report, HY21 Report	1,586
Bank structured deposits	5,122

Pledged deposit	872
Other items including exchange differences and others not accounted for	23
Bank and cash balance as disclosed in Appendix 4C Cash Report.	7,603

Note B: Discrepancies in cash and cash equivalents as of 30 September, 2021 between HY21 Report and Cash Report.

	as at 30 September 2021
Bank and cash balance as disclosed in HY21 Report	2,867
Pledged deposit	608
Other items including exchange differences and others not accounted for	11
Bank and cash balance as disclosed in Appendix 4C Cash Report.	3,486

VIA and its auditors consider the above Appendix to be an adequate explanation and hope that this letter and its Appendix will be satisfactory to ASX.

VIAGOLD RARE EARTH RESOURCES HOLDINGS LIMITED

SUPPLEMENTAL NOTE TO THE ANNUAL REPORT FOR THE YEAR ENDED 31 MARCH 2021

Reference is made to the consolidated financial statements of ViaGold Rare Earth Resources Holdings Limited (the “Company”) and its subsidiaries (together referred to as the “Group”) for the year ended 31 March 2021 (the “Consolidated Financial Statements”) contained in the Company's Reports and Consolidated Financial Statements for the year ended 31 March 2021 (the “Annual Report 2021”), published by the Company on 1 July 2021. Unless otherwise defined, capitalised terms used herein shall have the same meanings as defined in the Consolidated Financial Statements.

PRIOR YEAR ADJUSTMENTS

During the finalization of the consolidated financial statements of the Group for the year ended 31 March 2021, the management has carried out a reassessment and identified certain adjustments in the consolidated financial statements of prior years.

Due to the omission to take up the share of the deferred tax of a subsidiary, non-controlling interests and translation reserve were wrongly determined.

Accordingly, certain prior year adjustments have been made to correct the prior period error and certain comparative information were restated to reflect the adjustments as detailed below:

- (i) The effect of the prior year adjustments in the consolidated statement of profit or loss and other comprehensive income for the year ended 31 March 2020 is set out below:

	Year ended 31/3/2020 (previously reported) AS'000	Prior year adjustments AS'000 (Note)	Year ended 31/3/2020 (restated) AS'000
Revenue	21,303	-	21,303
Cost of services and sales	<u>(32,738)</u>	<u>-</u>	<u>(32,738)</u>
Gross loss	(11,435)	-	(11,435)
Other income	444	-	444
Administrative expenses	(2,883)	-	(2,883)
Impairment loss under expected credit loss model, net of reversal	(13,726)	-	(13,726)
Share of result of associates	<u>(10)</u>	<u>-</u>	<u>(10)</u>
Loss before taxation	(27,610)	-	(27,610)
Income tax credit	<u>7,490</u>	<u>-</u>	<u>7,490</u>
Loss for the year	<u><u>(20,120)</u></u>	<u><u>-</u></u>	<u><u>(20,120)</u></u>
Attributable to:			
Equity holders of the Company	(1,427)	(9,537)	(10,964)
Non-controlling interests	<u>(18,693)</u>	<u>9,537</u>	<u>(9,156)</u>
	<u><u>(20,120)</u></u>	<u><u>-</u></u>	<u><u>(20,120)</u></u>

VIAGOLD RARE EARTH RESOURCES HOLDINGS LIMITED**SUPPLEMENTAL NOTE TO THE ANNUAL REPORT FOR THE YEAR ENDED 31 MARCH 2021****PRIOR YEAR ADJUSTMENTS- Continued**

	Year ended 31/3/2020 (previously reported) AS'000	Prior year adjustments AS'000 (Note)	Year ended 31/3/2020 (restated) AS'000
Loss per share attributable to the equity holders of the Company			
- Basic	<u>(A\$0.02)</u>		<u>(A\$0.16)</u>
- Diluted	<u>(A\$0.02)</u>		<u>(A\$0.16)</u>
Loss for the year	(20,120)	-	(20,120)
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	1,358	-	1,358
Fair value gain on financial assets at fair value through other comprehensive income	<u>813</u>	<u>-</u>	<u>813</u>
Total comprehensive expenses for the year	<u>(17,949)</u>	<u>-</u>	<u>(17,949)</u>
Total comprehensive income/(expenses) attributable to:			
Equity holders of the Company	1,459	(13,623)	(12,164)
Non-controlling interests	<u>(19,408)</u>	<u>13,623</u>	<u>(5,785)</u>
	<u>(17,949)</u>	<u>-</u>	<u>(17,949)</u>

VIAGOLD RARE EARTH RESOURCES HOLDINGS LIMITED**SUPPLEMENTAL NOTE TO THE ANNUAL REPORT FOR THE YEAR ENDED 31 MARCH 2021****PRIOR YEAR ADJUSTMENTS - Continued**

- (ii) The effect of the adjustments in the respective line items of the consolidated statement of financial positions of the Group as at 31 March 2020 is as follows:

	As at 31/3/2020 (previously reported) A\$'000	Prior year adjustments A\$'000 (Note)	As at 31/3/2020 (restated) A\$'000
ASSETS			
Non-current assets			
Fixed assets			
- Investment property	496	-	496
- Plant and equipment	7,349	-	7,349
Right-of-use assets	4,729	-	4,729
Interests in an associate	194	-	194
Financial assets at fair value through other comprehensive income	4,116	-	4,116
	<u>16,884</u>	<u>-</u>	<u>16,884</u>
Current assets			
Inventories	34,462	-	34,462
Trade and other receivables	8,552	-	8,552
Amounts due from related parties	1,219	-	1,219
Pledged bank deposits	280	-	280
Cash and bank balances	2,527	-	2,527
	<u>47,040</u>	<u>-</u>	<u>47,040</u>
Non-current assets classified as held for sale	<u>-</u>	<u>-</u>	<u>-</u>
Total assets	<u><u>63,924</u></u>	<u><u>-</u></u>	<u><u>63,924</u></u>

VIAGOLD RARE EARTH RESOURCES HOLDINGS LIMITED**SUPPLEMENTAL NOTE TO THE ANNUAL REPORT FOR THE YEAR ENDED 31 MARCH 2021****PRIOR YEAR ADJUSTMENTS - Continued**

	As at 31/3/2020 (previously reported) A\$'000	Prior year adjustments A\$'000 (Note)	As at 31/3/2020 (restated) A\$'000
CAPITAL AND RESERVES			
Equity			
Share capital	16,662	-	16,662
Reserves	<u>(3,975)</u>	<u>(13,623)</u>	<u>(17,598)</u>
Capital and reserves attributable to the equity holders of the Company	12,687	(13,623)	(936)
Non-controlling interests	<u>(7,046)</u>	<u>13,623</u>	<u>6,577</u>
Total equity	<u>5,641</u>	<u>-</u>	<u>5,641</u>
LIABILITIES			
Current liabilities			
Trade and other payables	14,982	-	14,982
Amounts due to related companies	39,767	-	39,767
Amounts due to key management personnel	3,295	-	3,295
Contract liabilities	202	-	202
Tax payable	<u>37</u>	<u>-</u>	<u>37</u>
	<u>58,283</u>	<u>-</u>	<u>58,283</u>
Net current liabilities	<u>(11,243)</u>	<u>-</u>	<u>(11,243)</u>
Total equity and liabilities	<u>63,924</u>	<u>-</u>	<u>63,924</u>

VIAGOLD RARE EARTH RESOURCES HOLDINGS LIMITED**SUPPLEMENTAL NOTE TO THE ANNUAL REPORT FOR THE YEAR ENDED 31 MARCH 2021****PRIOR YEAR ADJUSTMENTS - Continued**

- (iii) The effect of the adjustments in the respective line items of the consolidated statement of change in equity of the Group for the year ended 31 March 2020 is as follows:

	Year ended 31/3/2020 (previously reported) AS'000	Prior year adjustments AS'000 (Note)	Year ended 31/3/2020 (restated) AS'000
Attributable to equity holders of the Company			
- Translation reserve			
As at 1 April 2019	(26,855)	-	(26,855)
- Exchange differences arising on translation of foreign operations	<u>2,073</u>	<u>(4,086)</u>	<u>(2,013)</u>
As at 31 March 2020	<u><u>(24,782)</u></u>	<u><u>(4,086)</u></u>	<u><u>(28,868)</u></u>
- Accumulated losses			
As at 1 April 2019	(65,728)	-	(65,728)
- Loss for the year	(1,427)	(9,537)	(10,964)
- Transfer of warrant reserve upon lapse of warrants	330	-	330
- Transfer of share-based compensation reserve upon lapse of share options	<u>1,707</u>	<u>-</u>	<u>1,707</u>
As at 31 March 2020	<u><u>(65,118)</u></u>	<u><u>(9,537)</u></u>	<u><u>(74,655)</u></u>
Non-controlling interests			
As at 1 April 2019	12,362	-	12,362
- Loss for the year	(18,693)	9,537	(9,156)
- Exchange differences arising on translation of foreign operations	<u>(715)</u>	<u>4,086</u>	<u>3,371</u>
As at 31 March 2020	<u><u>(7,046)</u></u>	<u><u>13,623</u></u>	<u><u>6,577</u></u>

Note:

To adjust the loss and other comprehensive loss attributable to non-controlling interests for the year ended 31 March 2020.

VIAGOLD RARE EARTH RESOURCES HOLDINGS LIMITED

Reference is made to the financial information contained in the Preliminary Final Report for the year ended 31 March 2020 published by the Company on 1 June 2020 (the “**Preliminary Final Report 2020**”), and the Reports and Consolidated Financial Statements for the year ended 31 March 2020 published by the Company on 1 July 2020 (the “**Annual Report 2020**”).

Since the financial information contained in the Preliminary Final Report 2020 was not audited by the auditors as at the date of its publication and subsequent adjustments have made to such information upon completion of the auditing process, shareholders and potential investors of the Company are advised to pay attention to the material differences between the financial information as disclosed in the audited Annual Report 2020 and that disclosed in the Preliminary Final Report 2020.

Set forth below are details and reasons for the material differences in such financial information :

<u>Consolidated Statement of Profit or Loss and Other Comprehensive Income</u>		Disclosure in Annual Report 2020 AS'000	Disclosure in the Preliminary Final Report 2020 AS'000	Difference AS'000
	Note			
Revenue		21,303	21,303	-
Cost of services and sales	1	<u>(32,738)</u>	<u>(18,955)</u>	(13,783)
Gross loss		(11,435)	2,348	(13,783)
Other income		444	444	-
Administrative expenses		(2,883)	(2,762)	(121)
Impairment loss under expected credit loss model, net of reversal	2	(13,726)	-	(13,726)
Share of result of associates		<u>(10)</u>	<u>(10)</u>	-
Loss before taxation		(27,610)	20	(27,630)
Income tax credit	1	<u>7,490</u>	<u>1</u>	7,489
Loss for the year		<u><u>(20,120)</u></u>	<u><u>21</u></u>	(20,141)
Loss for the year		(20,120)	21	(20,141)
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	3	1,358	2,810	(1,452)
Fair value gain on financial assets at fair value through other comprehensive income		<u>813</u>	<u>813</u>	-
Total comprehensive expenses for the year		<u><u>(17,949)</u></u>	<u><u>3,644</u></u>	(21,593)

VIAGOLD RARE EARTH RESOURCES HOLDINGS LIMITED

<u>Consolidated Statement of Financial Position</u>		Disclosure in Annual Report 2020 A\$'000	Disclosure in the Preliminary Final Report 2020 A\$'000	Difference A\$'000
	Note			
ASSETS				
Non-current assets				
Fixed assets				
- Investment property		496	496	-
- Plant and equipment		7,349	7,349	-
Right-of-use assets		4,729	4,729	-
Interests in an associate		194	194	-
Financial assets at fair value through other comprehensive income		<u>4,116</u>	<u>4,116</u>	-
		<u>16,884</u>	<u>16,884</u>	-
Current assets				
Trade and other receivables	2, 4	8,552	24,672	(16,120)
Amounts due from related parties	4	1,219	-	1,219
Inventories	1	34,462	49,414	(14,952)
Pledged bank deposits		280	280	-
Cash and bank balances		<u>2,527</u>	<u>2,531</u>	(4)
		<u>47,040</u>	<u>76,897</u>	(29,857)
Total assets		<u><u>63,924</u></u>	<u><u>93,781</u></u>	(29,857)
CAPITAL AND RESERVES				
Equity				
Share capital		16,662	16,662	-
Reserves		<u>(3,975)</u>	<u>(3,096)</u>	(879)
Capital and reserves attributable to the equity holders of the Company		12,687	13,566	(879)
Non-controlling interests	5	<u>(7,046)</u>	<u>13,668</u>	(20,714)
Total equity		<u><u>5,641</u></u>	<u><u>27,234</u></u>	(21,593)

<u>Consolidated Statement of Financial Position</u>		Disclosure in Annual Report 2020 A\$'000	Disclosure in the Preliminary Final Report 2020 A\$'000	Difference A\$'000
LIABILITIES				
Non-current liabilities				
Deferred tax liabilities	1	-	8,125	(8,125)
Current liabilities				
Trade and other payables	4	14,982	58,183	(43,201)
Amounts due to related companies	4	39,767	-	39,767
Amounts due to key management personnel	4	3,295	-	3,295
Contract liabilities		202	202	-
Tax payable		37	37	-
		<u>58,283</u>	<u>58,422</u>	(139)
Net current liabilities		<u>(11,243)</u>	<u>18,475</u>	(29,718)
Total equity and liabilities		<u>63,924</u>	<u>93,781</u>	(29,857)

Notes:

1. The differences mainly represent the adjustment for write off of the inventories and the corresponding deferred tax liabilities for the year ended 31 March 2020.
2. It represents the adjustment for impairment loss under expected credit loss model for trade and other receivables, and amount due from a related company.
3. The difference is due to exchange difference arising in the adjustment for write off of the inventories and corresponding deferred tax liabilities, and adjustment for impairment loss under expected credit loss model.
4. The difference is mainly due to the reclassification of trade and other receivables, amounts due to related parties, trade and other payables and amounts due to related companies/ key management personnel.
5. The difference is due to the share of loss for the adjustment for write off of the inventories and corresponding deferred tax liabilities, and adjustment for impairment loss under expected credit loss model attributable to non-controlling interests.

VIAGOLD RARE EARTH RESOURCES HOLDINGS LIMITED

Reference is made to the financial information contained in the Preliminary Final Report for the year ended 2021 published by the Company on 31 May 2021 (the “**Preliminary Final Report 2021**”), and the Reports and Consolidated Financial Statements for the year ended 31 March 2021 published by the Company on 1 July 2021 (the “**Annual Report 2021**”).

Since the financial information contained in the Preliminary Final Report 2021 was not audited by the auditors as at the date of its publication and subsequent adjustments have made to such information upon completion of the auditing process, shareholders and potential investors of the Company are advised to pay attention to the material differences between the financial information as disclosed in the audited Annual Report 2021 and that disclosed in the Preliminary Final Report 2021.

Set forth below are details and reasons for the material differences in such financial information :

<u>Consolidated Statement of Profit or Loss and Other Comprehensive Income</u>		Disclosure in Annual Report 2021 A\$'000	Disclosure in the Preliminary Final Report 2021 A\$'000	Difference A\$'000
	Note			
Revenue		19,222	19,222	-
Cost of services and sales		<u>(15,752)</u>	<u>(15,752)</u>	-
Gross loss		3,470	3,470	-
Other income		170	170	-
Administrative expenses		(2,150)	(1,992)	(158)
Impairment loss under expected credit loss model, net of reversal		(191)	-	(191)
Share of result of associates		<u>2</u>	<u>2</u>	-
Loss before taxation		1,301	1,650	(349)
Income tax credit	1	<u>(562)</u>	<u>(37)</u>	(525)
Loss for the year		<u>739</u>	<u>1,613</u>	(874)
Loss for the year		739	1,613	(874)
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		<u>(233)</u>	<u>(696)</u>	463
Total comprehensive expenses for the year		<u>506</u>	<u>917</u>	(411)

VIAGOLD RARE EARTH RESOURCES HOLDINGS LIMITED

Consolidated Statement of Financial Position

		Disclosure in Annual Report 2021 A\$'000	Disclosure in the Preliminary Final Report 2021 A\$'000	Difference A\$'000
	Note			
ASSETS				
Non-current assets				
Fixed assets				
- Investment property		435	402	33
- Plant and equipment		5,564	5,613	(49)
Right-of-use assets		4,086	4,086	-
Interests in an associate		522	522	-
Financial assets at fair value through other comprehensive income		<u>3,610</u>	<u>3,610</u>	-
		<u>14,217</u>	<u>14,233</u>	(16)
Current assets				
Inventories		28,149	28,149	-
Trade and other receivables	2	10,509	15,224	(4,715)
Amounts due from related parties		100	100	-
Financial assets at fair value through profit or loss	2	5,122	-	5,122
Pledged bank deposits		872	872	-
Cash and bank balances	2	<u>1,586</u>	<u>2,106</u>	(520)
		<u>46,338</u>	<u>46,451</u>	(113)
Total assets		<u><u>60,555</u></u>	<u><u>60,684</u></u>	(129)

VIAGOLD RARE EARTH RESOURCES HOLDINGS LIMITED

<u>Consolidated Statement of Financial Position</u>		Disclosure in Annual Report 2021 A\$'000	Disclosure in the Preliminary Final Report 2021 A\$'000	Difference A\$'000
CAPITAL AND RESERVES				
Equity				
Share capital		16,662	16,662	-
Reserves	3	<u>(16,784)</u>	<u>(4,354)</u>	(12,430)
Capital and reserves attributable to the equity holders of the Company		(122)	12,308	(12,430)
Non-controlling interests	3	<u>7,370</u>	<u>(5,309)</u>	12,679
Total equity		<u>7,248</u>	<u>6,999</u>	249
LIABILITIES				
Non-current liabilities				
Amount due to a related company	2	<u>14,904</u>	<u>16,005</u>	(1,101)
Current liabilities				
Trade and other payables	2	15,118	14,956	162
Amounts due to related companies		15,544	15,544	-
Amounts due to key management personnel		2,782	2,782	-
Contract liabilities		4,414	4,365	49
Tax payable	1	<u>545</u>	<u>33</u>	512
		<u>38,403</u>	<u>37,680</u>	723
Net current liabilities		<u>7,935</u>	<u>8,771</u>	(836)
Total equity and liabilities		<u>60,555</u>	<u>60,684</u>	(129)

Notes:

- The differences represent the provision for current income tax for the year ended 31 March 2021.
- The difference is mainly due to the reclassification of trade and other receivables, financial assets at fair value through profit or loss, cash and bank balances, amount due to a related company and, trade and other payables.
- The difference represents the adjustment for the share of loss for the year attributable to the non-controlling interests.

**VIAGOLD RARE EARTH RESOURCES HOLDINGS
LIMITED
(ARBN 070 352 500)
Appendix 4C
Revised Q1 FY22 Quarterly Cash Flow and Activities
Report**

ViaGold Rare Earth Resources Holdings Limited (hereinafter “VIA” or the “Company”) provides the attached revised Appendix 4C cash flow report for the quarter ending 30 June 2021.

The attached Appendix 4C replaces the Appendix 4C lodged on 2 August 2021 with the covering Quarterly Update. The changes made are as follows:

Consolidated statement of cash flows	Lodged Appendix 4C \$A'000	Revised Appendix 4C \$A'000
1. Cash flows from operating activities¹		
1.2 (b) product manufacturing and operating	(12,112)	(12,091)
1.2 (e) staff costs	(242)	(245)
1.2 (f) administration and corporate costs	(1,315)	(1,312)
1.9 Net cash from/ (used in) operating	976	997
2. Cash flows from investing activities		
2.3 Cash flows from loans to other entities ²	(5,812)	(9,763)
2.6 Net cash from/ (used in) investing³	(2,036)	(5,987)

¹ Those changes are mainly due to translation.

² This change is due to the adjustment made to include the structure deposit and the pledged deposit in the beginning period of this Q1 4C. Such adjustment is keeping the amount of Cash and cash equivalents inline with the Cash and cash equivalents at end of period, as at 31 March 2021. Accordingly, repayment of loans to other parties, amounting to A\$3,951K is also needed to be included and the adjustment was made.

³ This change is as a result of the adjustment made to 2.3.

4. Net increase / (decrease) in cash and cash equivalents for the period

4.1 Cash and cash equivalents at beginning of period ⁴	1,593	7,603
4.2 Net cash from / (used in) operating activities	976	997
4.3 Net cash from / (used in) investing activities	(2,036)	(5,987)
4.4 Net cash from / (used in) financing activities	-	-
4.5 Effect of movement in exchange rates on cash held	44	6
4.6 Cash and cash equivalents at end of period⁵	577	2,619

Apart from the changes made as described above, there are no other changes being made to the Q1 FY 22 Appendix 4C.

⁴ The discrepancies of cash and cash equivalents of period were mainly due to the inclusion of the bank structure deposits and pledged deposits, which VIA believes that should be classified as cash and cash equivalents in the 4C Quarterly Cash Flow and Activities Report as per paragraph 7 under IAS 7 – Statement of Cash Flow, it cited that cash and cash equivalents are held for the purpose of meeting short-term cash commitments rather than for investment or other purposes.

	as at 31 March 2021
Bank and cash balance as disclosed in Lodged Appendix 4C Cash Report	1,593
Bank structured deposits	5,122
Pledged deposit	872
Other items including exchange differences and others not accounted for	16
Bank and cash balance as disclosed in Revised Appendix 4C Cash Report.	7,603

⁵ This change is as a result of the adjustment made to 2.3 and 4.1 with the net effect of exchange difference of A\$17K made to 1.9 and 4.5.

Revised Appendix 4C

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

Name of entity

VIAGOLD RARE EARTH RESOURCES HOLDINGS LIMITED

ABN

070 352 500

Quarter ended ("current quarter")

30 June 2021

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	14,632	14,632
1.2 Payments for		
(a) research and development	-	-
(b) product manufacturing and operating	(12,091)	(12,091)
(c) advertising and marketing	-	-
(d) leased assets	-	-
(e) staff costs	(245)	(245)
(f) administration and corporate costs	(1,312)	(1,312)
1.3 Dividends received (see note 3)	11	11
1.4 Interest received	2	2
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	-	-
1.8 Other (provide details if material)	-	-
1.9 Net cash from / (used in) operating	997	997

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (3 months) \$A'000
2. Cash flows from investing activities			
2.1 Payments to acquire or for:			
(a) entities	-	-	-
(b) businesses	-	-	-
(c) property, plant and equipment	(215)	(215)	(215)
(d) investments	(10,116)	(10,116)	(10,116)
(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	14,107	14,107	14,107
(e) intellectual property	-	-	-
(f) other non-current assets	-	-	-
2.3 Cash flows from loans to other entities	(9,763)	(9,763)	(9,763)
2.4 Dividends received (see note 3)	-	-	-
2.5 Other (provide details if material)	-	-	-
2.6 Net cash from / (used in) investing	(5,987)	(5,987)	(5,987)
3. Cash flows from financing activities			
3.1 Proceeds from issues of equity securities	-	-	-
3.2 Proceeds from issue of convertible debt	-	-	-
3.3 Proceeds from exercise of options	-	-	-
3.4 Transaction costs related to issues of	-	-	-
3.5 Proceeds from borrowings	-	-	-
3.6 Repayment of borrowings	-	-	-
3.7 Transaction costs related to loans and	-	-	-
3.8 Dividends paid	-	-	-
3.9 Other (provide details if material)	-	-	-
3.10 Net cash from / (used in) financing	-	-	-

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (3 months) \$A'000
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)	7,603	7,603
4.2	Net cash from / (used in) operating activities (item 1.9 above)	997	997
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(5,987)	(5,987)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	-	-
4.5	Effect of movement in exchange rates on cash held	6	6
4.6	Cash and cash equivalents at end of period	2,619	2,619

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	570	7,600
5.2	Call deposits	2,044	-
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	5 (Cash in hands)	3 (Cash in hands)
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	2,619	7,603

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	(10)
6.2	Aggregate amount of payments to related parties and their associates included in item 2	(9,763)

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 <i>Note: the term "facility" includes all forms of financing arrangements available to the entity. Add notes as necessary for an understanding of the sources of finance available to the entity.</i>	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
7.1 Loan facilities	-	-
7.2 Credit standby arrangements	-	-
7.3 Other (please specify)	-	-
7.4 Total financing facilities	-	-
7.5 Unused financing facilities available at quarter end		-
7.6 Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.		

8. Estimated cash available for future operating activities	\$A'000
8.1 Net cash from / (used in) operating activities (item 1.9)	997
8.2 Cash and cash equivalents at quarter end (item 4.6)	2,619
8.3 Unused finance facilities available at quarter end (item 7.5)	-
8.4 Total available funding (item 8.2 + item 8.3)	2,619
8.5 Estimated quarters of funding available (item 8.4 divided by item 8.1) <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 for the estimated quarters of funding available must be included in item 8.5.</i>	N/A
8.6 If item 8.5 is less than 2 quarters, please provide answers to the following questions:	
8.6.1 Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?	
Answer: N/A	
8.6.2 Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?	
Answer: N/A	
8.6.3 Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?	
Answer: N/A	
<i>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.</i>	

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: 30 June 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.

**VIAGOLD RARE EARTH RESOURCES HOLDINGS
LIMITED
(ARBN 070 352 500)
Appendix 4C
Revised Q2 FY22 Quarterly Cash Flow and Activities
Report**

ViaGold Rare Earth Resources Holdings Limited (hereinafter “VIA” or the “Company”) provides the attached revised Appendix 4C cash flow report for the quarter ending 30 September 2021.

The attached Appendix 4C replaces the Appendix 4C lodged on 29 October 2021 with the covering Quarterly Update. The changes made are as follows:

Consolidated statement of cash flows	Lodged Appendix 4C Current quarter \$A'000	Revised Appendix 4C Current quarter \$A'000
1. Cash flows from operating activities		
1.2 (b) product manufacturing and operating	(3,082)	(6,333)
1.9 Net cash from/ (used in) operating	1,422	(1,829)
2. Cash flows from investing activities		
2.1(b) investments	(4,927)	(9,016)
2.3 Cash flows from loans to other entities	(4,054)	4,288
2.6 Net cash from/ (used in) investing	(1,695)	2,559
4. Net increase / (decrease) in cash and cash equivalents for the period		
4.1 Cash and cash equivalents at beginning of period	577	2,619

4.2 Net cash from / (used in) operating activities	1,422	(1,829)
4.3 Net cash from / (used in) investing activities	(1,695)	2,559
4.4 Net cash from / (used in) financing activities	-	-
4.5 Effect of movement in exchange rates on cash held	(3)	137
4.6 Cash and cash equivalents at end of period	301	3,486

The discrepancies of cash and cash equivalents of period between the Appendix 4C Quarterly Cash Flow and Activities Report and FY21 Final Report or HY21 Report were mainly due to the inclusion of the bank structure deposits and pledged deposited, which VIA believes that should be classified as cash and cash equivalents in the 4C Quarterly Cash Flow and Activities Report as per paragraph 7 under IAS 7 – Statement of Cash Flow, it cited that cash and cash equivalents are held for the purpose of meeting short-term cash commitments rather than for investment or other purposes. Accordingly, the above changes will also affect operating and investment cash flows.

DISCREPANCIES

The following discrepancies exist between this Appendix 4C and Interim Financial Report For the Half- Year Ended 30 September 2021 (Appendix 4D):

Six months ended 30 September 2021	Lodged Appendix 4D \$A'000	Revised Appendix 4C 6 months \$A'000
Cash and cash equivalents at beginning of period	1,586	7,603
Net cash flows from operating activities	(3,861)	(832)
Net cash flows from investing activities	4,818	(3,428)
Net cash flows from financing activities	328	-
Net (decrease)/increase in cash and cash equivalents	1,285	(4,260)
Effect of foreign exchange rate change, net	(4)	143
Cash and cash equivalents at end of period	2,867	3,486

Cash and cash equivalents at beginning of period

	Cash and cash equivalents as at 31 March 2021 \$A'000
Bank and cash balance	1,586
Other items including exchange differences and others not accounted for	7
Disclosure in Appendix 4C Q1 FY22 for September 2021	1,593
Bank structured deposits	5,122
Pledged deposit	872
Other items including exchange differences and others not accounted for	16
Disclosure in Appendix 4C Q3 2022 for December 2021 (item 4.1)	7,603

Cash and cash equivalents at end of period

	Cash and cash equivalents as at 30 September 2021 A\$'000
Bank structured deposits	2,577
Bank and cash balance	290
Disclosure in Half Year Report for 30 September 2021	2,867
Pledged deposit	608
Other items including exchange differences and others not accounted for	11
Disclosure in Appendix 4C Q3 2022 for December 2021 (item 4.1)	3,486

The discrepancies of **cash and cash equivalents at beginning of period** and **at end of period** between this Appendix 4C and Appendix 4D were mainly due to the inclusion of **the bank structure deposits** and **pledged deposited**, which, however, should not be classified as cash and cash equivalents in the Cash Flow Report, as per paragraph 7 under IAS 7 – Statement of Cash Flow, it cited that *cash and cash equivalents are held for the purpose of meeting short-term cash commitments rather than for investment or other purposes.*

Net cash flows from operating activities, investing activities and financing activities

The circumstances giving rise to the Cash Flow Financial Statement Discrepancies were mainly due to a difference in method adopted for the preparation of the consolidated cash flow statements for the half-year ended 30 September 2022. For the consolidated statement of cash flows in the Appendix 4D were prepared under the indirect method instead of direct method (cash basis) required in the Quarterly Cash Flow and Activities Report (Appendix 4C).

Please be advised that as noted in IAS 7 – Statement of Cash Flow Statement, under the indirect method, the profit or loss is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments, and items of income or expense associated with investing or financing cash flows.

Please note that both methods in the preparation of the cash flow statements produced the same result (i.e the cash and cash equivalents at the beginning and end of the reporting date are the same).

FORWARD LOOKING STATEMENT

These ASX announced statements includes certain forward-looking statements that are based on information known as of the date 30 September 2021 and are subject to various uncertainties. The actual results and performance could be significantly different from those expressed in, or implied by, these Forward Looking Statements. These statements are not guarantees of future performance or results, and may involve risks, uncertainties and other negative factors which may cause actual result substantially deviate from those expressed herein the statements.

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

Revised Appendix 4C

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

Name of entity

VIAGOLD RARE EARTH RESOURCES HOLDINGS LIMITED

ABN

070 352 500

Quarter ended ("current quarter")

30 September 2021

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (6 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	5,438	20,070
1.2 Payments for		
(a) research and development	-	-
(b) product manufacturing and operating	(6,333)	(18,424)
(c) advertising and marketing	-	-
(d) leased assets	-	-
(e) staff costs	(294)	(539)
(f) administration and corporate costs	(648)	(1,960)
1.3 Dividends received (see note 3)	-	11
1.4 Interest received	8	10
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	-	-
1.8 Other (provide details if material)	-	-
1.9 Net cash from / (used in) operating	(1,829)	(832)

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (6 months) \$A'000
2.	Cash flows from investing activities		
2.1	Payments to acquire or for:		
	(a) entities	-	-
	(b) businesses	-	-
	(c) property, plant and equipment	(79)	(294)
	(d) investments	(9,016)	(19,132)
	(e) intellectual property	-	-
	(f) other non-current assets	-	-
2.2	Proceeds from disposal of:		
	(a) entities	-	-
	(b) businesses	-	-
	(c) property, plant and equipment	-	-
	(d) investments	7,365	21,472
	(e) intellectual property	-	-
	(f) other non-current assets	-	-
2.3	Cash flows from loans to other entities	4,288	(5,475)
2.4	Dividends received (see note 3)	-	-
2.5	Other (provide details if material)	-	-
2.6	Net cash from / (used in) investing	2,559	(3,428)
3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities	-	-
3.2	Proceeds from issue of convertible debt	-	-
3.3	Proceeds from exercise of options	-	-
3.4	Transaction costs related to issues of	-	-
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	-	-
3.7	Transaction costs related to loans and	-	-
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	-	-
3.10	Net cash from / (used in) financing	-	-

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (6 months) \$A'000
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)	2,619	7,603
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(1,829)	(832)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	2,559	(3,428)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	-	-
4.5	Effect of movement in exchange rates on cash held	137	143
4.6	Cash and cash equivalents at end of period	3,486	3,486

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1	Bank balances	293	570
5.2	Call deposits	3,185	2,044
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	8 (Cash in hands)	5 (Cash in hands)
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	3,486	2,619

6.	Payments to related parties of the entity and their associates	Current quarter \$A'000
6.1	Aggregate amount of payments to related parties and their associates included in item 1	(8)
6.2	Aggregate amount of payments to related parties and their associates included in item 2	4,288

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. Add notes as necessary for an understanding of the sources of finance available to the entity.</i>	\$A'000	\$A'000
7.1 Loan facilities	-	-
7.2 Credit standby arrangements	-	-
7.3 Other (please specify)	-	-
7.4 Total financing facilities	-	-
7.5 Unused financing facilities available at quarter end		-
7.6 Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.		
-		

8. Estimated cash available for future operating activities	\$A'000
8.1 Net cash from / (used in) operating activities (item 1.9)	(1,829)
8.2 Cash and cash equivalents at quarter end (item 4.6)	3,486
8.3 Unused finance facilities available at quarter end (item 7.5)	-
8.4 Total available funding (item 8.2 + item 8.3)	3,486
8.5 Estimated quarters of funding available (item 8.4 divided by item 8.1)	1.91
<i>Note: if the entity has reported positive net operating cash flows in item 1.9, answer item 8.5 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.5.</i>	
8.6 If item 8.5 is less than 2 quarters, please provide answers to the following questions:	
8.6.1 Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?	
Answer: More raw materials were purchased relative to the amount received from customers, resulting in a larger cash outflow in this 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	
<i>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.</i>	

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: 30 June 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.

From: [Jonathan Bisset](#)
To: ["peter_leung"](#)
Cc: [REDACTED]
Subject: RE: Response to ASX email 20/06/2023
Date: Friday, 21 July 2023 10:06:00 AM
Attachments: [image002.png](#)

Dear Peter

Thank you for providing these materials.

ASX reiterates the previous requests communicated to VIA on 12 April 2023 and repeated on 20 June 2023 requiring VIA to provide, as soon as reasonably possible and, in any event, by no later than 12 July 2023:

- (a) A comprehensive explanation of how it has or will rectify the outstanding Listing Rule breaches and potential Listing Rule breaches identified in ASX's 12 April 2023 letter.
- (b) A detailed and comprehensive compliance plan describing how VIA has established systems and controls in place to manage its obligations to comply with the Listing Rules, including evidence of a sustained period of compliance with all reporting requirements and other applicable Listing Rules.
- (c) Detailed submissions describing the Interest Swap Agreement, addressing all of the requirements set out in Guidance Note 12 for an entity applying for in-principle advice on the application of Chapter 11 of the ASX Listing Rules to a significant transaction.
- (d) An explanation of why it is otherwise appropriate to reinstate VIA's securities in all of the circumstances.

VIA's responses of 11 June 2023 and 13 July 2023 do not address all of ASX's requests. Particular matters which have not been addressed include:

1. VIA has not provided a comprehensive explanation of how VIA has or will rectify the following outstanding Listing Rule breaches and potential Listing Rule breaches identified in ASX's letter, including:
 - a. Breach of periodic reporting obligations and inadequacy of financial reporting systems: VIA continues to breach Listing Rules 4.3A, 4.3B, 4.5, 4.7B and 4.7C by failing to lodge an Appendix 4C Quarterly Cash Flow and Activities Report for the quarters ended 31 December 2022 (due 31 January 2023) and 30 March 2023 (due 30 April 2023), a preliminary final report for the year ended 31 March 2023 (due 31 May 2023) and final annual financial statements for the year ended 31 March 2023 (due 30 June 2023). VIA also has not lodged with ASX an annual report, Appendix 4G or corporate governance statement for the year ended 31 March 2023 as required by Listing Rule 4.7.
 - b. Inadequate financial condition: VIA has not provided submissions explaining why VIA's financial position is adequate to warrant continued quotation of its securities and its continued listing.
2. VIA has not provided evidence of a sustained period of compliance with all reporting requirements and other applicable Listing Rules.
3. VIA has not provided detailed submissions describing the Interest Swap Agreement, addressing all of the requirements set out in Guidance Note 12 for an entity applying for in-principle advice on the application of Chapter 11 of the ASX Listing Rules to a significant transaction.

In order to demonstrate to ASX that it is appropriate for VIA to remain admitted to the Official List of ASX and as a pre-condition to ASX's consideration of any request for VIA's securities to be reinstated to quotation, ASX requires VIA to provide a complete response addressing all of ASX's requests.

We reiterate that unless VIA provides a complete response addressing all of the matters set out in ASX's letter to VIA dated 12 April 2023, ASX may consider whether it is appropriate to terminate VIA's admission to the Official List under Listing Rule 17.12. VIA has failed to provide a fulsome response to ASX's requests by the required deadline of 12 July 2023. If VIA does not provide a satisfactory and fulsome response to ASX's requests as soon as possible, and in any event, by no later than 4 August 2023, ASX may terminate VIA's admission to the Official List under Listing Rule 17.12.

Please let me know of any questions.

Kind regards

Jonathan

Jonathan Bisset

Senior Adviser

Listings Compliance



ASX – heart of Australia's financial markets



525 Collins Street, Rialto, South Tower Level 50 Melbourne VIC 3000

www.asx.com.au

Follow ASX



From: peter_leung [REDACTED]

Sent: Thursday, 13 July 2023 12:26 AM

To: Jonathan Bisset [REDACTED]

[REDACTED]

Cc: [REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

Subject: Response to ASX email 20/06/2023

EXTERNAL EMAIL: Do not click on links or open attachments unless you trust the sender and know the content is safe.

Dear Jonathan,

With reference to your email dated June 20, your points are well taken. We appreciated

very much your giving us from time to time feedback and advice on responses submitted recently.

We now enclose the responses relating to para 21.3 to 21.9 of ASX's letter dated April 12, 2023 for your review and comment. Please let us know should those documents suitable for release to the market.

K. Reg
Peter

Mr. Jonathan Bisset
ASX Compliance Pty Limited
525 Collins Street, Melbourne VIC 3000
3 August, 2023

Background

VIA's responses of 11 June 2023 and 13 July 2023 do not address all of ASX's requests. Particular matters which have not been addressed include:

1. VIA has not provided a comprehensive explanation of how VIA has or will rectify the following outstanding Listing Rule breaches and potential Listing Rule breaches identified in ASX's letter, including:
 - a) Breach of periodic reporting obligations and inadequacy of financial reporting systems: VIA continues to breach Listing Rules 4.3A, 4.3B, 4.5, 4.7B and 4.7C by failing to lodge an Appendix 4C Quarterly Cash Flow and Activities Report for the quarters ended 31 December 2022 (due 31 January 2023) and 30 March 2023 (due 30 April 2023), a preliminary final report for the year ended 31 March 2023 (due 31 May 2023) and final annual financial statements for the year ended 31 March 2023 (due 30 June 2023). VIA also has not lodged with ASX an annual report, Appendix 4G or corporate governance statement for the year ended 31 March 2023 as required by Listing Rule 4.7.
 - b) Inadequate financial condition: VIA has not provided submissions explaining why VIA's financial position is adequate to warrant continued quotation of its securities and its continued listing.
2. VIA has not provided evidence of a sustained period of compliance with all reporting requirements and other applicable Listing Rules.
3. VIA has not provided detailed submissions describing the Interest Swap Agreement, addressing all of the requirements set out in Guidance Note 12 for an entity applying for in-principle advice on the application of Chapter 11 of the ASX Listing Rules to a significant transaction.

Response

1. A comprehensive explanation of how VIA has or will rectify the following outstanding Listing Rule breaches and potential Listing Rule breaches identified in ASX's letter of 12 April 2023, including:

Reply:

- a) Breach of periodic reporting obligations and inadequacy of financial reporting systems:

The notice issued by ASX on 12 April 2023 identified inconsistencies in VIA's financial statements. The inconsistencies identified by ASX in VIA's financial statements arise in the numerical difference between the quarterly cash flow reports and the annual or half-yearly report. VIA observed similar inconsistencies in other ASX listed companies. VIA fully respects the impartial position of the external auditor as the third party and their professionalism as international certified public accountants. Therefore, VIA provided the auditor's feedback to ASX to explain the reasons for the inconsistencies. However, ASX has not been satisfied with VIA's explanation. Despite VIA's efforts to comply with its disclosure obligations under Listing Rules 4.3A, 4.3B, 4.5, 4.7B and 4.7C, ASX and the auditor were unable to reach a mutual understanding. VIA expects that if such issues are not resolved, VIA's new financial statements would be a vicious cycle that the Company would struggle to cope with. Without the mutual understanding between the ASX and VIA's auditor, VIA's auditor is unable to prepare and review the overdue reports referred to by ASX.

Since the trading suspension, VIA has been spending efforts to communicate with the external auditor and actively explain to ASX, in order to complete the submission of the overdue reports. VIA hopes to prepare the overdue financial reports as far as possible before October 15, 2023 or within an extra time allowed by ASX. We sincerely appreciate ASX's understanding.

- b) Inadequate financial condition:

From the consolidated financial position of the Group as a whole, VIA's audited net current assets at 31 March 2022 were A\$9,793,000, and the



net current assets at September 30, 2022 were A\$8,527,000. This is in line with the asset test under the Listing rules.

With respect to the ASX's reference to "inadequate financial condition", based on the external auditor's opinion which was communicated with VIA through email on 28 February 2023, the deficiency of the net current assets and net assets resulted from the the external auditor's Subsidiary Impairment in VIA's non-consolidated financial statements, the Subsidiary Impairment only affected the Company's financial statements for the year, but there is no impact on the Group's consolidated financial statements due to elimination of adjustments of this Subsidiary Impairment on consolidation.

The financial records of Viagold Technology Limited (BVI), a 100% owned subsidiary of the Company, showed cumulative retained earnings of A\$28,594,085, which were not distributed as dividends. After the completion of the dividend distribution, the Company's "amount payable to subsidiaries" decreased from A\$31,203K to A\$2,609K; net current assets (on a non-consolidated basis) changed from A\$(15,274K) to \$13,320K and net assets (on a non-consolidated basis) changed from A\$(15,258K) to A\$13,336K. Please see Appendix 1 for the effect after taking into account of the dividend distributions on a non-consolidated basis and consolidated basis.

In addition, since the suspension of VIA's trading, VIA has struggled to communicate and coordinate the numerical differences in the financial statements mentioned by ASX, and the delay in the preparation of VIA's statements has resulted in VIA's inability to obtain internal financing through the rights issue offer to shareholders.

Nevertheless, VIA would like to draw ASX's attention to that, apart from the support of Ling Ge Art Foundation's funding and loans from shareholders, VIA has not borrowed from any other third parties (such as bank loans). Thus, the Company is able to operate as a going concern.

2. Evidence of a sustained period of compliance with all reporting requirements and other applicable Listing Rules.

Reply:

VIA believes that under the communication and guidance with ASX, the Company has employed internal auditors and compliance management staff, developed listing compliance plans and actively cooperate with external auditors to improve its risk management and internal control systems and enhance its corporate governance capabilities. Save from the delay in submission of financial reports, VIA has not breach any Listing rules. Of course, VIA wishes to complete, as soon as possible, the Quarterly Cash Flow and Activities Report for the quarters ended 31 December 2022 and 30 March 2023, the preliminary final report for the year ended 31 March 2023 and the final annual financial statements for the year ended 31 March 2023.

3. Detailed submissions describing the Interest Swap Agreement, addressing all of the requirements set out in Guidance Note 12 for an entity applying for in-principle advice on the application of Chapter 11 of the ASX Listing Rules to a significant transaction.

Reply:

Please see the attached "Application for Proposal in Principle for <Equity Replacement Agreement>" for more details.

	Financial position of the Company		Consolidated financial position of the Company	
	As per Annual Report FY22 31-Mar 2022	Adjusted for dividend received 31-Mar 2022	As per Annual Report FY22 31-Mar 2022	Adjusted for dividend received 31-Mar 2022
Note	A\$'000	A\$'000	A\$'000	A\$'000
Non-current assets				
Investment in subsidiaries	16	16		
Fixed and other non-current assets			15,041	15,041
Current assets				
Other receivables	6	6		
Amounts due from subsidiaries	17,101	17,101		
Cash and cash equivalents	1	1	6,493	6,493
Inventory			29,752	29,752
Trade and other receivables			12,166	12,166
Amount due from related parties			111	111
	17,108	17,108	48,522	48,522
Non-current liabilities				
Amounts due to a related company			15,686	15,686
Current liabilities				
Other payables and accruals	67	67		
Amounts due to subsidiaries	31,203	2,609		
Amounts due to key management personnel	1,112	1,112	1,709	1,709
Trade and other payables			20,388	20,388
Amount due to related companies			12,354	12,354
Contract liabilities			3,638	3,638
Tax payable			640	640
	32,382	3,788	38,729	38,729
Net current liabilities	(15,274)	13,320	9,793	9,793
Net (liabilities)/assets	(15,258)	13,336	9,148	9,148
EQUITY				
Share capital	16,662	16,662	16,662	16,662
Reserves	(31,920)	(3,326)	(15,828)	(15,828)
Capital and reserves attributable to the equity holders of the company			834	834
Non-controlling interests			8,314	8,314
Total (deficit)/equity	(15,258)	13,336	9,148	9,148
Note				
1 Elimination of long outstanding payable to Vtech by way of receivable in dividend distribution	Rmb 135,804,749.41	AUD --> RMB 4.7494	28,594,085	
2 Working capital will be funded by facilities granted by Ling Ge Art Foundation				

Application for In-principle Advice

Not for public release



17 August 2023

Reference: ODIN78182

Mr Peter Leung
Company Secretary
Viagold Rare Earth Resources Holdings Limited
Suite 1102, Level 11, 370 Pitt Street
Sydney NSW 2000

By email

Dear Mr Leung

Viagold Rare Earth Resources Holdings Limited ('VIA'): Proposed removal from the Official List

ASX refers to the following:

1. The suspension from quotation of VIA's securities since 15 October 2021.
2. The correspondence contained in the Annexure to this letter, comprising the following:
 - 2.1. The Breach Notice from ASX to VIA dated 12 April 2023 detailing a range of breaches and potential breaches of the Listing Rules and setting out ASX's expectations for VIA to adequately respond to the matters raised. The due date for response was no later than 12 July 2023, later extended to 4 August 2023.
 - 2.2. VIA's responses to the Breach Notice provided to ASX on 11 June 2023, 13 July 2023 and 4 August 2023.
 - 2.3. ASX's responses to VIA dated 20 June 2023 and 21 July 2023.
3. Listing Rule 17.12, which provides:

ASX may at any time remove an entity from the official list if, in ASX's opinion, any of the following applies.

 - *The entity is unable or unwilling to comply with, or breaks, a listing rule.*
 - *The entity has no quoted securities.*
 - *It is appropriate for some other reason.*
4. Listing Rule 18.7, which provides: "An entity must give ASX any information, document or explanation that ASX asks for to enable it to be satisfied that the entity is, and has been, complying with the listing rules. The entity must do so within the time specified by ASX."
5. Listing Rule 18.8, which provides: "An entity must comply with any requirement ASX imposes on it in order to ensure compliance with the listing rules."

Failure to respond to ASX's requests and ongoing Listing Rule breaches

VIA's responses to the Breach Notice provided to ASX on 11 June 2023, 13 July 2023 and 4 August 2023 do not address all of the requirements of the Breach Notice or of the reiterated requests in ASX's responses of 20 June 2023 and 21 July 2023. Particular matters which have not been addressed are:

6. *Breach of periodic reporting obligations and inadequacy of financial reporting systems:*
 - 6.1. VIA continues to breach Listing Rules 4.3A, 4.3B, 4.5, 4.7B and 4.7C by failing to lodge an Appendix 4C Quarterly Cash Flow and Activities Report for the quarters ended 31 December 2022 (due 31 January 2023), 30 March 2023 (due 30 April 2023) and 30 June 2023 (due 31 July 2023), a preliminary final report

for the year ended 31 March 2023 (due 31 May 2023) and final annual financial statements for the year ended 31 March 2023 (due 30 June 2023). VIA also has not lodged with ASX an annual report, Appendix 4G or corporate governance statement for the year ended 31 March 2023 as required by Listing Rule 4.7.

- 6.2. In response to VIA's submission that 'Despite VIA's efforts to comply with its disclosure obligations under Listing Rules 4.3A, 4.3B, 4.5, 4.7B and 4.7C, ASX and the auditor were unable to reach a mutual understanding', ASX advises that it is VIA's responsibility to deliver compliant and consistent financial reports which adequately and accurately describe VIA's financial position. While ASX has previously requested that VIA explain the material discrepancies in its financial statements, neither the requirement to explain such discrepancies nor the reasons for any such discrepancies excuse VIA from its obligation to provide complete and accurate financial statements within the timeframes required by the Listing Rules.
7. *Inadequate financial condition:* ASX cannot assess the adequacy of VIA's financial condition in the absence of up-to-date financial statements. Accordingly, the failure to provide financial statements described in paragraph 6.1 above is a failure to make adequate submissions as to the adequacy of VIA's financial condition.
8. *Evidence of a sustained period of compliance with all reporting requirements and other applicable Listing Rules:* VIA has failed to lodge the accounts described in paragraph 6.1 above by the relevant deadlines described and VIA is currently in breach of the reporting requirements in Listing Rules 4.3A, 4.3B, 4.5, 4.7B and 4.7C by failing to lodge the accounts required by those rules.
9. *Detailed submissions describing the Interest Swap Agreement, addressing all of the requirements set out in Guidance Note 12 for an entity applying for in-principle advice on the application of Chapter 11 of the ASX Listing Rules to a significant transaction:* VIA's submissions do not contain information about the likely effect of the transaction on VIA's consolidated total assets, total equity interests, annual revenue, annual expenditure, EBITDA and annual profit before tax (as required by Guidance Note 12, sections 2.7 and 2.9).

ASX considers VIA to have breached Listing Rules 18.7 and 18.8 by failing to provide a satisfactory response to ASX's requests by either of the initial deadline of 12 July 2023 or the extended deadline of 4 August 2023.

Automatic removal

VIA has been suspended from quotation continuously since 15 October 2021. Pursuant to current ASX policy, VIA will be automatically removed from the official list of ASX if the entity's securities have been suspended from trading for a continuous period of 2 years. As such, VIA is due for automatic removal from the official list on 15 October 2023 unless removed earlier under any of Listing Rules 17.11 to 17.15.

Proposed removal

For the reasons outlined above and in the Breach Notice, ASX considers that VIA may have breached Listing Rules 3.1, 10.1 and 12.2, and has breached Listing Rules 3.19, 4.2B, 4.3A, 4.3D, 4.5, 4.7B, 4.7C, 4.7.3, 4.10.3 (and/or 4.7.4), 18.7, 18.8 and 19.11A. Unless VIA can show persuasive reasons to the contrary, ASX considers it appropriate to remove VIA from the Official List pursuant to Listing Rule 17.12 with effect on and from the commencement of trading on **28 August 2023**.

If you wish to provide submissions as to why VIA should not be removed from the Official List under Listing Rule 17.12, please ensure they are sent to me by email at ListingsComplianceMelbourne@asx.com.au no later than 5:00 PM AEST on **Friday, 25 August 2023**.

Release of correspondence between ASX and entity

ASX reserves the right to release all or any part of this letter, your reply and any other related correspondence between us to the market under Listing Rule 18.7A.

Questions

If you have any questions in relation to the above, please do not hesitate to contact me.

Yours sincerely

Jonathan Bisset
Senior Adviser, Listings Compliance



Mr. Jonathan Bisset
ASX Compliance Pty Limited
525 Collins Street, Melbourne VIC 3000
21 August, 2023

Dear Jonathan:

We have received your letter (sent by email) dated 17 August 2023, and VIA attaches great importance to this and thanks again for your thoughtful guidance in the letter!

The letter cautions us that VIA may be removed from the Official List on 28 August 2023. During the trading suspension period, VIA actively cooperated with ASX's corrective measures, including numerical differences in financial reports, etc. VIA was also fully aware of the importance of gaining ASX's guidance and satisfaction. VIA also believes that complying with the Listing Rules and protecting the interests of its shareholders is an unconditional responsibility. At this time, VIA's major shareholders and potential investors are discussing a solution of privatization or merger to safeguard the interests of minority shareholders, and we may be able to provide this solution to ASX by 15 September 2023 (or a time allowed by ASX), despite taking time and great effort, we are still striving to achieve this goal. Early removal from the Official List will affect the interests and choices of minority shareholders which is an undesirable consequence for VIA, in this regard, VIA asks ASX to maintain VIA's listing status until 15 October 2023.

Regardless of what will be the VIA's status of existence, VIA's



management will make every effort to fulfill its responsibilities, and VIA will continue to provide compliant, complete, accurate and consistent audit reports as required by the Listing Rules and comply with the laws and regulations of the place of registration. At this time, VIA continues to actively communicate with the external auditors in an effort to provide the documents required under Listing Rules Chapter 4 within the short duration of listing status. Meanwhile, VIA asked ASX again for more time to maintain its listing status and complete the solution to safeguard the interests of shareholders as soon as possible.

VIA has always believed that ASX's support and guidance is of great importance and will always benefit from it, which will also help VIA become a more promising and healthier company. Please kindly reply as soon as possible, thank you!

Best Regards

Peter Leung



24 August 2023

Reference: ODIN78182

Mr Peter Leung
Company Secretary
Viagold Rare Earth Resources Holdings Limited
Suite 1102, Level 11, 370 Pitt Street
Sydney NSW 2000

By email

Dear Mr Leung

Viagold Rare Earth Resources Holdings Limited ('VIA'): Proposed removal from the Official List

ASX refers to its letter to VIA dated 17 August 2023 (the 'Proposed Removal Letter') and your response to the Proposed Removal Letter received by ASX on 22 August 2023 (the 'Response Letter'). Capitalised terms that are not defined in this letter have the meaning assigned to them in the Proposed Removal Letter.

Having considered the Response Letter, and taking into account the matters set out in the Proposed Removal Letter (including but not limited to the matters outlined in the Breach Notice), ASX has determined that it is appropriate to proceed with removing VIA from the Official List of ASX with effect from the commencement of trading on 28 August 2023, in accordance with Listing Rule 17.12.

ASX notes that the Response Letter requests ASX to allow VIA to remain on the Official List until 15 October 2023, and submits that VIA's major shareholders and potential investors are discussing a "privatization or merger transaction". VIA has not provided sufficient detail or evidence of the transaction to satisfy ASX that the transaction will resolve all of ASX's concerns regarding outstanding breaches of the Listing Rules.

We reiterate that VIA has been provided with ample opportunity to address the concerns repeatedly raised by ASX in relation to VIA's breaches of the Listing Rules. The submissions in the Response Letter and VIA's previous correspondence dated 11 June 2023, 13 July 2023 and 4 August 2023 do not address, to ASX's satisfaction, all of the matters raised by ASX in the Breach Notice dated 12 April 2023 and the Proposed Removal Letter.

ASX reserves the right to release all or any part of this letter, your reply and any other related correspondence between us to the market under Listing Rule 18.7A.

Yours sincerely

Jonathan Bisset
Senior Adviser, Listings Compliance



Mr. Jonathan Bisset
ASX Compliance Pty Limited
525 Collins Street, Melbourne VIC 3000
26 August, 2023

Dear Jonathan ,

We have received your Letter of Proposed Removal of VIA from the Official List effective on 28 August 2023. Even though VIA believes that it is appropriate for ASX to enforce Listing Rule 17.12., in order to safeguard the interests of VIA's shareholders, VIA asks ASX again to maintain VIA's listing status until 15 October 2023.

After receiving the Letter from ASX, VIA accelerated its engagement with its potential investor Yonghe Capital Group Co., Limited ('Yonghe Capital', an integrated investment company headquartered in Hong Kong, China, with main undertaking of equity investment and Mergers and Acquisitions Listing (SPAC)). After several rounds of communication and negotiation, Yonghe Capital, as an independent third party, expressed its willingness to cooperate sincerely and to help VIA get through the difficulties. The cooperation between VIA and Yonghe Capital has officially launched (see Attachment 1). VIA is working towards cash acquisitions of shares of VIA's shareholders, including in the form of a SPAC company merger arranged by Yonghe Capital. In order for shareholders to make fair choices, VIA will inform the shareholders of the relevant progress. The loss of VIA's listing status would entail that it would become difficult for shareholders to obtain specific information, which is undesirable for the realization of shareholders' interests. At present, VIA has paid the annual Listing Fees (see Attachment 2), and VIA is grateful for ASX's continuous guidance. VIA once again sincerely asks ASX to consider maintaining VIA's listing status until 15 October 2023, and hopes to continue to receive your guidance during this period.

Thank you very much!

Best Regards
Peter Leung

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
