

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

27 July 2015

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

Re: EXCLUSIVE SALES AND PURCHASE CONTRACT SIGNED - STRENGTHEN THE
SUPPORT OF THE VIAGOLD GROUP’S RARE EARTH INDUSTRY CHAIN

The Board of Directors is pleased to announce that 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.

Yuli and its affiliated enterprise Jinshi Mining Development Business in Heng County, Nanning, Guangxi Province are mainly engaging in development, procurement, sales and further processing in refining mineral concentrate. Main product is vanadium titanium iron concentrate. Yuli has discovered abundant overlaid minerals in its tailing ponds. Yuli intends to develop overlaid minerals and is processing to apply for government approval for the rare earth rescue recovery project (hereinafter the “rare earth recovery project matters”). At present, it is forecasted that the reserves of the overlaid rare earth in the tailing ponds in the mining area is about 150,000 tons. The economic value is about 2.3 billion Australian Dollars. It is forecasted that the annual recovery output is expected to be not less than 6,000 tons and is amounted to about 95.6 million Australian Dollars. The principal terms and conditions of the Exclusive Sales and Purchase Contract between Yuli (hereinafter “Party A”) and Hongjie (hereinafter “Party B”) are summarized as follows:

1. The target products of this Exclusive Sales and Purchase Contract are those rare earth products which are exploited and produced by Party A in the tailing pond in rescuing recycle of overlaid rare earth project in Mashan Village, Heng County, Nanning, Guangxi Province, China (hereinafter the “Mashan Project”); or those rare earth products that is not exploited or refining produced by Party A but Party A, by other means, enjoys the ownership and disposition rights. At present, it is forecasted that the reserves of the rare earth of the tailing ponds in the mining area in the Mashan Project is about 150,000 tons and the annual recovery output is expected to be not less than 6,000 tons. Both Parties will not terminate the cooperation Contract until the end of the project.
2. Party A shall provide Party B with a mining plan for the tailing pond in rescuing recycle of overlaid rare earth project in Mashan. Both Parties shall make supply program basing on the mining plan. The supply program shall contain information of names of the commodity, specification, unit of measure, unit price, quality requirements and acceptance standard.
3. Party A undertakes to supply not less than 6,000 tons annually and not less than 500 tons per month of the target products to Party B.
4. Party A shall ensure exploitation and production schedule in according to the mining plan. Party B is entitled to send supervisor for supervise the exploitation.
5. Party A undertakes that all target products set out in the supply program expressly indicated that it is exclusively selling to Party B or its designated. Party A shall neither provide the products (including the sample) to any third party directly or indirectly, nor offer any quotes for and sell the target products to any third party.
6. Party B undertakes that as long as Party A sell the products set out in the supply program to Party B, Party B agrees to purchase from Party A at prices agreed upon in according to the Contract.
7. Party A undertakes to set the offering price according to 92% (discount 8%) of the market price on the target products supplied to Party B. In case of market price fluctuate, both parties shall adjust the offering price according to the changes of market price and basing on the original discount and the adjusted price shall be applied to fulfill the agreement on Contract.

8. Both parties agree that the market price of the target products will be the lowest price announced on Baichuan Information Network (URL <http://www.baiinfo.com/>), Shanghai Metals Market (URL <http://www.smm.cn/>) and the price inquired to other suppliers by Party B.

Some related matters for the approval of the rare earth recovery project matters referred to in the signed Contract shall be further implemented. Once the project goes into operation, Hongjie, as exclusive procurement merchant of Yuli, will enjoy preferential price and achieve abundant return. It will further strengthen the support of the ViaGold group's rare earth industry chain and bring further development and investment opportunities for ViaGold.



Peter King Choi Leung

Company Secretary