



**VIAGOLD RARE EARTH RESOURCES HOLDINGS LIMITED
(ARBN 070 352 500)**

Appendix 4C

Q3 FY22 Quarterly Cash Flow and Activities Report

ViaGold Rare Earth Resources Holdings Limited (hereinafter "VIA" or the "Company") is pleased to announce its Third Quarter Cash Flow and Activities Report for its Fiscal Year 2021-2022.

Highlights

Performance

1/ Revenue from operation amounted to A\$7,181K in Q3 FY22. It was an increase over same quarter previous fiscal year (Q3 FY21: A\$3,394K).

2/ Revenue was basically generated by two segments: 1. The Rare Earth Refinery and Separation segment which contributed 96.79% of the total revenue; and 2. The Leasing and Capital Financing segment which contributed a bid more this quarter to 3.21% of the total revenue

Cash flow

3/ VIA's cash receipts from operating activities had reached A\$14,689K (Q2 FY22: A\$5,438K).

4/ Net Cash from operating activities for the quarter amounted to A\$308K (Q2 FY22: A\$1,422K)



5/ Cash balance maintained as at 31 December 2021 amounted to A\$3,104K (Q2 FY22: A\$3,486K)

Operating Cash Flow/Performance of Operations

The Company continues to maintain three basic segments:

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

1. For the Rare earth refinery and separation segment, this is the third quarterly cash flow and activities report for its fiscal year ended 31/3/2022 and it is also the calendar year end and close to Chinese New Year. All sellers/vendors intend to cash in what they have sold and the cash inflow and outflow were becoming quite active near this quarter end. Together with the surge in demand and continued high price in most rare earth products, revenue for the quarter grew to A\$6,951k (Q2 FY22: A\$5,471k)

2. The Leasing and Capital Financing segment generated \$230K revenue in Q3 FY22. The company purchased 5 new vehicles and entered into a three years car leasing contract in this quarter Q3 FY22.

CASH POSITION

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1. Cash flows from operating activities were generated from the

Receipts from customers of A\$14,689K which comprises of:

- i) A\$14,507K from operating revenue of the rare earth refinery and separation segment; and
- ii) A\$182K from operating revenue of the leasing and capital financing segment.

then less the payments for:

a/ product manufacturing and operating cost of A\$11,346K;

b/ staff cost of A\$325K; and

c/ administration and corporate costs of A\$2,657K;

d/ income tax of A\$131k;

plus other income of A\$78k;

Thus end up a result of a net cash from operating activities of A\$308k.

2. Cash flows from investing activities:

a/ The A\$254k for Payments to acquire or for property, plant and equipment (2.1 (c)) was:

i/ for purchasing of five new vehicles of A\$193k for the Leasing and Capital Financing segment; and

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ii/ for payment of renovation/overhaul of A\$61k for plant and equipment for the Rare Earth Refinery & Separation segment.

b/ The A\$3,959K Payments to acquire or for investments (2.1(d)) was the

i/ depositing into bank structured deposit of A\$3,678k for the Rare Earth Refinery and Separation segment; and

ii/ depositing into bank structured deposit A\$281k for the Leasing and Capital Financing segment.

c/ The 120k Proceeds from disposal of property, plant and equipment (2.2(i)) was the proceeds from the Leasing and Capital Financing segment for its proceeds received from its disposal of used vehicles.

d/ The A\$6,115k Proceeds from disposal of investments (2.2(j)) was from the withdrawal of bank structured deposits for A\$5,531k and A\$584k from the rare earth refinery and separation and the leasing and capital financing segments respectively.

e/ The A\$563k for Cash flows from loans to other entities (2.3) was basically from the net amount of loan from the Rare Earth Refinery and Separation segment as follows:

New loan	A\$649k
Repayment of the	<u>(A\$ 86k)</u>
Net outflow of cash during the period	A\$563k

The result is a net inflow of cash in investing activities for A\$1,437k.

3. The A\$2,164k is the repayment of borrowing from the related party of the rare earth refinery and separation segment.

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4. & 5. The cash and cash equivalent at the beginning of Q3 FY22 was A\$3,486K and at the end was A\$3,104k.
6. As stated above, the payment made to a related parties for A\$2,164k was for the repayment of borrowing of the Rare earth refinery and separation segment.
7. There was no financing facilities recorded in period Q3 FY22.
8. The total available funding as at 31 December 2021 was amounted to A\$3,104k.

OUTLOOK

The rare earth business of the Group developed smoothly. The rare earth smelting separation business of Hailin Rare Earth achieved a growth compared with the same period last year.

The Group has involved Beijing Jinwang Antai Information Technology Co., Ltd. to cooperate on the Provenance Tracing and Trading technology in rare earth products. It will push forward the cooperation with Baotou Rare Earth Products Exchange and the realization of business of Hengqin industrial products trading platform.

As for the leasing and capital financing business segment, the Company began to replace some old cars and sign new lease contracts at the end of October 2021, carrying on its established development goals to improve the business.

The Company is confident that it will continue to grow over FY22.



FORWARD LOOKING STATEMENTS

These ASX announced statements includes certain forward-looking statements that are based on information known as of the date 31 December 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.

Appendix 4C

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

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Name of entity

VIAGOLD RARE EARTH RESOURCES HOLDINGS LIMITED

ABN

070 352 050

Quarter ended ("current quarter")

31 December 2021

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (9 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	14,689	34,759
1.2 Payments for		
(a) research and development		
(b) product manufacturing and operating costs	(11,346)	(26,519)
(c) advertising and marketing		
(d) leased assets		
(e) staff costs	(325)	(864)
(f) administration and corporate costs	(2,657)	(4,617)
1.3 Dividends received (see note 3)		11
1.4 Interest received		10
1.5 Interest and other costs of finance paid		
1.6 Income taxes paid	(131)	(131)
1.7 Government grants and tax incentives		
1.8 Other (provide details if material)	78	78
1.9 Net cash from / (used in) operating activities	308	2,727

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Consolidated statement of cash flows	Current quarter \$A'000	Year to date (9 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	(254)	(548)
(d) investments	(3,959)	(19,002)
(e) intellectual property		
(f) other non-current assets	(22)	(22)
2.2 Proceeds from disposal of:		
(g) entities		
(h) businesses		
(i) property, plant and equipment	120	120
(j) investments	6,115	27,587
(k) intellectual property		
(l) other non-current assets		
2.3 Cash flows from loans to other entities	(563)	(13,377)
2.4 Dividends received (see note 3)		
2.5 Other (provide details if material)		
2.6 Net cash from / (used in) investing activities	1,437	(5,242)
3. Cash flows from financing activities		
3.1 Proceeds from issues of equity securities (excluding convertible debt securities)		
3.2 Proceeds from issue of convertible debt securities		
3.3 Proceeds from exercise of options		

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Consolidated statement of cash flows		Current quarter \$A'000	Year to date (9 months) \$A'000
3.4	Transaction costs related to issues of equity securities or convertible debt securities		
3.5	Proceeds from borrowings		
3.6	Repayment of borrowings	(2,164)	(2,164)
3.7	Transaction costs related to loans and borrowings		
3.8	Dividends paid		
3.9	Other (provide details if material)		
3.10	Net cash from / (used in) financing activities	(2,164)	(2,164)-

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	3,486	7,603
4.2	Net cash from / (used in) operating activities (item 1.9 above)	308	2,727
4.3	Net cash from / (used in) investing activities (item 2.6 above)	1,437	(5,242)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	(2,164)	(2,164)
4.5	Effect of movement in exchange rates on cash held	37	180
4.6	Cash and cash equivalents at end of period	3,104	3,104

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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	2,650	293
5.2	Call deposits	454	3,185
5.3	Bank overdrafts	0	0
5.4	Other (provide details)	0	8
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	3,104	3,486

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	0
6.2	Aggregate amount of payments to related parties and their associates included in item 2	0

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.

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7. Financing facilities	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
<i>Note: the term "facility" includes all forms of financing arrangements available to the entity.</i> <i>Add notes as necessary for an understanding of the sources of finance available to the entity.</i>		
7.1 Loan facilities	0	0
7.2 Credit standby arrangements	0	0
7.3 Other (please specify)	0	0
7.4 Total financing facilities	0	0
7.5 Unused financing facilities available at quarter end		0
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)	308
8.2 Cash and cash equivalents at quarter end (item 4.6)	3,104
8.3 Unused finance facilities available at quarter end (item 7.5)	0
8.4 Total available funding (item 8.2 + item 8.3)	3,104
8.5 Estimated quarters of funding available (item 8.4 divided by item 8.1)	N/A
<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: N/A	

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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?

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

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

Compliance statement

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

Date: 31 December, 2021

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.

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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.