

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

**NOTICE OF SPECIAL GENERAL MEETING
AND EXPLANATORY STATEMENT**

Date: 1 March 2021

Time: 3:00 p.m.

Place: Conference Room, Floor 7, 53 Bailian Road, Jida, Zhuhai, Guangdong
Province, People's Republic of China]

5 February 2021

Dear Shareholder

I am pleased to enclose the 2021 Notice of Special General Meeting and accompanying Explanatory Statement. The Explanatory Statement sets out information for shareholders regarding the business of the 2021 Special General Meeting.

The 2021 Special General Meeting of the Company is to be held at 3.00 p.m. on 1 March 2021 at the Conference Room, Floor 7, 53 Bailian Road, Jida, Zhuhai, Guangdong Province, People's Republic of China.

At the Special General Meeting, the members will be asked to consider and vote on resolutions relating

1. an increase in the authorised capital of the Company from A\$40,000,000 to A\$60,000,000 by the creation of an additional 100,000,000 ordinary shares.

The resolutions are set out in the Notice of Special General Meeting. Further details and an explanation of the resolution are included in the Explanatory Statement.

If you are unable to attend the Special General Meeting, please complete the attached Proxy Form and return it to the Company.

For and on behalf of the Board

Mr Changyuan Liao
Chairman
Viagold Rare Earth Resources Holdings Limited

VIAGOLD RARE EARTH RESOURCES HOLDINGS LIMITED

NOTICE OF SPECIAL GENERAL MEETING

The 2021 Special General Meeting of the members of **VIAGOLD RARE EARTH RESOURCES HOLDINGS LIMITED ('Company')** will be held at the Conference Room, Floor 7, 53 Bailian Road, Jida, Zhuhai, Guangdong Province, People's Republic of China at 3:00 p.m. on 1 March 2021.

ORDINARY BUSINESS:

To consider and, if thought fit, to pass the following resolution as ordinary resolutions.

Increase in authorised capital

1. That the members approve an increase in the authorised capital of the Company from A\$40,000,000 to A\$60,000,000 by the creation of an additional 100,000,000 ordinary shares of A\$0.20 each.

DATED: 5 February 2021

BY ORDER OF THE BOARD

Leung King Choi
Company Secretary

NOTES

Entitlement to Vote

- The Company has determined that, for the purpose of the meeting, the shares of the Company will be taken to be held by the persons who are registered as the holders of those shares in the Register of Members of the Company at 7.00 pm on 27 February 2021. Accordingly, only those persons will be entitled to attend and vote at the meeting.

Voting by proxy:

- A shareholder who is entitled to attend and vote at the meeting may appoint up to two proxies to attend and vote on behalf of that shareholder.
- If a shareholder appoints two proxies, the appointment of the proxies may specify the proportion or the number of that shareholder's votes that each proxy may exercise. If the appointment does not so specify, each proxy may exercise half of the votes. Fractions of votes will be disregarded.
- If a shareholder appoints more than one proxy, neither proxy will be entitled to vote on a show of hands.
- A proxy need not be a shareholder of the Company.

To be effective, the Company must receive the completed proxy form and, if the form is signed by the shareholder's attorney, the authority under which the proxy form is signed (or a certified copy of the authority), by no later than 3:00 p.m. (PRC time) on 27 February, 2021 (i.e. no later than 48 hours before the scheduled time of the Meeting).

Proxies may be lodged with the Company:

- by mail to the Company at:

Floor 7, 53 Bailian Road, Jida, Zhuhai, Guagdpng Province, PRC; or
Suite 1102, Level 11, 370 Pitt Street, Sydney, NSW 2000, Australia

- by facsimile to the Company at:
+86 756 3378207 (China); or,
+61 2 9283 3168 (Australia),
- by email to the Company at:
herman@hermanchowco.com
- A Proxy given by a corporate shareholder must be executed in accordance with the constitution of the company giving the proxy or under the hand of a duly authorised attorney of the company.
- A proxy may decide whether to vote on any resolution, except where the proxy is required by law or the Constitution to vote, or abstain from voting, in their capacity as proxy. If a proxy is directed how to vote on an item of business, the proxy may vote on that item only in accordance with the direction. If not directed how to vote on an item of business, the proxy may vote as he or she thinks fit.
- If a Shareholder appoints the chairman of the meeting as the Shareholder's proxy and does not specify how the chairman is to vote on an item of business, the chairman may vote as he or she thinks fit. The chairman advises that he intends to vote, as proxy for any such Shareholder, in favour of each Resolution.

VIAGOLD RARE EARTH RESOURCES HOLDINGS LIMITED

EXPLANATORY STATEMENT – 2021 SGM

PURPOSE OF INFORMATION

This information is given to shareholders in relation to the resolutions to be considered at the 2021 Special General Meeting of the Company to be held at the Conference Room, Floor 7, 53 Bailian Road, Jida, Zhuhai, Guangdong Province, People's Republic of China at 3 p.m. PRC Time on 1 March 2021.

Definitions

In the Notice of Meeting and this Explanatory Statement the following terms have the following meanings:

SGM or **Meeting** means the 2021 Special General Meeting of the Company (to be held on 1 March 2021) that is the subject of, and convened by, the Notice of Meeting.

ASX means ASX Limited.

Board means the Board of Directors of the Company.

Company or **Viagold** means Viagold Rare Earth Resources Holdings Limited, a company incorporated in Bermuda.

Companies Act means the Companies Act 1981 of Bermuda.

Constitution means the constitution of the Company.

Director means a director of the Company from time to time.

Listing Rules means the Official Listing Rules of ASX.

Notice of Meeting means the Notice of Special General Meeting dated 5 February 2021 referred to in and which accompanies this Explanatory Statement.

PRC means the People's Republic of China.

Resolution means a resolution referred to in the Notice of Meeting.

Share means an ordinary share in the capital of the Company.

Shareholder means any person or entity registered as the holder of one or more Shares.

A reference to **\$**, **A\$**, **\$A** or **AUS\$** is to the legal currency of Australia.

THE PROPOSALS

The Resolution before the meeting relate to the following matters:

1. an increase in the authorised capital of the Company from A\$40,000,000 to A\$60,000,000 by the creation of an additional 100,000,000 ordinary shares.

Each of the Resolutions is an ordinary resolution. Each Resolution will be passed if approved by a majority of the votes cast by the Shareholders present (i.e. present in person or by proxy, attorney or authorised representative) at the Meeting and voting on the Resolution.

WHY THE MEETING IS BEING HELD

Resolution 1 – Increase in authorised capital

Under the Companies Act, the Company must have an authorised capital (i.e. the authorised capital of a company (sometimes referred to as the authorised share capital, registered capital or nominal capital) is the maximum amount of share capital that the company is authorised by its constitutional documents to issue (allocate) to shareholders).

At the current date, the authorised capital of the Company is A\$40,000,000, which capital is divided into 200,000,000 Shares of a par value of A\$0.20. Of that total number of Shares 83,312,404 Shares have been issued and allotted to the Shareholders.

The Company is proposing to increase its authorized capital from A\$40,000,000 to A\$60,000,000 by the creation of an additional 100,000,000 ordinary shares of A\$0.20 each. Resolution 1 has been proposed for that express purpose.

If approved, subject to compliance with all applicable laws, this Resolution gives the Company the ability to issue up to a further 216,687,596 of Shares, which number of Shares, when added to the Shares already on issue, will result in the number of Shares issued being equal to, but not exceeding, the increased authorised capital. The approval of Resolution 1 does not obligate the Company to issue any further Shares – it simply gives the Company the freedom and a flexibility to do so (in terms of the size of any new issue) which is not now available to it within the limitations of its existing authorised capital.

For Shareholders, it is important to note that the increase in the authorised capital of the Company, if approved, does not affect the number of Shares held by, or the relative interests of, any Shareholder (when compared to any other Shareholder or impact the rights attaching to the existing issued Shares).

The proposal to increase the authorised capital of the Company should not be interpreted as meaning the Company has any existing plans to issue Shares. No such plans presently exist and, in that context, Resolution 1 is proposed simply as part of the ongoing governance of the Company.

RECOMMENDATION

Your Directors recommend that Shareholders vote in favour of all Resolutions.

HOW TO VOTE

To vote on the Resolutions you will need to attend the meeting or complete the following steps:

Vote by proxy - to be valid, the form appointing the proxy and the power of attorney or other authority (if any) under which it is signed (or any attested copy thereof) must be lodged with the Company **by no later than 3:00 p.m. (PRC time) on 27 February 2021 (i.e. by no later than 48 hours before the time of the meeting).**

Proxies may be lodged with the Company:

- by mail to the Company at:
Floor 7, 53 Bailian Road, Jida, Zhuhai, Guangdong Province, PRC; or
Suite 1102, Level 11, 370 Pitt Street, Sydney, NSW 2000, Australia
- by facsimile to the Company at:
+86 756 3378 207 (China); or,
+61 2 9283 3168 (Australia),
- by email to the Company at:
herman@hermanchowco.com (Australia)

The return of a proxy form will not prevent you from attending and voting at the meeting.

By Order of the Board
King Choi Leung
Company Secretary

Dated: 5 February 2021

PROXY FORM

The Secretary

Viagold Rare Earth Resources Holdings Limited (ARBN 070 352 500)

I/We 1. Full Name:
_____ (please print)

of Address:
_____ (please print)

being a member(s) of **Viagold Rare Earth Resources Holdings Limited** appoint:

Name of 2. Name: 3. Address:
Proxy _____

or, in his /her absence:

Name of 4. Name: 5. Address:
Proxy _____

or, if I/we have not nominated a proxy or if the nominee is absent from the meeting, the Chairman of the meeting as my/our proxy to vote on my/our behalf in accordance with the following instructions (or if no instructions are given, as the proxy sees fit) at the 2021 Special General Meeting of the members of Viagold Rare Earth Resources Holdings Limited to be held at 3:00 p.m. PRC time on 1 March 2021 and/or at any adjournment of that meeting.

This proxy is authorised to exercise votes /% of my/our total voting rights.

2. Directing your Proxy

To instruct your proxy how to vote, insert 'X' in the appropriate column against each item of business set out below. If you do not instruct your proxy how to vote on a resolution, your proxy may vote as he/she thinks fit or abstain from voting.

Please note – If the Chairman is or is deemed to be your proxy, the Chairperson advises that he intends to vote all undirected proxies in favour of each resolution.

For personal use only

For personal use only

I/We instruct my/our proxy to vote on the Resolution in the notice of meeting):

- | | For | Against | Abstain |
|-----------------------------------|--------------------------|--------------------------|--------------------------|
| 1. Increase in authorised capital | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |

If the Chairman of the meeting is appointed as your proxy, or may be appointed by default, and you do **not** wish to direct your proxy how to vote as your proxy in respect of a resolution, please place a mark in the box.

By marking this box, you acknowledge that the Chairman of the meeting may exercise your proxy even if he has an interest in the outcome of the resolutions and that votes cast by the Chairman of the meeting for the resolutions (other than as proxy holder) will be disregarded because of that interest.

If you do not mark this box, and you have not directed your proxy how to vote, the Chairman will not cast your votes on the resolution and your votes will not be counted in calculating the required majority if a poll is called on the resolution.

This proxy must be signed by each appointing member (or the member's attorney). Proxies given by a company must be executed in accordance with the constitution of the company giving the proxy or under the hand of a duly authorised attorney of the company.

6. Date

d:

.....

7.

| COMMON SEAL | SIGNATURE(S) | NAME (print) |
|-------------|--------------|--------------|
| | 8. | |
| | | |

The proxy form and the power of attorney or other authority (if any) under which it is signed (or a certified copy) must be received by the Company by no later than 3:00 p.m. PRC time on 27 February 2021 (i.e. being not less than 48 hours before the time and date for holding the Meeting). Proxies may be lodged with the Company:

- by mail to the Company at:
Floor 7, 53 Bailian Road, Jida, Zhuhai, Guangdong Province, PRC; or
Suite 1102, Level 11, 370 Pitt Street, Sydney, NSW 2000, Australia.
- by facsimile / email to the Company on:
Facsimile: +86 756 3378 207or +61 2 9283 3168
Email: herman@hermanchowco.com (Australia)