

## QUARTERLY REPORT FOR THE PERIOD ENDED 31 MARCH 2021

- First Hit Project acquisition completed.
- Phase 1 of First Hit Project Drill programme commenced.
  - AC programme completed.
  - DD programme 50% advanced.
- Ground position increased in addition to First Hit Project with tenement applications and acquisitions.

### ACTIVITIES SUMMARY

During the quarter ended 31 March 2021, Viking Mines Ltd (**Viking** or the **Company**) was actively focussed on the progression of the First Hit high grade gold and exploration development project in Western Australia.

### AUSTRALIA

#### First Hit Project, Western Australia

The acquisition of Red Direct Mining Pty Ltd, the registered tenement holder of the First Hit high grade gold and exploration development project (the "**Project**") in Western Australia, was approved by Shareholders at the extraordinary general meeting held on 29 January 2021. Drill programme planning was well advanced at the time of the transaction and contractors secured to undertake the planned programmes. Diamond Drilling commenced on 24<sup>th</sup> February<sup>1</sup> followed by AC drilling on 11<sup>th</sup> March<sup>2</sup>. Table 1 below details the activity completed on the projects in the reporting period.

Table 1; Drilling activity on First Hit Project in the March quarter.

Activity	Number of Holes	Metres Drilled	Samples to the Lab
Air Core Drilling	328	5,080	2,482
Diamond Drilling	8	1,247.5	22
<b>TOTAL</b>	<b>336</b>	<b>6,327.5</b>	<b>2,504</b>

The Phase 1 AC programme was completed on time and budget and achieved the objectives of testing key structures and stratigraphic coverage across the contiguous tenure of the First Hit Project. Results are pending from the laboratory and are expected in the June quarter. Viking are working with the laboratory to prioritise the 328 end of hole samples from the AC programme for gold and multielement analysis. This will allow lithogeochemistry and pathfinder review of the results to advance whilst waiting for the remainder of the gold analyses.

Diamond drilling is ongoing with 50% of the planned 2,508m programme completed at the end of the March quarter. At the current rate of progress, the Phase 1 drill programme is expected to be completed by early May. Through ongoing discussion with the laboratory,

1 ASX release 26<sup>th</sup> February 2021: CORRECTED: VIKING COMMENCES DIAMOND DRILLING AT FIRST HIT  
2 ASX Release 17<sup>th</sup> March 2021: VIKING COMMENCES AC DRILLING ON FIRST HIT PROJECT TENEMENTS



they have indicated that results from DD samples will start to be returned from late May which has extended to a 9 week turnaround time.

Viking will continue to update the market on the expected timing of results as we are made aware.

A thorough and comprehensive status of exploration update was compiled and released to Market on 13<sup>th</sup> April 2021, detailing observations made from the drillholes completed to date. Work has commenced reviewing the planned location of holes for the Phase 2 drill programme. Additional data has been sourced in the form of geological maps of the historical underground workings at First Hit. This new information is being used to refine the Phase 2 targeting along with the geological information attained from the drilling completed in the Phase 1 programme. At this stage it is expected that the drill rig will continue drilling on the Phase 2 programme until early June. The combined Phase 1 and initial holes planned for the Phase 2 programme are estimated to total approximately 3,500m.

2 Additional tenement transactions occurred in the reporting period, with the application for a 21km<sup>2</sup> exploration licence 11km SSE of the First Hit project<sup>1</sup> and the purchase of the adjoining 1.8km<sup>2</sup> prospecting licence immediately due south of First Hit<sup>2</sup>.



Figure 1: Map showing location of the First Hit project and surrounding projects and processing facilities.

1 ASX release 8<sup>th</sup> January 2021: GROUND POSITION INCREASED CLOSE TO FIRST HIT GOLD PROJECT  
2 ASX Release 15<sup>th</sup> January 2021: VIKING INCREASES GROUND HOLDING ALONG STRIKE FROM FIRST HIT



## GHANA

### **Akoase Gold Project (VKA 100% - reducing to 0% upon completion of sale)**

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<sup>1</sup>, 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.

During the March quarter, the case was mentioned in the High Court in Ghana. The Defendants did not file an amended defence which amended defence was struck out. The matter was allocated a hearing date on 5, 6 and 10 May 2021. Viking will continue to pursue the outstanding payment through the legal system in Ghana. The Company will continue to provide further information in relation to this matter as the proceedings progress.

### **Tumentu Gold Project (VKA 100%)**

No on ground activity has taken place in the last quarter.

### **Butre Gold Project (VKA 100%)**

No activity has taken place in the last quarter.

## MONGOLIA

Subsequent to a review of operations in Mongolia, and with consideration to the Company's strategic growth and focus on First Hit and Ghana, the Board has decided to move away from the assets in Mongolia and to cease operations in the jurisdiction. The process of winding up operations has commenced, and the Company will update the market appropriately as the matter progresses.

### **Berkh Uul Coal Project (VKA 100%)**

No on ground activity has taken place in the last quarter.

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<sup>1</sup> ASX Release 22 October 2018 - Akoase Gold Project Outstanding Payment - Update



### **Khonkhor Zag Coal Project (VKA 100%)**

No on ground activity has taken place in the last quarter.

## **CORPORATE**

The Company has a strong cash position of \$1.53 million as of 31 March 2021.

As set out in section 6 of the attached Appendix 5B, the Company made payments to related parties of the entity of \$75,000 in the quarter ending 31 March 2021. This amount was made up of Director fees for the relevant period.

The Company advises that in accordance with the requirements of ASX Listing Rule 5.3, the Company's expenditure on exploration and evaluation activities for the quarter predominantly related to:

- exploration costs for the First Hit project.
- consulting fees for the First Hit, Ghanaian and Mongolian projects.
- tenement administration and management costs for the First Hit, Ghanaian and Mongolian projects.
- general corporate and administration costs.

Other than as set out in this report, the Company undertook no substantive mining production and development activities during the quarter.

### **Events subsequent to 31 March 2021**

Viking completed a Placement to sophisticated and professional investors, raising \$4,000,000 (before costs) through a placement of 111,111,111 fully paid ordinary shares ("Shares") at \$0.036 per Share in an oversubscribed Placement ("Placement"). All shares were issued on 22<sup>nd</sup> April 2021.

As announced on 22 April 2021, Mr Julian Woodcock was appointed to the Board of the Company as Managing Director and Mr Charles Thomas resigned as Non-Executive Director of the Company. Other than the matters set out above, no other matter or circumstance has arisen since 31 March 2021 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.

*The provision of this announcement to ASX has been authorised by the board of directors of the Company.*

Julian Woodcock  
Managing Director

For further information, please contact:

### **Viking Mines Limited**

Dean Jagger  
Company Secretary  
02 8072 1447



*Tenements Held at  
31 March 2021*

*Australia*

<b>License name</b>	<b>Location</b>	<b>License type</b>	<b>License Holder/ JV Partners*</b>	<b>Viking Mines Ownership</b>
M30/0091	WA	Mining Licence	Red Dirt Mining	100%
M30/0099	WA	Mining Licence	Red Dirt Mining	100%
P30/1125	WA	Prospecting Licence	Red Dirt Mining	100%
P30/1126	WA	Prospecting Licence	Australian Emerald Menzies Pty Ltd	100% (pending completion of transfer to VKA)
P30/1137	WA	Prospecting Licence	Red Dirt Mining	100%
P30/1144	WA	Prospecting Licence	Red Dirt Mining	100%
E30/0529	WA	Exploration Licence	Viking Mines Ltd	100%

Red Dirt Mining is a 100% owned subsidiary of Viking Mines Ltd.

*Ghana*

<b>License name</b>	<b>Location</b>	<b>License type</b>	<b>License Holder/ JV Partners*</b>	<b>Viking Mines Ownership</b>
Akoase West	Southern Ghana	Prospecting license	RAL	100% (reducing to zero% upon sale completion)
Akoase East	Southern Ghana	Prospecting license	RAL	100% (reducing to zero% upon sale completion)
Akoase South-East	Southern Ghana	Prospecting license	RAL	100% (reducing to zero% upon sale completion)
Tumentu	Southern Ghana	Prospecting license	RAL	100%
Butre	Ahanta West	Prospecting license	RAL	100%

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

*Mongolia*

<b>License name</b>	<b>Location</b>	<b>License type</b>	<b>License Holder/ JV Partners*</b>	<b>Viking Mines Ownership</b>
Berkh Uul	Selenge province, Mongolia	Exploration license	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 or oil and gas exploration entity quarterly cash flow report

Name of entity

**VIKING MINES LIMITED**

ABN

**38 126 200 280**

Quarter ended ("current quarter")

**31 March 2021**

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (9 months) \$A'000
<b>1.</b>	<b>Cash flows from operating activities</b>		
1.1	Receipts from customers		
1.2	Payments for		
	(a) exploration & evaluation	(299)	(318)
	(b) development		
	(c) production		
	(d) staff costs	(127)	(276)
	(e) administration and corporate costs	(276)	(434)
1.3	Dividends received (see note 3)		
1.4	Interest received	1	1
1.5	Interest and other costs of finance paid		
1.6	Income taxes paid		
1.7	Government grants and tax incentives	-	49
1.8	Other (provide details if material) <i>Expenses relating to Red Dirt Mining Pty Ltd acquisition</i>	(31)	(152)
<b>1.9</b>	<b>Net cash from / (used in) operating activities</b>	<b>(732)</b>	<b>(1,130)</b>
<b>2.</b>	<b>Cash flows from investing activities</b>		
2.1	Payments to acquire or for:		
	(a) entities		
	(b) tenements		
	(c) property, plant and equipment		
	(d) exploration & evaluation	-	(30)
	(e) investments		
	(f) other non-current assets		

<b>Consolidated statement of cash flows</b>		<b>Current quarter \$A'000</b>	<b>Year to date (9 months) \$A'000</b>
2.2	Proceeds from the disposal of:		
	(a) entities		
	(b) tenements		
	(c) property, plant and equipment		
	(d) investments		
	(e) other non-current assets		
2.3	Cash flows from loans to other entities		
2.4	Dividends received (see note 3)		
2.5	Other (provide details if material) <i>Security deposit paid</i>	(60)	(60)
<b>2.6</b>	<b>Net cash from / (used in) investing activities</b>	<b>(60)</b>	<b>(90)</b>

<b>3.</b>	<b>Cash flows from financing activities</b>		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	29	1,534
3.2	Proceeds from issue of convertible debt securities		
3.3	Proceeds from exercise of options		
3.4	Transaction costs related to issues of equity securities or convertible debt securities	(81)	(81)
3.5	Proceeds from borrowings		
3.6	Repayment of borrowings		
3.7	Transaction costs related to loans and borrowings		
3.8	Dividends paid		
3.9	Other (provide details if material)		
<b>3.10</b>	<b>Net cash from / (used in) financing activities</b>	<b>(52)</b>	<b>1,453</b>

<b>4.</b>	<b>Net increase / (decrease) in cash and cash equivalents for the period</b>		
4.1	Cash and cash equivalents at beginning of period	2,361	1,417
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(732)	(1,130)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(60)	(90)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	(52)	1,453

<b>Consolidated statement of cash flows</b>		<b>Current quarter \$A'000</b>	<b>Year to date (9 months) \$A'000</b>
4.5	Effect of movement in exchange rates on cash held	13	(120)
<b>4.6</b>	<b>Cash and cash equivalents at end of period</b>	<b>1,530</b>	<b>1,530</b>

<b>5.</b>	<b>Reconciliation of cash and cash equivalents</b> at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	<b>Current quarter \$A'000</b>	<b>Previous quarter \$A'000</b>
5.1	Bank balances	1,495	856
5.2	Call deposits	35	-
5.3	Bank overdrafts	-	-
5.4	Other (provide details) <i>Trust Account</i>	-	1,505
<b>5.5</b>	<b>Cash and cash equivalents at end of quarter (should equal item 4.6 above)</b>	<b>1,530</b>	<b>2,361</b>

<b>6.</b>	<b>Payments to related parties of the entity and their associates</b>	<b>Current quarter \$A'000</b>
6.1	Aggregate amount of payments to related parties and their associates included in item 1	75
6.2	Aggregate amount of payments to related parties and their associates included in item 2	-

*Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments.*



## Mining exploration entity or oil and gas exploration entity quarterly cash flow report

<b>7.</b>	<b>Financing facilities</b> <i>Note: the term "facility" includes all forms of financing arrangements available to the entity. Add notes as necessary for an understanding of the sources of finance available to the entity.</i>	<b>Total facility amount at quarter end \$A'000</b>	<b>Amount drawn at quarter end \$A'000</b>
7.1	Loan facilities	-	-
7.2	Credit standby arrangements	-	-
7.3	Other (please specify)	-	-
7.4	<b>Total financing facilities</b>	-	-
7.5	<b>Unused financing facilities available at quarter end</b>		-
7.6	Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.		

<b>8.</b>	<b>Estimated cash available for future operating activities</b>	<b>\$A'000</b>
8.1	Net cash from / (used in) operating activities (item 1.9)	(732)
8.2	(Payments for exploration & evaluation classified as investing activities) (item 2.1(d))	-
8.3	Total relevant outgoings (item 8.1 + item 8.2)	(732)
8.4	Cash and cash equivalents at quarter end (item 4.6)	1,530
8.5	Unused finance facilities available at quarter end (item 7.5)	-
8.6	Total available funding (item 8.4 + item 8.5)	<b>1,530</b>
8.7	<b>Estimated quarters of funding available (item 8.6 divided by item 8.3)</b>	2.1
<i>Note: if the entity has reported positive relevant outgoings (ie a net cash inflow) in item 8.3, answer item 8.7 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.7.</i>		
8.8	If item 8.7 is less than 2 quarters, please provide answers to the following questions:	
8.8.1	Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?	
Answer: n/a		
8.8.2	Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?	
Answer: n/a		

## Mining exploration entity or oil and gas exploration entity quarterly cash flow report

8.8.3 Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?

Answer:

n/a

*Note: where item 8.7 is less than 2 quarters, all of questions 8.8.1, 8.8.2 and 8.8.3 above must be answered.*

## Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Date: 30 April 2021

Authorised by: By the board  
(Name of body or officer authorising release – see note 4)

## Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 6: Exploration for and Evaluation of Mineral Resources* and *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [name of board committee – eg Audit and Risk Committee]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.