



ViaGOLD Capital Limited
(ARBN 070 352 500)
Announcement to
Australian Securities Exchange Limited (“ASX”)
(ACN 008 624 691)

3 August 2016

To Australian Securities Exchange Limited (“ASX”)
Company Announcements Office
10th Floor, 20 Bond Street
Sydney NSW

Clarification Announcement

This is to refer to the Company’s announcement on 28 July 2016 regarding Zhuhai Hongjie Enterprise Management Consulting Co., Ltd (hereinafter “Hongjie”), an indirect wholly owned subsidiary of ViaGold Capital Limited (ASX Code: VIA) and Guangxi Yuli Minerals Investment Co., Ltd. (hereinafter "Yuli") have entered into an Exclusive Sales and Purchase Contract (hereinafter the “Contract”) on 25 July, 2016, the Board of Directors of the Company is pleased to make clarification on some matters and also some related matters for the approval of the rare earth recovery project matters referred to in the signed Contract as indicated in the last paragraph of the announcement on 28 July, 2016 as follows:

1. Under the Exclusive Sales and Purchase Contract, Hongjie will achieve a buying discount of 8% on market price, and thus an estimated gross profit of 8% from its purchase, but subject to the risk of capable selling the purchased rare earth and the fluctuation of market price.

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2. Regarding the approval process of the rare earth recovery project from the Chinese government. It is currently at the stage that first approval to Yuli has been obtained from the government of the Heng County in Nanning of Guangxi Province (the Bureau of Land and Resources of Heng County) whereas Yu was then asked to submit the application to the Department of Land and Resources of Guangxi Province according to prescribed procedure. Though encounter no hurdle in the procedure up to now, a definite approval and the time for obtaining approval is still uncertain at this moment.

3. Regarding the forecast of the reserves of the overlaid rare earth in the tailing ponds in the mining area is about 150,000 tons. This forecasted reserve quantity is the preliminary estimation from Yuli provided by its management and we would not use this as a base for estimating the economic value of the project. We also emphasize hereof that we are only entering into Sales and Purchase Contract with Yuli, not involving in any acquisition or joint venture exploiting the tailing ponds.

4. Hongjie has not yet find any buyer at this stage but it has started looking for potential buyers.