



ASX Announcement

28 April 2016

ASX Code: VKA

Quarterly Report for the period ended 31 March 2016

During the three months to 31 March, 2016, Perth-based Viking Mines Ltd (Viking or the Company) activity was focussed on reviewing new mining project opportunities, while progressing government approval of the sale agreement for the Akoase gold project in Ghana.

1. Akoase Gold Project (Ghana, VKA 100% - reducing to 0% upon completion of sale)

On 1 June 2015 the Company announced that it had executed a sale contract for its Akoase Gold Project for an overall transaction value of US\$10 million. The purchaser, Akoase Resources Limited (ARL) is owned by the Chinese party that controls Akroma Gold Limited, the owner of the Sian gold project located 12kms from Akoase.

During the March 2016 quarter the Company received further sales proceeds from ARL such that on 1 February 2016 the Company announced that it had received the full US\$2 million in non-refundable deposit proceeds from ARL in accordance with the Akoase Gold Project Sale Agreement.

Following this payment by ARL the only remaining condition precedent to completion of the sale is for Viking to obtain the necessary government approvals to transfer the Akoase tenements to ARL.

Viking has completed preparation of the necessary applications and documents required to obtain the Minister of Mines approval to the transfer of the Akoase licences to ARL. This process includes making various submissions to the Minerals Commission and obtaining a tax clearance for its Ghanaian incorporated subsidiary. Draft documentation for this process has been reviewed by the Minerals Commission and formal lodging of these documents will occur shortly. Viking expect the final approvals, including receipt of the necessary tax clearance will take approximately 3 months following lodgement.

Once the necessary Ministerial approvals for the transfer of the tenements are received a further US\$6 million in Akoase sales proceeds becomes immediately payable to Viking. Non-payment of this amount may void the sale transaction and the Akoase project ownership would then remain with Viking. In this event there is no obligation upon Viking to refund any portion of the US\$2 million deposit already paid by ARL.

Akoase Sale Transaction Details

In June 2015 Viking announced the sale of the Akoase gold project for total sales consideration of US\$10 million to be received as follows:



- US\$2,000,000 – received by Viking
- US\$6,000,000 to be paid in cash within 5 days after all conditions precedent have been satisfied. The only remaining conditions relate to Viking obtaining the requisite Ghanaian Minerals Commission and Minister of Mines approvals as noted above.
- US\$ 2,000,000 to be paid in cash as a gold production royalty

2. West Star/Blue River Joint Venture Gold Project (Ghana, VKA 100% hard rock)

Viking has 100% of the hard rock rights over the West Star/ Blue River project. The tenement holder and Joint Venture partner owns the alluvial rights on the West Star/Blue River project.

Viking has planned a reconnaissance drill program to test a strong gold in soil anomaly located adjacent to the Salman shear zone in the northern part of the West Star prospecting licence.

The timing of this drill program has been delayed and is dependent upon the project Joint Venture partner resolving its issues with the Ghana Minerals Commission which impact on licence renewals for the West Star and Blue River mining licences and the West Star prospecting license. These issues primarily relate to the Joint Venture partner's past alluvial mining activities. The Joint Venture partners have now received formal notification that the West Star mining lease has been rescinded, and are petitioning the President's office appealing this decision.

Viking has sought legal opinion and made a submission to the Minerals Commission in relation to the dispute to protect its hard rock interests. Until this matter is resolved such that Viking project rights are confirmed Viking is unable to undertake any further exploration activities on these tenements. A further meeting with the Minerals Commission on this matter has been sought.

3. Berkh Uul Coal Project (Mongolia, VKA 100%)

No on-ground work was undertaken on the project during the quarter.

As previously reported, the Mongolian Government has been in the process of reviewing and amending the Law on Prohibiting Mineral Exploration and Extraction near Water Sources, Protected Areas and Forests (commonly referred to as the "Long Name Law"). Following recent announcements, including a Government Resolution that licence areas in headwater zones and river basins are to be annexed and revoked, the Company has been advised by the Ministry of Tourism, Green Development and Environment that approximately 53% of the Berkh Uul prospecting licence falls within a headwaters of rivers zone. This government determination impacts upon the Company's current coal resource and Viking continues to engage in discussions on this matter with the Mineral Resource Authority of Mongolia (MRAM) and the Ministry of Tourism, Green Development and Environment.

MRAM and the Ministry of Tourism, Green Development and Environment have indicated they are prepared to review the Long Name Law zone boundaries at Berkh Uul on receipt of a formal written submission. This submission was lodged on 18 February 2016 with MRAM.



The Company has received informal advice that the various Government departments are to form a working group to review our submission, commencing with a field inspection of the project area during the upcoming summer period. We expect formal confirmation of this review process in the coming weeks.

4. Khonkhor Zag Coal Project (Mongolia, VKA 100%)

No on-ground work was undertaken on the project during the quarter.

5. Corporate

During the quarter the Company accelerated and intensified its review of mineral project farm-in/acquisition opportunities in the expectation that the final Akoase sale proceeds will be received during the September quarter. The Company has prioritized gold projects as its major target while base metal projects at an advanced stage with resources are also being considered.

No project reviews are currently at an advanced stage of consideration. Viking will continue to pursue these and any other opportunities, which are complementary to its existing project portfolio and consistent with its core objective to acquire near term production assets with potential to deliver sustainable cash flow.

The Company has appointed corporate adviser Emerald Partners Pty Ltd to assist in the search for suitable new advanced mining projects. Emerald Partners advised the Company on its sale of the Akoase gold project and has previously been a corporate adviser to the Company.

Jack Gardner
Executive Chairman

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Competent Persons Statement: The information in this Public Report that relates to gold Exploration Results, Mineral Resources or Ore Reserves is based on information compiled by Mr Peter McMickan, who is a Member of the Australasian Institute of Mining and Metallurgy. Mr McMickan is a full time employee of Viking Mines Limited. Mr McMickan has sufficient experience that is relevant to the style of mineralization and type of deposit under consideration and to the activity that he is undertaking to qualify as a Competent Person as defined in the 2012 Edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. Mr McMickan consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.



The information in this Public Report that relates to coal Exploration Results, Mineral Resources or Ore Reserves is based on information compiled by Mr David Lorge, who is a Member of the Society of Mining, Metallurgy, and Exploration Inc. (SME) and a Fellow of the Society of Economic Geologists (SEG). Mr Lorge is a full time employee of RSC Consultants. Mr Lorge has sufficient experience that is relevant to the style of mineralization and type of deposit under consideration and to the activity that he is undertaking to qualify as a Competent Person as defined in the 2012 Edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. Mr Lorge consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

Forward Looking Statements: This document may include forward looking statements. Forward looking statements may include, but are not limited to statements concerning Viking Ashanti Limited's planned exploration programs and other statements that are not historical facts. When used in this document, words such as "could", "plan", "estimate", "expect", "intend", "may", "potential", "should", and similar expressions are forward looking statements. Although Viking Ashanti Limited believes that its expectations reflected in these forward looking statements are reasonable, such statements involve risks and uncertainties and no assurance can be given that actual results will be consistent with these forward looking statements.

About the Akoase Gold Project

The Akoase Project is an advanced exploration gold project located approximately 125km northwest of Accra in Ghana. The Project comprises the Akoase East (JORC (2012) classified Inferred resource of 790,000 ounces), Akoase South-East and Akoase West licences. Akoase is 25km from Newmont's 8 million ounce Akyem Gold Mine, on the margins of the Ashanti Gold Belt, one of the most prolific gold bearing provinces in the world (Figure 2).

The information in this report concerning the Mineral Resources of Viking Mines is extracted from the report entitled "12% Increase to 790,000 oz in Gold Resource for Ghana Project" created on 4 October 2013 and is available to view on Viking Mines website at www.vikingmines.com. Viking Mines confirms that it is not aware of any new information or data that materially affects the information included in the original market announcement and, in the case of estimates of Mineral Resources or Ore Reserves that all material assumptions and technical parameters underpinning the estimates in the relevant market announcement continue to apply and have not materially changed. Viking Mines confirms that the form and context in which the Competent Person's findings are presented have not been materially modified from the original market announcement.

About the Berkh Uul Coal Project

Berkh Uul is located 400 km north of Ulaanbaatar in north-eastern Mongolia within the Orkhon-Selenge coal district and within 20km of the Russian border (Figures 1 and 3). The project is within 40km of rail access into Russian off-take markets, in close proximity to water, infrastructure and transport.

The deposit consists of shallow, consistent coal seams of high quality bituminous coal amenable to low strip ratio open pit mining.

Discussions with nearby cement works and power stations confirm a local industrial demand for unwashed Berkh Uul coal, due to its low ash and relatively high calorific value. To date four Memoranda of Understanding for the supply of coal from Berkh Uul have been signed with local industrial end-users.



On 17 March, 2014, Viking announced a new Indicated and Inferred coal resource estimate, classified in accordance with the JORC (2012) Code, for the Berkh Uul coal project. The resource estimate was completed by consultancy group, RungePincockMinarco Ltd, and totals 38.3 Mt. Of this, 21.4Mt is classified as Indicated and 16.9Mt classified as Inferred. The coal is bituminous in rank (ASTM classification) with average in situ quality as follows: Total Moisture 19.8%, Calorific Value 5,323 kcal/kg (air dried basis, adb), Ash 15.5% (adb), and Total Sulphur 0.37% (adb).

The information in this Report concerning the Berkh Uul Mineral Resource is extracted from Viking's announcement to the ASX entitled "New 38.3Mt resource for Merger Company's Mongolian coal project" dated 17 March, 2014, and is available to view on Viking's website at www.vikingmines.com. Viking confirms that it is not aware of any new information or data that materially affects the information included in the original market announcement and, in the case of estimates of Mineral Resources that all material assumptions and technical parameters underpinning the estimates in the relevant market announcement continue to apply and have not materially changed. Viking confirms that the form and context in which the Competent Person's findings are presented have not been materially modified from the original market announcement.

Figure 1: Viking Mines Project Locations, Mongolia

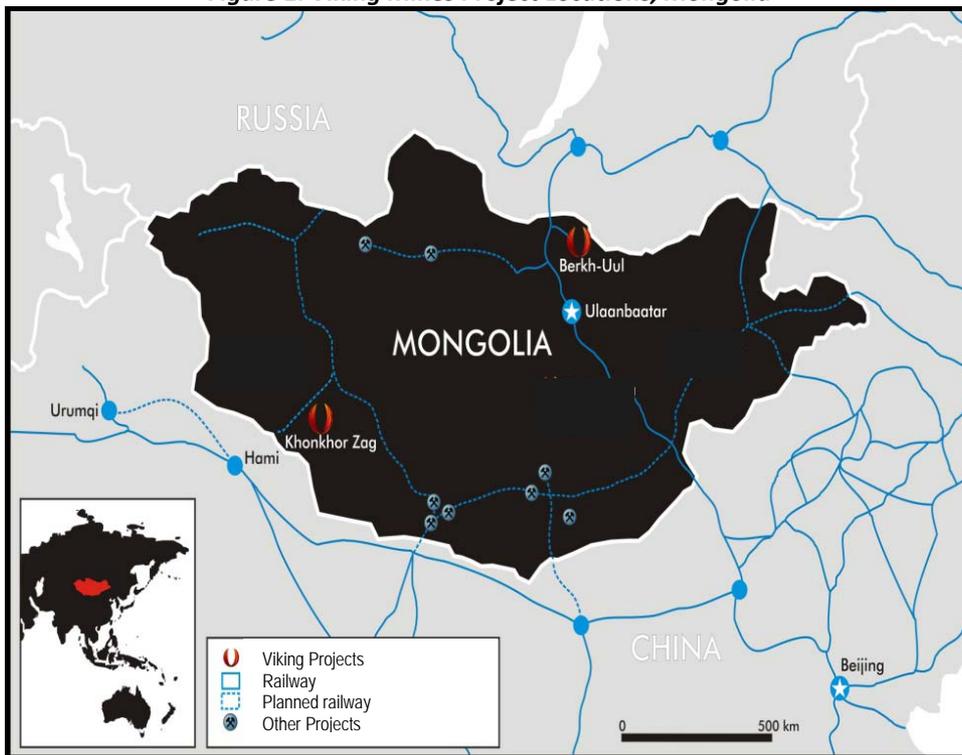
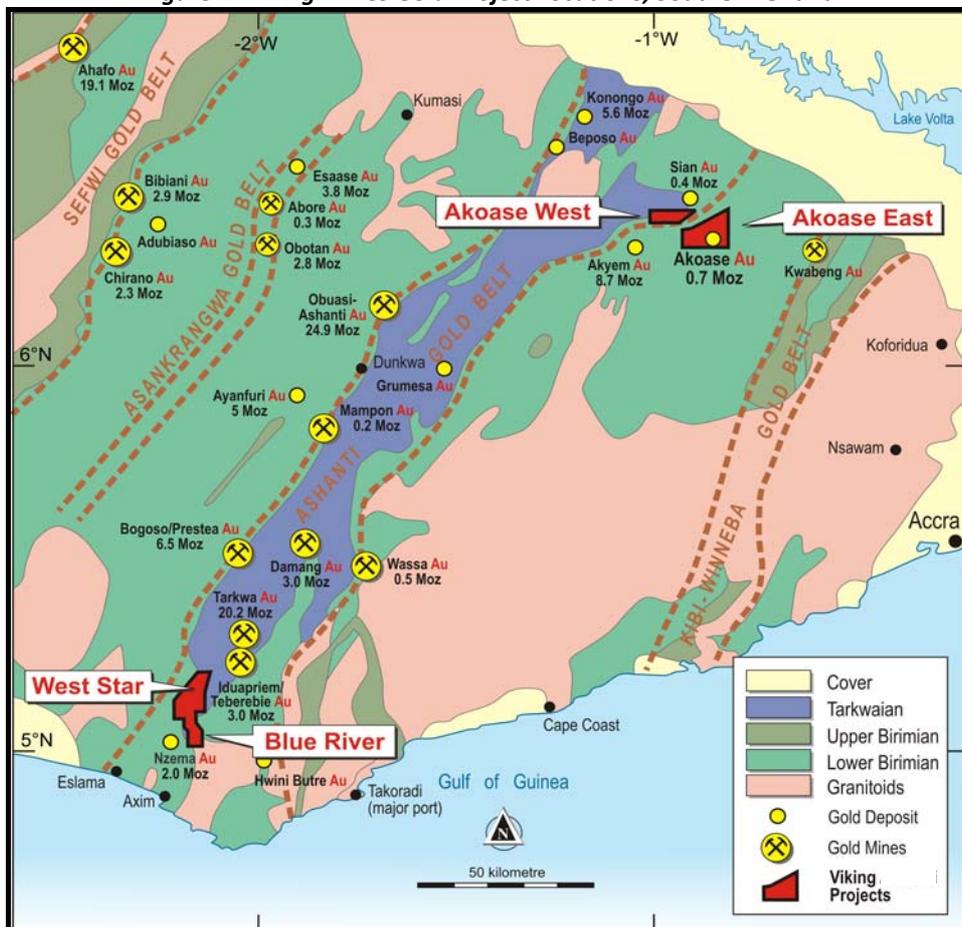


Figure 2: Viking Mines Gold Project Locations, Southern Ghana



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**Appendix 1
Tenements Held at 31 March 2016**

Ghana

Licence name	Location	Licence type	Licence Holder/ JV Partners*	Viking Mines Ownership
Akoase West	southern Ghana	Prospecting licence	RAL	100%(reducing to zero% upon sale completion)
Akoase East	southern Ghana	Prospecting licence	RAL	100%(reducing to zero% upon sale completion)
Blue River*	southern Ghana	Mining lease	BRMCL/RAL	100% hardrock
West Star(1)*	southern Ghana	Prospecting licence	WMCL/RAL	100% hardrock
West Star (2)*	southern Ghana	Mining lease	WMCL/RAL	100% hardrock
Akoase South-East	southern Ghana	Prospecting licence	RAL	100%(reducing to zero% upon sale completion)

RAL = Resolute Amansie Ltd a 100% owned subsidiary of Viking Mines Ltd

BRMCL = Blue River Mining Company Ltd., WMCL = West Star Mining Company Ltd, both joint venture partners in the West Star/Blue River gold projects

* subject to renewal dispute with Minerals Commission

Mongolia

Licence name	Location	Licence type	Licence Holder/JV Partners*	Viking Mines ownership
Berkh Uul	Selenge province, Mongolia	Exploration licence	BRX LLC	100%
Khonkhor Zag	Govi Altai province, Mongolia	Mining lease	Salkhit Altai LLC	100%

* BRX LLC, and Salkhit Altai LLC are 100% owned subsidiaries of Viking Mines Ltd.

Appendix 5B

Mining exploration entity quarterly report

Introduced 01/07/96 Origin Appendix 8 Amended 01/07/97, 01/07/98, 30/09/01, 01/06/10, 17/12/10

Name of entity

VIKING MINES LIMITED

ABN

126 200 280

Quarter ended ("current quarter")

31 March 2016

Consolidated statement of cash flows

Cash flows related to operating activities	Current quarter \$A'000	Year to date (9 months) \$A'000
1.1 Receipts from product sales and related debtors		
1.2 Payments for (a) exploration & evaluation (b) development (c) production (d) administration	(116)	(454)
1.3 Dividends received	(42)	(368)
1.4 Interest and other items of a similar nature received	1	1
1.5 Interest and other costs of finance paid		(8)
1.6 Income taxes paid		
1.7 Other		
Net Operating Cash Flows	(157)	(829)
Cash flows related to investing activities		
1.8 Payment for purchases of: (a) prospects (b) equity investments (c) other fixed assets		
1.9 Proceeds from sale of: (a) prospects (b) equity investments (c) other fixed assets	403	2,175
1.10 Loans to other entities		
1.11 Loans repaid by other entities		
1.12 Other (provide details if material)		
Net investing cash flows	403	2,175
1.13 Total operating and investing cash flows (carried forward)	246	1,346

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Appendix 5B
Mining exploration entity quarterly report

1.13	Total operating and investing cash flows (brought forward)	246	1,346
Cash flows related to financing activities			
1.14	Proceeds from issues of shares, options, etc.		
1.15	Proceeds from sale of forfeited shares		
1.16	Proceeds from borrowings		30
1.17	Repayment of borrowings		(150)
1.18	Dividends paid		
1.19	Other - capital raising costs		
	Other – shares to be issued		
	Net financing cash flows		(120)
	Net increase (decrease) in cash held	246	1,226
1.20	Cash at beginning of quarter/year to date	1,272	297
1.21	Exchange rate adjustments to item 1.20	(36)	(41)
1.22	Cash at end of quarter	1,482	1,482

Payments to directors of the entity and associates of the directors

Payments to related entities of the entity and associates of the related entities

		Current quarter \$A'000
1.23	Aggregate amount of payments to the parties included in item 1.2	30
1.24	Aggregate amount of loans to the parties included in item 1.10	

1.25 Explanation necessary for an understanding of the transactions

Non-cash financing and investing activities

2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

2.2 Details of outlays made by other entities to establish or increase their share in projects in which the reporting entity has an interest

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Financing facilities available

Add notes as necessary for an understanding of the position.

	Amount available \$A'000	Amount used \$A'000
3.1 Loan facilities	-	-
3.2 Credit standby arrangements	-	-

Estimated cash outflows for next quarter

	\$A'000
4.1 Exploration and evaluation	100
4.2 Development	
4.3 Production	
4.4 Administration	50
Total	150

Reconciliation of cash

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.	Current quarter \$A'000	Previous quarter \$A'000
5.1 Cash on hand and at bank	576	220
5.2 Deposits at call	906	1,052
5.3 Bank overdraft		
5.4 Other (provide details)		
Total: cash at end of quarter (item 1.22)	1,482	1,272

Changes in interests in mining tenements

	Tenement reference	Nature of interest (note (2))	Interest at beginning of quarter	Interest at end of quarter
6.1	Interests in mining tenements relinquished, reduced or lapsed			
6.2	Interests in mining tenements acquired or increased			

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Appendix 5B
Mining exploration entity quarterly report

Issued and quoted securities at end of current quarter

Description includes rate of interest and any redemption or conversion rights together with prices and dates.

	Total number	Number quoted	Issue price per security (see note 3) (cents)	Amount paid up per security (see note 3) (cents)
7.1 Preference securities <i>(description)</i>				
7.2 Changes during quarter (a) Increases through issues (b) Decreases				
7.3 *Ordinary securities	250,974,285	250,974,285		
7.4 Changes during quarter (a) Increases through issues (b) Decreases				
7.5 *Convertible debt securities <i>(description)</i>				
7.6 Changes during quarter (a) Increases through issues (b) Decreases				
7.7 Options <i>(description and conversion factor)</i>	44,771,552 3,000,000	44,771,552 -	<i>Exercise price</i> \$0.09 \$0.20	<i>Expiry date</i> 30 April 2017 15 Nov 2016
7.8 Issued during quarter				
7.9 Exercised during quarter				
7.10 Expired during quarter				
7.11 Debentures <i>(totals only)</i>				
7.12 Unsecured notes <i>(totals only)</i>				

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