



ViaGOLD Capital Limited
(ARBN 070 352 500)

Announcement to
Australian Securities Exchange Limited ("ASX")
(ACN 008 624 691)

6 November, 2015

To: Australian Securities Exchange Limited ("ASX")
Company Announcements Office
10th Floor, 20 Bond street
Sydney NSW

The Board of Directors are pleased to advise that Viagold Mining Group Limited (VMG), a wholly owned subsidiary of ASX listed ViaGold Capital Limited (VIA), Shenzhen Xingbang Investment Company Limited (Xingbang) and Mr. ZHONG Zhiming (Mr. Zhong) have entered into a Memorandum of Understanding (MOU) on 5 November, 2015. This MOU is regarding the proposed acquisition of Shenzhen Xunda Investment Company Limited (Xunda or the Target Group Co.) which is a continuation and extension of the co-operation with MJSM as stated in our MOU announced on 20 January 2015.

About the Target Group Co:

Xunda -the Target Group Co., a professional investment holding company in the rare earth industry, owns 50% of Maoming Jinsheng Mining Company Limited (MJSM) and 51% of Jiangsu Hailin Electronic New Materials Technology Company Limited (Jiangsu Hailin) whereas Jiangsu Halin owns 60% of Jintan Hailin Rare Earth Company Limited (Jintan Hailin).

Jintan Halin was established in September 2001. After more than a decade's

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development, it becomes a prime enterprise in the rare earth industry and become one of the biggest rare earth smelting private entities. Currently, its annual smelting and separation capacity of yttrium and europium mine has reached 3,500 tons producing terbium oxide and europium oxide. It possesses ISO9001 quality control standard, ISO14001 environmental quality management standard, GB/T28001 occupational health and safety management standard as well as safety production standard – III. It has award as Star Enterprise of Changzhou, Jiangsu Province, China and the top 20 enterprises of Jintan, Jiangsu Province, China.

Jiangsu Hailin was established in August 2013. Currently it is developing a project in lanthanum silicate, the major product is lanthanum silicate crystal, doped with AL and TA isolog. The project has awarded the Changzhou’s “Excellence Program of the Dragon City”, the fourth installment of the leading talent introduction of venture investment project. Recently in October 2015, the project has passed the elementary assessment of the national “Thousand People Plan” from the Organization Department of the Central Committee. With the product high quality new material crystal structure, thermal, optical and piezoelectric properties, and can replace quartz material, the application has a broad market prospects.

MJSM is jointly invested by the Target Group Co. and Guangdong Rising Nonferrous Metals Share Company Limited (GRNONFEMET). It is principally engaged in zirconium and titanium beneficiation 、 further processing 、 and the recycling of rare earths from monazite. At present, it is developing a 5,000 tons rare earths comprehensive recycling project in Xinyi City, Guangdong Province, China. MJSM is the only entity which possesses the rare earths recycling license in Guangdong Province. Its main products include Praseodymium - neodymium oxide 、 Terbium dysprosium oxide 、 and rare earth enriched slag.

GRNONFEMET (Code: 600259) is listed on Shanghai Stock Exchange. It is the only listed company in China focusing on medium-heavy rare earth and is the

only entity which possesses the rare earth mine development right in Guangdong Province, China. GRNONFEMET, together with Guangdong Rare Earth Industry Group Company Limited (Guangdong Rare Earth Group) are both subsidiaries of Guangdong Rising Assets Management Company Limited (GRAM). Guangdong Rare Earth Group is one of the six rare earth groups determined by the China State Council. GRAM and GRNONFEMET are jointly and heavily responsible as the State rare earth group. According to their overall thinking pursuing “basing on its Province; going beyond its Province, united with central government enterprises, and expand throughout the world” to create the status of an international famous rare earth enterprise, they are also powerful enough to well support the Target Group Co. and its related entities.

Major terms of the MOU

- 1. VMG (or its authorized party) will conduct a due diligence with respect to the legal status, assets and liabilities, etc. on the Target Group Co. within 120 days from the date of the MOU (or such later date to be agreed by the parties thereto). The Target Group Co. shall assist to provide (including but not limited to) its information and make speedy response to the questions from the VMG.**
- 2. VMG shall negotiate with Xingbang and Mr. Zhong regarding the consideration of acquisition, payment terms, acquisition procedure, profit guarantee... etc. and VMG shall prepare the definitive agreement accordingly.**
- 3. The MOU does not constitute a legal binding commitment in respect of the Possible Acquisition.**

Reasons for the proposed acquisition

The Company believes that through the signed MOU and the cooperation with Xingbang and Mr. Zhong, has paved way for the completion of a formal agreement for the acquisition that will further expand the scope of the company business into rare earth smelting and separation, and the rare earth new material manufacturing industry chain. It certainly is a great opportunity to the development of the Company and will bring long term return to the investors.



Peter King Choi LEUNG
Company Secretary