



ViaGOLD Capital Limited
(ARBN 070 352 500)

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

22 January 2016

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

Acquisition of 100% sale share of Polygoal Capital Limited

Further to the market announcements made by the Company on 6 and 19 November 2015, the Directors of ViaGold Capital Limited (Company) advise that over the recent weeks they have been further progressing the proposed acquisition of ShenzhenXunda Investment Co., Ltd (ShenzhenXunda), as foreshadowed in the Memorandum of Understanding (MOU) dated 5 November 2015. Details of the proposed acquisition of ShenzhenXunda were set out in the earlier announcements.

After further negotiation with the shareholder of Shenzhen Xunda, both parties agree to complete the proposed acquisition through indirect way. The Company intended to acquire 100% equity interest of Polygoal Capital Limited (PCL) which owns 100% equity interest of Zhuhai Hongjie Enterprise Management Consulting Co., Ltd which owns 51% equity interest of Shenzhen Xunda, Please see Appendix 1 attached herewith for shareholding structure of Shenzhen Xunda.

The Company is delighted to announce that, it has entered into an Agreement for the Sale and Purchase of the Entire Issued Share Capital of Polygoal Capital Limited (Acquisition Agreement) to acquire a 100% equity interest in PCL for the sum of A\$18.0 million. Subject to the receipt of all necessary regulatory and shareholder

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approvals, the Company will acquire all of the issued capital of Polygoal Capital Limited (PCL), which entity holds a controlling 51% interest in the issued capital of ShenzhenXunda. The vendors under the Acquisition Agreement are Mr. Zhou Hailin and Mr. Liao Changyuan (collectively the “Vendor”). As one of the vendors of the shares in PCL is related to two of the Company’s directors, and an executive director of the Company, Mr. Sun Libin, is also a director of MaomingJinsheng Minerals Co Ltd (which is 50% directly owned by PCL), the proposed acquisition will require approval by the Company’s shareholders under Chapter 10 of the ASX Listing Rules.

In addition, as the purchase price will be satisfied by the issue by VIA of 9.0 million ordinary shares (at an effective issue price of A\$2.00per share) to the Vendor, which number of VIA shares is in excess of 15% of the issued capital of VIA, the issue of the VIA shares in satisfaction of the purchase price will also require shareholder approval under chapter 7 of the ASX Listing Rules.

It is intended that a general meeting of the VIA shareholders will be convened in February 2016 for the purpose of obtaining the requisite shareholder approvals.

As previously advised, Shenzhen Xunda holds interest in JintanHailin Rare Earth Co. Ltd (a 60% economic interest) (JHRE) and MaomingJinsheng Minerals Co., Ltd (a 50% equity interest) (MJSM). Details of each of JHRE and MJSM, and their respective business activities in the mining sector, were set out in the ASX announcements of 6 and 19 November 2015. In the announcement of 19 November 2015, VIA advised that it was in discussions with Guangdong Rising Non-ferrous Metals Share Co., Ltd, the holder of the other 50% interest in MJSM concerning the other 50% equity interest in MJSM, The discussion is still undergoing. There is no agreement reached at present.

According to the Acquisition Agreement, the Company shall completely control PCL in every aspect, the Company shall have the right to nominate the directors and secretary of PCL, and request all current directors of PCL to resign from their positions. The Company intends to appoint additional two (2) directors, who shall constitute the

board with current directors. Moreover, the Vendor made warrant regarding profit in the Purchase Agreement that: within two (2) years after completion of the transaction contemplated in the Purchase Agreement, PCL shall distribute dividend no less than RMB 13,500,000 per year to the Company or its nominee, otherwise it shall pay the balance. If PCL distributes RMB 27,000,000 to the Company or its nominee for the first year after the completion of the transaction contemplated in the Acquisition Agreement, the Vendor shall be released from the said dividend distribution warrant from the second year after the Completion.

JHRE, one of the largest private enterprise that engages in rare earth refining and separation, which is controlled indirectly by PCL has an excellent operation team and 15 years experience on separation of rare earth. Since JHRE has strong profitability, the Company will utilize JHRE's cash flow and capital surplus in future to further develop the business of JHRE and MJSM. No financing is necessary regarding development of current business of JHRE and MJSM.

The board believes that the proposed acquisition of PCL's 100% equity interest is a good opportunity that brings the Company into rare earth industry. The propose acquisition will enrich the operation team and increase the high-quality assets of the Company, improve performance and give the investors rich rewards, which will benefit shareholders interest.



Peter King Choi Leung

Company Secretary

Appendix I Structure Chart

