

VIKING ADVANCES DEWATERING STRATEGY AND OBTAINS LICENCE TO TAKE WATER FROM FIRST HIT

- **Licence to take water granted by the Department of Water and Environmental Regulation (DWER).**
- **Up to 500,000 kilolitres of water per year permitted to be taken from the First Hit mine workings.**
- **Authorised activities are mine dewatering, dust suppression, road maintenance and exploration activities.**
- **~120,000 kilolitres of water estimated to be contained in the First Hit mine workings.**
- **Detailed LiDAR surveys completed of accessible underground workings using Sensorem and Hovermap® drone system.**

Viking's CEO Julian Woodcock commented: "As part of our strategy to advance all aspects of the First Hit Project concurrently, we have applied for and received our 5C licence to take water from the First Hit Mine. We are now able to utilise the mine water for the authorised activities and start the process to obtain a works approval, which is the next step to be able to dewater the First Hit mine and gain access to the workings. This retains optionality ahead of our results from our Phase 1 drilling programme which is underway."

ANNOUNCEMENT DETAILS

Viking Mines Limited (ASX: VKA) ("Viking" or "the Company") is pleased to announce that the Western Australian Government Department of Water and Environmental Regulation (DWER) has granted a 'Licence to Take Water' ("the 5C licence" or "the licence") to the Company under regulation 5C of the Rights in Water and Irrigation act of 1914. Ongoing works are being undertaken to assess the condition of the underground workings and contained water volumes ahead of the conclusion of the Phase 1 drilling programme. Securing this licence allows the Company to utilise the water in the mine workings for specific site based activities as well as commence the work required to apply for a works approval to discharge water from the mine in to the environment.

WATER STRATEGY

Current Status

To access the workings and any potential remaining mineralisation or to utilise the workings for potential deeper drilling of mineralisation, the First Hit mine will need to be dewatered. To achieve this a series of government issued permits and licences are required. Obtaining the 5C licence is the first regulatory step to allow Viking to be able to dewater the First Hit mine. Work is ongoing with the objective of obtaining necessary government approvals to be able to dewater the mine.

Since the First Hit Mine closed in 2002, the water level in the mine has returned to the natural water table, approximately 30m below surface. This has resulted in the workings up



to and including the 400 level becoming flooded (Figure 1). Initial estimates indicate up to ~120,000 kilolitres of water are contained within the workings (Table 1).

A specialist survey company called Sensorem have been engaged to complete a series of LiDAR surveys of accessible underground workings to review the ground conditions, water levels positions and provide accurate volumes of the voids. As part of this work a vertical shaft connecting the underground workings to surface (vent raise - Figure 1 & Figure 2) was assessed to determine the potential to pump water from the mine. The decline into the mine has been surveyed using the Hovermap® drone system down to the water level (Figure 3 & Figure 4).

Table 1; Estimated water volumes contained in the First Hit mine workings.

Item	Unit	Quantity	Dimensions	Volume (m ³)
Decline	metres	1,460	5.5m x 5.0m	40,150
Cross cuts	metres	826	5.0m x 5.0m	20,655
Strike Drive	metres	257	4.0m x 4.5m	4,633
Escapeway	metres	223	2.0m x 2.0m	892
Ore Milled	tonnes	121,098	2.8 t/m ³	43,249
Sub-total calculated volume				109,579
Contingency @ 10%				10,958
TOTAL CALCULATED VOLUME				120,537

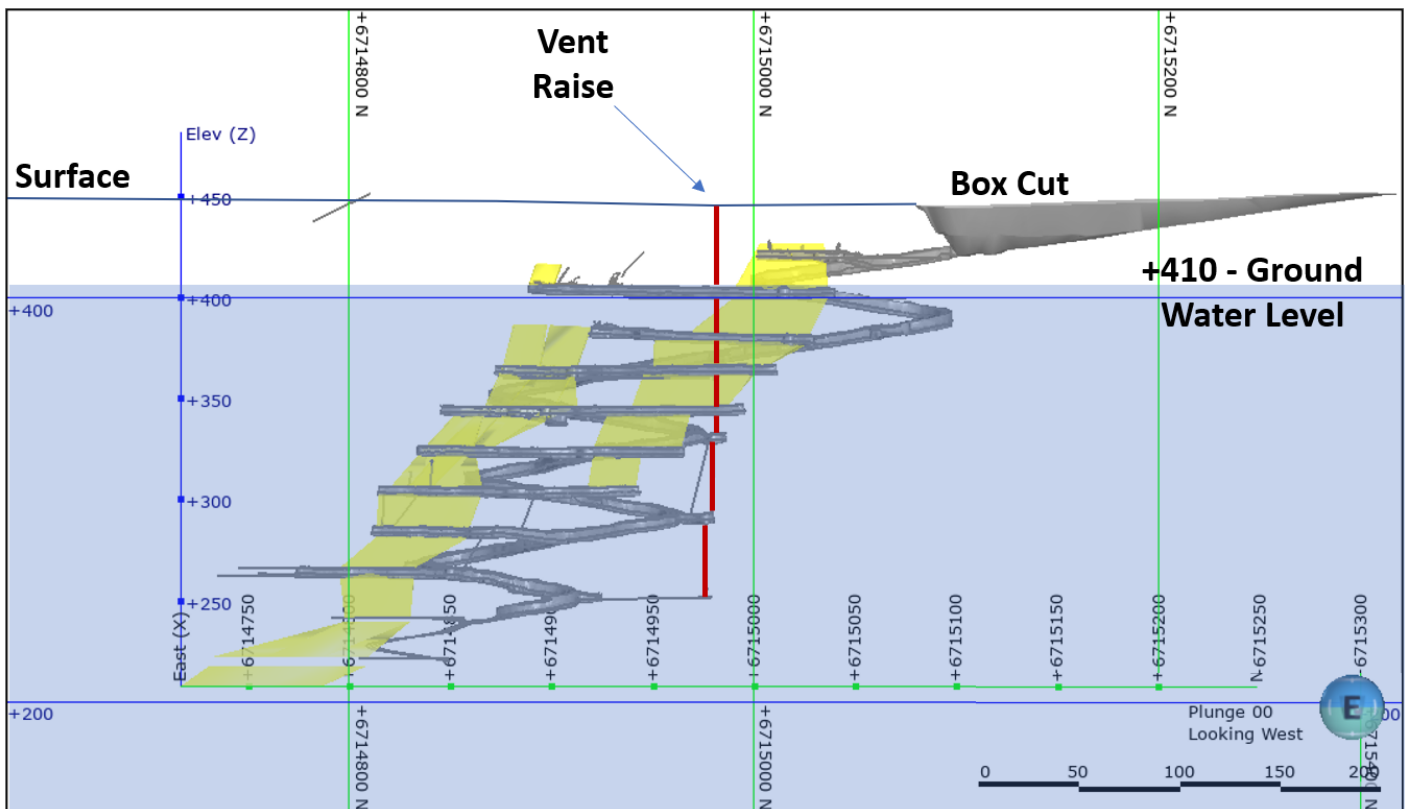


Figure 1; Long section view to the west of the First Hit mine workings with the vent raise location and ground water level.



Figure 2; A - Sensorem undertaking a LiDAR survey of the vent raise connecting the underground workings to surface. B - LiDAR unit being lowered down in to the vent raise.



Figure 3; Sensorem Hovermap® drone system commencing LiDAR survey of the First Hit mine workings.



Figure 4; A – Hovermap® drone system mapping workings down to the water level using LiDAR. B - Resulting LiDAR digital image post processing.



Licence Details

The 5C licence has been granted for a period of 10 years (to 28 March 2031) and entitles Viking to remove up to 500,000 kilolitres of water per year from the vent raise (Figure 1).

The authorised activities on the 5C licence are:

- Mine dewatering
- Dust suppression
- Road Maintenance
- Exploration Activities

Flow metres must be installed on any pumping infrastructure and annual usage levels recorded and reported to DWER. For mine dewatering activities, a works approval process must be followed and granted before water can be discharged into the environment.

NEXT STEPS

Viking have adopted an aggressive strategy to ensure that the First Hit Project can be advanced at a rapid pace in the event of positive exploration results from the Phase 1 drilling programme. The continuing activity to advance the First Hit Project include:

- Engage an environmental consultant to advise on requirements to commence with the works approval process.
- Sample the water from the underground workings for preliminary testing to determine water quality as part of baseline data collection for the works approval.
- Construct wireframes using historical mine survey data & Hovermap® LiDAR surveys to evaluate contained water volumes.
- Engage a plumbing contractor to design and quote for pumping infrastructure options with tiered objectives for permitted water use with options to upgrade to dewatering the mine if required.
- Historical data search to determine recharge rates for water inflow and water balance modelling to determine pumping requirements to dewater the First Hit mine.

This announcement has been authorised for release by the Board of the Company.

Julian Woodcock
CEO

Viking Mines Limited

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ABOUT VIKING MINES

Viking Mines is a gold focused company with the **First Hit Project** located 150km NW of Kalgoorlie in Western Australia being the primary asset under exploration.

Viking have an aggressive exploration strategy to explore for high grade gold occurrences and discover ounces along fertile gold structures. The historically mined, First Hit gold mine is the focus of Vikings activity to deliver on this strategy. Rapid advancement and exploration are occurring to explore, discover and develop gold ounces at the Project. The strategy will generate shareholder value through the discovery of new gold resources.

First Hit Project, Western Australia

The **First Hit Project** is centred around the historic high-grade First Hit gold mine situated along the prospective Ida and Zuleika Shear zones in the Eastern Goldfields of Western Australia.

The Project incorporates ~28km² of tenements with 6 active Mining and Prospecting licences and 1 Exploration licence under application. At the core of this landholding is a 6.4km² group of contiguous tenements which host the historic First Hit gold mine.

Prior to closure of the First Hit gold mine by Barra Resources in 2002 and at a time of depressed gold prices of US\$ 320/oz, the First Hit mine produced ~30koz ounces of gold at an average grade of ~7.7g/t Au. No modern exploration activity has been conducted in the past 18 years and creates a significant opportunity for Viking. The Company is focused on delivering exploration programmes to test near mine extensions and regional targets around the **First Hit Project** with the objective of defining fertile structures and discovering gold ounces.

Examples of the high-grade nature of the mineralisation previously drilled at First Hit include:

- 4.9m at 64.8g/t Au from 62.1m (FHU045)¹
- 3m at 77.6g/t Au from 224.0m (BFH030)¹
- 4m at 26.1g/t Au from 58.0m (BFH005)¹

The Project area is well serviced by infrastructure and is located 50km west of the sealed Goldfields highway and the township of Menzies. The nearest operating Gold Processing Plant is the Davyhurst Mill 50km to the south, owned and operated by Ora Banda Mining (ASX:OBM). The nearest operating gold mine is the Riverina open pit, located 8km south of the First Hit gold mine, owned by OBM.

The Company also has projects located in Ghana and Mongolia. Viking is currently undergoing legal proceedings to secure an outstanding payment of US\$ 5 million, associated with the sale of the Akoase project in Ghana.

Forward-Looking Statements

This document may include forward-looking statements. Forward-looking statements include, but are not limited to, statements concerning Viking Mines Limited's planned exploration program and other statements that are not historical facts. When used in this document, the words such as "could," "plan," "estimate," "expect," "intend," "may," "potential," "should," and similar expressions are forward-looking statements. Although Viking Mines 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.



¹ASX announcement dated 26th November 2020