Viking Mines Limited

ABN 38 126 200 280

Interim Report - 31 December 2020

Directors	Raymond Whitten AM Charles Thomas Michael Cox
Company secretary	Dean Jagger
Registered office and principal place of business	Level 5, 126 Phillip Street Sydney NSW 2000 Telephone: +61 2 8072 1400 Facsimile: +61 2 8072 1440
Share register	Automic Pty Ltd Level 5, 126 Phillip Street Sydney NSW 2000 Telephone: 1300 288 664 (within Australia) Telephone: +61 2 9698 5414 (outside Australia) Email: hello@automic.com.au
Auditor	Rothsay Auditing Level 1, Lincoln House, 4 Ventnor Street West Perth WA 6005
Solicitors	Automic Legal Pty Ltd Level 5, 126 Phillip Street Sydney NSW 2000
Stock exchange listing	Viking Mines Limited shares are listed on the Australian Securities Exchange (ASX: VKA)
Website	www.vikingmines.com
Corporate Governance Statement	The Company's Corporate Governance Statement can be found on the company's website: www.vikingmines.com/investor-centre/corporate-governance/

During the half-year ended 31 December 2020, Viking was focused on the acquisition of Red Dirt Mining Pty Ltd, owners of the First Hit high grade gold and exploration development projects in Western Australia, a capital raising, reviewing activity at the Tumentu Gold Project in Ghana, and continuation of proceedings against the purchaser and guarantors of the Akoase Gold Project.

Review of Operations

Australia

First Hit Project, Western Australia.

As announced on 26 November 2020, the Company entered into a conditional agreement to acquire 100% of Red Dirt Mining Pty Ltd, the owner of the First Hit high grade gold exploration and development projects located 150km north-west from Kalgoorlie in Western Australia.

The First Hit Project encompass the historical high grade First Hit gold mine and numerous exploration targets on the surrounding tenure. Limited bedrock testing has been completed along strike from the known mineralization and no significant exploration activity has been undertaken on the Project for 18 years. First Hit is located in the Eastern Goldfields of WA, situated along the Mt Ida greenstone belt and northern extensions of the Zuleika shear zone. Gold mineralization has been identified to extend in all directions of the historical resource providing the opportunity for expansion.

The Company further announced it had engaged the services of CSA Global to assist in the rapid exploration and development of the First Hit Project. The Perth-based geosciences team are leading practitioners in gold geology, structural understanding, and orebody knowledge, as well as practical exploration knowledge. CSA will provide independent advice, review data, assess the opportunities, and execute programmes of work to advance the First Hit Mine targets and tenement wide exploration opportunities.

The Company held an extraordinary general meeting on 29 January 2021 to pass certain resolutions in connection with the Acquisition.

Ghana

Akoase Gold Project

In June 2015 the Company executed a sale contract for the Akoase Gold Project for an overall transaction value of USD$10 million, of which USD$8 million was to be paid in cash.

Viking has previously been paid USD$5 million in sales proceeds. The remaining USD$3 million was due by 31 December 2017 with a grace period until 31 January 2018. At the date of this announcement, the USD$3 million has not been received by the Company.

Current Akoase sale proceeds summary:

- USD$5 million – paid to date;
- USD$3 million – this amount was due to be paid by 31 December 2017. At the date of this announcement, the USD$3 million has not been received by the Company; and
- a further USD$2 million via royalties from production.

As announced to the market on 22 October 2018, the Company's lawyers in Ghana have filed and served proceedings against Akoase Resources Limited, BXC Company Ghana Limited and Cheng Yi. Since that time, the matter has been proceeding through the court process in the High Court (Commercial Division) in Ghana.

Most recently, the matter has been adjourned for a case management conference.

The Company will provide further information in relation to this matter as the proceedings progress.

Tumentu Gold Project

No on ground activity has taken place in the reporting period.

Following on from the drilling campaign that was completed at the project earlier in 2020, the Board has been reviewing whether any further exploration will be undertaken at the Tumentu Project in the coming quarters. The Board will further consider this project in the coming months and will update the market on its future plans for this project.

Butre Gold Project

No activity has taken place in the reporting period.

Butre is located in the Ahanta West region of Ghana. The Company is conducting a review on the project in consultation with its geological consultants in Ghana and will update the market on its future exploration plans.

Mongolia

Berkh Uul Coal Project

No on ground activity has taken place in the reporting period.

Viking continues to seek resolution relating to changes to boundaries of protected areas affecting the Berkh Uul prospecting license, introduced under Long Name Law in 2010. The Company commenced action against the Mineral Resources and Petroleum Authority of Mongolia in this regard (MRPAM). During the reporting period, the Company received the written decision from the judge of the First Instance Administrative Court. The Court resolved to invalidate the response of MRPAM which refused to resolve the compensation request of the Company and uphold certain parts of the Company's claim seeking compensation. MRPAM have appealed this decision and the matter will be heard in the Appellate Court.

The Company will provide further information in relation to this matter as it progresses.

Khonkhor Zag Coal Project

No on ground activity has taken place in the reporting period.

In accordance with and consistent with the Board's objectives, the Company has continued to engage with prospective buyers in relation to the Mongolian assets.

Corporate

Capital Raising

During the reporting period, Viking completed a Placement to sophisticated and professional investors, raising $750,000 at $0.01 per fully paid ordinary share. This raising provided working capital to progress the Red Dirt Mining projects. The shares were issued in two tranches: Tranche 1 was issued on 7 December 2020; Tranche 2 was issued on 1 February 2021 after being approved at the extraordinary general meeting held on 29 January 2021.

The Company also undertook a Rights Issue, with the Offer Booklet being dispatched to Shareholders on 7 December 2020. The Rights Issue provided existing shareholders with the opportunity to participate in a 1 for 4 (1 new Offer Share for every 4 existing Shares), non-renounceable pro rata entitlement offer, at the Issue Price of $0.01 per fully paid ordinary share (**Entitlement Offer**). Following the completion of the Entitlement Officer, including the shortfall, the Company raised a total of $784,294.64 (before costs) via the issue of 78,429,464 Shares.

The directors present their report, together with the financial statements, on the consolidated entity (referred to hereafter as the 'consolidated entity') consisting of Viking Mines Limited (referred to hereafter as the 'company' or 'parent entity') and the entities it controlled at the end of, or during, the half-year ended 31 December 2020.

Directors

The following persons were directors of Viking Mines Limited during the whole of the financial half-year and up to the date of this report, unless otherwise stated:

Raymond Whitten AM	Executive Director and Chairman
Charles Thomas	Non-Executive Director
Michael Cox	Non-Executive Director

Principal activities

During the financial half-year the principal continuing activities of the consolidated entity was investment in mineral exploration projects.

Dividends

There were no dividends paid, recommended or declared during the current or previous financial half-year.

Review of operations

The loss for the consolidated entity after providing for income tax amounted to $666,017 (31 December 2019: $572,559).

A more detailed review of operations is included in the Operations report accompanying this interim report.

Significant changes in the state of affairs

There were no significant changes in the state of affairs of the consolidated entity during the financial half-year.

Matters subsequent to the end of the financial half-year

CEO Appointment

On 4 January 2021, Julian Woodcock was appointed Chief Executive Officer of the Company. Mr. Woodcock is a geologist with over 19 years' experience in all aspects of the extractive and mineral exploration industry and with direct association to notable multimillion-ounce gold discoveries. Mr. Woodcock will actively work with CSA Global on the technical advancement of the high-grade gold projects, located within the Eastern Goldfields, Western Australia, and that were subject to a conditional acquisition agreement with Red Dirt Mining Pty Ltd.

Acquisition of Red Dirt Mining Pty Ltd ('Red Dirt')

The acquisition of Red Dirt was unanimously approved by Shareholders at the Extraordinary General Meeting held 29 January 2021.

Increase of Ground Holdings around First Hit Gold Project

On 8 January 2021, the Company announced that it has applied for a new tenement 11km south-southeast of the First Hit Gold Project. The tenement, when granted, will add 21km^2 of prospective greenstone belt which will complement the land package accompanying the high-grade mineralization at the First Hit Gold Project.

On 15 January 2021, the Company announced that it purchased the adjoining prospecting licence immediately south of the First Hit historic gold mine. The increase in ground holding provides an additional 1.8km of strike of prospective geology.

Advancement of First Hit Project

On the 26 February 2021 the Company announced the commencement of Phase 1 Diamond Drilling at the First Hit Project and the first Diamond Drilling core in more than 18 years.

Extraordinary General Meeting and allocation of Securities
The Company held an Extraordinary General Meeting (EGM) on 29 January 2021. Shareholders of the Company approved the acquisition of Red Dirt Mining Pty Ltd and a number of issues of securities at the EGM. The securities approved for issue at the EGM are as follows:

- issue of 410,000,000 fully paid ordinary shares to the Red Dirt Mining Pty Ltd vendors;

- issue of 85,000,000 Performance Shares to Red Dirt Mining Pty Ltd vendors;

- issue of 33,000,000 fully paid ordinary shares to GTT Ventures Pty Ltd (or its nominee); and

- issue of 27,942,322 fully paid ordinary shares, being the Tranche 2 Placement Shares.

Further information on each of the issues set out above is contained in the Notice of EGM, released to the ASX on 24 December 2020.

All of the securities described above were issued on 1 February 2021.

No other matter or circumstance has arisen since 31 December 2020 that has significantly affected, or may significantly affect the consolidated entity's operations, the results of those operations, or the consolidated entity's state of affairs in future financial years.

Auditor's independence declaration
A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 (Cth) is set out immediately after this directors' report.

This report is made in accordance with a resolution of directors, pursuant to section 306(3)(a) of the Corporations Act 2001 (Cth).

On behalf of the directors

Raymond Whitten AM
Executive Chairman

12 March 2021

ROTHSAY
Level 1, Lincoln House, 4 Ventnor Avenue, West Perth WA 6005
P.O. Box 8716, Perth Business Centre WA 6849
Phone (08) 9486 7094 www.rothsayresources.com.au

AUDITOR'S INDEPENDENCE DECLARATION UNDER SECTION 307C OF THE *CORPORATIONS ACT 2001*

As lead auditor of the review of Viking Mines Limited for the half-year ended 31 December 2020, I declare that, to the best of my knowledge and belief, there have been:

- **no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and**
- **no contraventions of any applicable code of professional conduct in relation to the review.**

This declaration is in respect of Viking Mines Limited and the entities it controlled during the year.

Rothsay Auditing

Daniel Dalla
Partner

12 March 2021

General information

The financial statements cover Viking Mines Limited as a consolidated entity consisting of Viking Mines Limited and the entities it controlled at the end of, or during, the half-year. The financial statements are presented in Australian dollars, which is Viking Mines Limited's functional and presentation currency.

Viking Mines Limited is a listed public company limited by shares, incorporated and domiciled in Australia. Its registered office and principal place of business is:

Level 5, 126 Phillip Street
Sydney NSW 2000

A description of the nature of the consolidated entity's operations and its principal activities are included in the directors' report, which is not part of the financial statements.

The financial statements were authorised for issue, in accordance with a resolution of directors, on 12 March 2021.

Viking Mines Limited
Statement of profit or loss and other comprehensive income
For the half-year ended 31 December 2020

	Note	Consolidated 31 Dec 2020 $	Consolidated 31 Dec 2019 $
Revenue	3	48,966	14,917
Expenses			
Audit fees		(35,193)	-
Consultancy costs		(68,300)	(54,117)
Employee benefits expense		(155,629)	(155,050)
Impairment of exploration and evaluation asset	4	-	(299,660)
Foreign exchange gain (loss)		(132,353)	5,772
Share-based payment expense	15	(126,315)	-
Expenses relating to RDM acquisition		(123,348)	-
Other expenses		(73,845)	(84,421)
Loss before income tax expense		(666,017)	(572,559)
Income tax expense		-	-
Loss after income tax expense for the half-year attributable to the owners of Viking Mines Limited		(666,017)	(572,559)
Other comprehensive loss			
Items that may be reclassified subsequently to profit or loss			
Other comprehensive income / (expense) for the period, net of tax		(476)	(47,029)
Other comprehensive loss for the half-year, net of tax		(476)	(47,029)
Total comprehensive loss for the half-year attributable to the owners of Viking Mines Limited		(666,493)	(619,588)
		Cents	**Cents**
Basic earnings per share	14	(0.21)	(0.18)
Diluted earnings per share	14	(0.21)	(0.18)

The above statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes

Viking Mines Limited
Statement of financial position
As at 31 December 2020

	Note	Consolidated 31 Dec 2020 $	30 Jun 2020 $
Assets			
Current assets			
Cash and cash equivalents		2,360,847	1,417,196
Other receivables		17,450	6,199
Prepayments		16,592	3,578
Total current assets		2,394,889	1,426,973
Non-current assets			
Exploration and evaluation	4	694,545	664,340
Total non-current assets		694,545	664,340
Total assets		3,089,434	2,091,313
Liabilities			
Current liabilities			
Trade and other payables	5	242,905	150,239
Employee benefits		28,842	22,378
Other	6	249,619	-
Total current liabilities		521,366	172,617
Total liabilities		521,366	172,617
Net assets		2,568,068	1,918,696
Equity			
Issued capital	7	23,726,622	22,537,072
Reserves	8	(410,661)	(536,500)
Accumulated losses		(20,006,668)	(19,340,651)
Equity attributable to the owners of Viking Mines Limited		3,309,293	2,659,921
Non-controlling interest		(741,225)	(741,225)
Total equity		2,568,068	1,918,696

The above statement of financial position should be read in conjunction with the accompanying notes

Viking Mines Limited
Statement of changes in equity
For the half-year ended 31 December 2020

Consolidated	Issued capital $	Reserves $	Accumulated losses $	Non-controlling interest $	Total equity $
Balance at 1 July 2019	22,537,072	(407,577)	(18,629,692)	(741,225)	2,758,578
Loss after income tax expense for the half-year	-	-	(572,559)	-	(572,559)
Other comprehensive loss for the half-year, net of tax	-	(47,029)	-	-	(47,029)
Total comprehensive loss for the half-year	-	(47,029)	(572,559)	-	(619,588)
Balance at 31 December 2019	22,537,072	(454,606)	(19,202,251)	(741,225)	2,138,990

Consolidated	Issued capital $	Reserves $	Accumulated losses $	Non-controlling interest $	Total equity $
Balance at 1 July 2020	22,537,072	(536,500)	(19,340,651)	(741,225)	1,918,696
Loss after income tax expense for the half-year	-	-	(666,017)	-	(666,017)
Other comprehensive loss for the half-year, net of tax	-	(476)	-	-	(476)
Total comprehensive loss for the half-year	-	(476)	(666,017)	-	(666,493)
Transactions with owners in their capacity as owners:					
Contributions of equity, net of transaction costs (note 7)	1,189,550	-	-	-	1,189,550
Share-based payments (note 15)	-	126,315	-	-	126,315
Balance at 31 December 2020	23,726,622	(410,661)	(20,006,668)	(741,225)	2,568,068

The above statement of changes in equity should be read in conjunction with the accompanying notes

Viking Mines Limited
Statement of cash flows
For the half-year ended 31 December 2020

	Note	Consolidated 31 Dec 2020 $	31 Dec 2019 $
Cash flows from operating activities			
Payments to suppliers and employees		(446,770)	(331,760)
Interest received		1	15,976
ATO COVID-19 cash flow boost received		48,965	-
Net cash used in operating activities	13	(397,804)	(315,784)
Cash flows from investing activities			
Payments for exploration and evaluation	4	(30,205)	(230,668)
Net cash used in investing activities		(30,205)	(230,668)
Cash flows from financing activities			
Proceeds from issue of shares	7	1,254,871	-
Shareholder funds received in advance	6	249,619	-
Net cash from financing activities		1,504,490	-
Net increase/(decrease) in cash and cash equivalents		1,076,481	(546,452)
Cash and cash equivalents at the beginning of the financial half-year		1,417,196	2,388,027
Effects of exchange rate changes on cash and cash equivalents		(132,830)	5,772
Cash and cash equivalents at the end of the financial half-year		2,360,847	1,847,347

The above statement of cash flows should be read in conjunction with the accompanying notes

Note 1. Significant accounting policies

These general purpose financial statements for the interim half-year reporting period ended 31 December 2020 have been prepared in accordance with Australian Accounting Standard AASB 134 'Interim Financial Reporting' and the Corporations Act 2001, as appropriate for for-profit oriented entities. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 'Interim Financial Reporting'.

These general purpose financial statements do not include all the notes of the type normally included in annual financial statements. Accordingly, these financial statements are to be read in conjunction with the annual report for the year ended 30 June 2020 and any public announcements made by the company during the interim reporting period in accordance with the continuous disclosure requirements of the Corporations Act 2001.

The principal accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period, unless otherwise stated.

New or amended Accounting Standards and Interpretations adopted

The consolidated entity has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

Going concern

The financial statements have been prepared on the going concern basis, which assumes continuity of normal business activities and the realisation of assets and the settlement of liabilities in the ordinary course of business.

The consolidated entity has incurred net losses after tax of $666,017 (2019: $572,559) and net cash outflows from operations of $397,804 (2019: $315,784) for the half-year ended 31 December 2020. Net assets as at 31 December 2020 was $2,568,068 (30 June 2020 $1,918,696). Cash balance as at 31 December 2020 was $2,360,847 (30 June 2020 $1,847,347).

The directors have prepared cash flow forecasts which include the comprehensive phase 1 diamond drill programme in Western Australia. The increased expenditure is reflective of the new phase of development and growth in the company. The cash flow forecasts indicate that the consolidated entity will be required to raise funds to provide additional working capital.

Based on the consolidated entity's cash-flow forecasts and achieving the funding referred to above, the directors are confident that the consolidated entity will be able to continue as a going concern. In particular, the directors are confident in the company's ability to raise the capital based on successful recent capital raisings.

Notwithstanding the importance of successful capital raising, the company has other mechanisms in its cash flow management, including the deferral or reduction of expenditure.

Whilst the directors acknowledge there are timing risks associated with the completion of successful capital raisings which have a direct impact on the company's ability to meet liabilities when due, the directors believe that this will be successful.

However, if the capital raising and other factors mentioned above do not eventuate, there is a material uncertainty that may cast doubt as to whether the company will continue as a going concern and, therefore, whether the company will realise its assets and discharge its liabilities in the normal course of business and at the amounts stated in the financial statements.

The financial statements do not include adjustments relating to the recoverability and classification of recorded asset amounts nor to the amounts and classification of liabilities that might be necessary should the company not continue as a going concern.

Note 2. Operating segments

The consolidated entity is organised into one operating segment: the resources sector in three geographical locations - Ghana, Mongolia and Western Australia. These operating segments are based on the internal reports that are reviewed and used by the Board of Directors (who are identified as the Chief Operating Decision Makers ('CODM')) in assessing performance and in determining the allocation of resources. Accordingly under the management approach outlined only one operating segment has been identified and no further disclosures are required.

The CODM reviews EBITDA (earnings before interest, tax, depreciation and amortisation). The accounting policies adopted for internal reporting to the CODM are consistent with those adopted in the financial statements.

The information reported to the CODM is on a monthly basis.

Note 3. Revenue

	Consolidated	
	31 Dec 2020 $	31 Dec 2019 $
ATO COVID-19 cash flow boost	48,965	-
Interest revenue	1	14,917
Revenue	48,966	14,917

Note 4. Non-current assets - Exploration and evaluation

	Consolidated	
	31 Dec 2020 $	30 Jun 2020 $
Exploration and evaluation capitalised asset	3,244,205	3,214,000
Less: Accumulated amortisation	(2,250,000)	(2,250,000)
Less: Impairment	(299,660)	(299,660)
	694,545	664,340

Reconciliations

Reconciliations of the written down values at the beginning and end of the current financial half-year are set out below:

Consolidated	Mongolia – Berkh Uul Coal Project $	Mongolia – Khonkhor Zag Coal Project $	Ghana – Akoase Gold Project $	Ghana – Tumentu Gold Project $	Total $
Balance at 1 July 2020	-	-	-	664,340	664,340
Additions	-	-	-	30,205	30,205
Balance at 31 December 2020	-	-	-	694,545	694,545

The recoupment of exploration project acquisition costs carried forward is dependent upon the recoupment of costs through successful development and commercial exploitation, or alternatively by sale of the respective areas.

Note 5. Current liabilities - trade and other payables

	Consolidated	
	31 Dec 2020	**30 Jun 2020**
	$	**$**
Trade payables	100,418	95,162
Accrued expenses	116,485	39,790
Other payables	26,002	15,287
	242,905	150,239

Note 6. Current liabilities - other

	Consolidated	
	31 Dec 2020	**30 Jun 2020**
	$	**$**
Shareholder funds received in advance	249,619	-

* During the Tranche 1 capital raise in December 2020, some funds were received in advance and relate to Tranche 2 capital raise. These amounts received in advance for Tranche 2 are recorded here in other current liability as at 31 December 2020.

Note 7. Equity - Issued capital

	Consolidated			
	31 Dec 2020	**30 Jun 2020**	**31 Dec 2020**	**30 Jun 2020**
	Shares	**Shares**	**$**	**$**
Ordinary shares - fully paid	439,204,998	313,717,856	23,726,622	22,537,072

Movements in ordinary share capital

Details	**Date**	**Shares**	**Issue price**	**$**
Balance	1 July 2020	313,717,856		22,537,072
Placement	7 December 2020	47,057,678	$0.01	470,577
Placement	23 December 2020	56,478,496	$0.01	564,785
Placement	24 December 2020	21,950,968	$0.01	219,509
Share issue costs*		-		(65,321)
Balance	31 December 2020	439,204,998		23,726,622

* to be paid after balance date 31 December 2020 and included in 'Trade and other payables' as at 31 December 2020

Movements in Options

Details	**Date**	**Options**
Balance	1 July 2020	15,000,000
Options issued to directors	27 November 2020	15,000,000
Balance	31 December 2020	30,000,000

Note 7. Equity - Issued capital (continued)

Ordinary shares
Ordinary shares entitle the holder to participate in dividends and the proceeds on the winding up of the company in proportion to the number of and amounts paid on the shares held. The fully paid ordinary shares have no par value and the company does not have a limited amount of authorised capital.

On a show of hands every member present at a meeting in person or by proxy shall have one vote and upon a poll each share shall have one vote.

Share buy-back
There is no current on-market share buy-back.

Options
15,000,000 Unlisted Remuneration Options were issued to directors, each with an exercise price of $0.0300 per option, vesting immediately on issue date 6 December 2018, and expiring on 6 December 2021.

15,000,000 Unlisted Remuneration Options were issued to directors, each with an exercise price of $0.0300 per option, vesting immediately on issue date 27 November 2020, and expiring on 15 December 2022.

Note 8. Equity - Reserves

	Consolidated	
	31 Dec 2020	**30 Jun 2020**
	$	**$**
Foreign currency reserve	(900,796)	(900,320)
Share-based payments reserve	490,135	363,820
	(410,661)	(536,500)

Foreign currency reserve
The reserve is used to recognise exchange differences arising from the translation of the financial statements of foreign operations to Australian dollars. It is also used to recognise gains and losses on hedges of the net investments in foreign operations.

Share-based payments reserve
The reserve is used to recognise the value of equity benefits provided to employees and directors as part of their remuneration, and other parties as part of their compensation for services.

Movements in reserves
Movements in each class of reserve during the current financial half-year are set out below:

Consolidated	Foreign currency reserve $	Share-based payments reserve $	Total $
Balance at 1 July 2020	(900,320)	363,820	(536,500)
Foreign currency translation	(476)	126,315	125,839
Balance at 31 December 2020	(900,796)	490,135	(410,661)

Note 9. Equity - Dividends

There were no dividends paid, recommended or declared during the current or previous financial half-year.

Note 10. Contingent assets

The Company is expecting to receive USD 3 million plus cost, interest and royalty in sales proceeds relating the June 2015 sale of Akoase gold project in Ghana. This is now overdue and the company has commenced legal proceedings against the purchaser, regarding this outstanding payment. Although the money has not yet been received, the Company remains confident it will be received.

Note 11. Commitments

Exploration expenditure commitments
Minimum exploration expenditure commitments do not apply in either Ghana or Mongolia as those governments do not impose a minimum spend per licence. The exploration expenditure commitment is based on a work program system, whereby at the time for each renewal of a licence, the company provides an outline of work planned and expected expenditure.

Note 12. Events after the reporting period

CEO Appointment
On 4 January 2021, Julian Woodcock was appointed Chief Executive Officer of the Company. Mr. Woodcock is a geologist with over 19 years' experience in all aspects of the extractive and mineral exploration industry and with direct association to notable multimillion-ounce gold discoveries. Mr. Woodcock will actively work with CSA Global on the technical advancement of the high-grade gold projects, located within the Eastern Goldfields, Western Australia, and that were subject to a conditional acquisition agreement with Red Dirt Mining Pty Ltd.

Acquisition of Red Dirt Mining Pty Ltd ('Red Dirt')
The acquisition of Red Dirt was unanimously approved by Shareholders at the Extraordinary General Meeting held 29 January 2021.

Increase of Ground Holdings around First Hit Gold Project
On 8 January 2021, the Company announced that it has applied for a new tenement 11km south-southeast of the First Hit Gold Project. The tenement, when granted, will add 21km^2 of prospective greenstone belt which will complement the land package accompanying the high-grade mineralization at the First Hit Gold Project.

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Advancement of First Hit Project
On the 26 February 2021 the Company announced the commencement of Phase 1 Diamond Drilling at the First Hit Project and the first Diamond Drilling core in more than 18 years.

Extraordinary General Meeting and allocation of Securities
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- issue of 410,000,000 fully paid ordinary shares to the Red Dirt Mining Pty Ltd vendors;

- issue of 85,000,000 Performance Shares to Red Dirt Mining Pty Ltd vendors;

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- issue of 27,942,322 fully paid ordinary shares, being the Tranche 2 Placement Shares.

Further information on each of the issues set out above is contained in the Notice of EGM, released to the ASX on 24 December 2020.

All of the securities described above were issued on 1 February 2021.

Note 12. Events after the reporting period (continued)

No other matter or circumstance has arisen since 31 December 2020 that has significantly affected, or may significantly affect the consolidated entity's operations, the results of those operations, or the consolidated entity's state of affairs in future financial years.

Note 13. Reconciliation of loss after income tax to net cash used in operating activities

	Consolidated	
	31 Dec 2020 $	31 Dec 2019 $
Loss after income tax expense for the half-year	(666,017)	(572,559)
Adjustments for:		
Impairment of non-current assets	-	299,660
Share-based payments	126,315	-
Foreign exchange differences	132,354	(5,772)
Change in operating assets and liabilities:		
Increase in other receivables	(11,251)	(1,262)
Increase in prepayments	(13,014)	(17,884)
Increase/(decrease) in trade and other payable - operating portion only	27,345	(23,852)
Increase in employee benefits	6,464	5,885
Net cash used in operating activities	(397,804)	(315,784)

Note 14. Earnings per share

	Consolidated	
	31 Dec 2020 $	31 Dec 2019 $
Loss after income tax attributable to the owners of Viking Mines Limited	(666,017)	(572,559)
	Number	**Number**
Weighted average number of ordinary shares used in calculating basic earnings per share	323,828,487	313,717,856
Weighted average number of ordinary shares used in calculating diluted earnings per share	323,828,487	313,717,856
	Cents	**Cents**
Basic earnings per share	(0.21)	(0.18)
Diluted earnings per share	(0.21)	(0.18)

Note 15. Share-based payments

Options outstanding at the end of the financial period have the following expiry date and exercise prices:

Option	Class	Exercise price	Number under option
Unlisted Director Options, issued as part of share-based compensation for remuneration	Vesting immediately on issue date 6 December 2018. Expiring on 6 December 2021.	$0.0300	15,000,000
Unlisted Director Options, issued as part of share-based compensation for remuneration	Vesting immediately on issue date 27 November 2020. Expiring on 15 December 2022.	$0.0300	15,000,000
			30,000,000

The company expensed $126,315 (31 December 2019: $NIL) during the period based on the vesting conditions disclosed above.

In the directors' opinion:

- the attached financial statements and notes comply with the Corporations Act 2001, Australian Accounting Standard AASB 134 'Interim Financial Reporting', the Corporations Regulations 2001 and other mandatory professional reporting requirements;

- the attached financial statements and notes give a true and fair view of the consolidated entity's financial position as at 31 December 2020 and of its performance for the financial half-year ended on that date; and

- there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of directors made pursuant to section 303(5)(a) of the Corporations Act 2001.

On behalf of the directors

Raymond Whitten AM
Executive Chairman

12 March 2021

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INDEPENDENT AUDITOR'S REVIEW REPORT TO THE MEMBERS OF

VIKING MINES LIMITED

Report on the Review of the Half-Year Financial Report

Conclusion

We have reviewed the half-year financial report of Viking Mines Limited ("the Company"), and its controlled entities ("the Group"), which comprises the consolidated statement of financial position as at 31 December 2020, the consolidated statement of profit and loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the half-year ended on that date, a summary of significant accounting policies and other explanatory information, and the directors' declaration.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the accompanying half-year financial report of the Group does not comply with the *Corporations Act 2001* including:

(i) giving a true and fair view of the Group's financial position as at 31 December 2020 and of its performance for the half-year ended on that date; and

(ii) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Emphasis of Matter – Material Uncertainty Related to Going Concern

Without modifying our review conclusion, we draw attention to Note 1 of the interim financial report, which states that the ability of the Group to continue as a going concern and to pay its debts as and when they fall due is dependent on the ability to secure additional funding through either the issue of shares or the disposal of non-current assets.

In the event the Group is unable to raise additional funds there is a material uncertainty as to whether the Group could continue as a going concern and therefore may be unable to realise its assets and discharge its liabilities in the normal course of business and for the amounts stated in the financial report.

Basis for Conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the *Auditor's Responsibilities for the Review of the Financial Report* section of our report. We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* ("the Code") that are relevant to our audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

Independence

We confirm that the independence declaration required by the *Corporations Act 2001* which has been given to the directors of the Company would be in the same terms if given to the directors as at the time of this auditor's review report.

Directors' Responsibility for the Financial Report

The directors of the Company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with AASB 134 *Interim Financial Reporting* and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that gives a true and fair view and is free from material misstatement whether due to fraud or error.

Auditor's Responsibility for the Review of the Half-Year Financial Report

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Group's financial position as at 31 December 2020 and its performance for the half-year ended on that date, and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Rothsay

Rothsay Auditing

Dated 12 March 2021

DDalla

Daniel Dalla
Partner