

---

## QUARTERLY REPORT FOR THE PERIOD ENDED 30 JUNE 2021

- **Phase 2 Diamond Drilling completed at First Hit with high grades intersects and visible gold observed in multiple holes.**
  - **\$4 million oversubscribed placement completed during quarter to fully fund Phase 1 and 2 drilling programmes.**
  - **CEO Julian Woodcock was appointed as Managing Director, effective 22 April 2021.**
  - **Judgement date for Ghana litigation of 28 July 2021 has been set by the High Court.**
  - **Strong cash position of \$3.077M as of 30 June 2021.**
- 

### HIGHLIGHTS

**Viking Mines Ltd (Viking or the Company)** is pleased to present its quarterly activities report for the period ended 30 June 2021.

During the reporting period, the Company's primary focus was exploration and drilling at the First Hit high-grade gold project (**First Hit**), located in Western Australia.

Activities have also continued in Ghana with Viking's ongoing litigation associated with the unpaid USD\$3M from the sale agreement for the Akoase Gold Project. A judgement date of 28 July 2021 has been set by the High Court.

### AUSTRALIA

#### First Hit Project, Western Australia

In mid-June, Viking announced the completion of the 19-hole diamond drilling campaign, the first diamond holes drilled into the First Hit mineralisation in nearly 20 years.

First assays from the diamond drill programme were announced on 24 June 2021<sup>1</sup> and returned a significant intercept in hole VDD012 grading 1m at 47.05g/t Au from 173m with associated visible gold in the core.

The distribution and tenor of gold grades received reflects those observed in the historical data sets. Of the 14 diamond holes drilled into First Hit by Viking (excluding 1 abandoned hole and 4 step-out holes), 11 drillholes attained target testing the lode position. Two holes hit old workings and one hole deviated above the recently identified plunge of the lode system.

---

<sup>1</sup> ASX release 24 June 2021 – VIKING RECEIVES FIRST DIAMOND RESULTS & SIGHTS VISIBLE GOLD



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

## 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, 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 June quarter, the Company was notified of a judgement date for the litigation case, being on 28 July 2021.

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**

No further activity has taken place in the June quarter. As reported in the 31 March 2021 report, 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.

As of the end of the current quarter, Viking has stepped away from all operations in Mongolia. No further reports will be made on the Mongolian projects.

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

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

#### **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 \$3.077M as of 30 June 2021.

As set out in section 6 of the attached Appendix 5B, the Company made payments to related parties of the entity of \$104,000 in the quarter ending 30 June 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.

Post the end of the June quarter and as announced on 26 July 2021, the Company appointed Ms Sarah Wilson as Company Secretary.

### Events subsequent to 30 June 2021

Viking announced on 9 July 2021<sup>2</sup> visible gold sighted in two drillholes testing below the First Hit mine workings during a follow up review post sampling. A further announcement was made on 23 July 2021<sup>3</sup> sighting visible gold in hole VDD016 located 165m north of the historic First Hit mine workings. Once the full gold dataset has been received for the remaining holes and assessment completed the results and targets defined for follow up drilling will be reported. The local and regional scale geological models are progressing well with first pass wireframe models being reviewed. Detailed structural logging is underway in Perth with a more comprehensive understanding of the geological evolution of the First Hit area being developed. This work is being completed with the objective of defining new targets for follow up drill testing in conjunction with targets to be defined from AC programme.

Viking announced on 22 July 2021<sup>4</sup> the appointment of David Hall as non-executive director. David has 35 years industry experience, most recently working in corporate development with large mining organisations including Newmont and Northern Star. David

---

<sup>2</sup> ASX release 9 July 2021 - VKA EXPLORATION UPDATE-VISIBLE GOLD SEEN BELOW MINE WORKINGS

<sup>3</sup> ASX release 23 July 2021 - VIKING SEES VISIBLE GOLD IN DRILLING 165M NORTH OF FIRST HIT

<sup>4</sup> ASX release 22 July 2021 - VIKING MINES APPOINTES NON-EXECUTIVE DIRECTOR



brings additional and complimentary skills and experience to the Viking Board to support the Company's long-term growth and strategic objectives.

Other than the matters set out above, no other matter or circumstance has arisen since 30 June 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**

Sarah Wilson

Company Secretary

08 9322 1587



**Tenements Held at  
30 June 2021**

**Australia**

License name	Location	License type	License Holder/ JV Partners*	Viking Mines Ownership
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%
E29/1131	WA	Exploration Licence	Viking Mines Ltd	100% (Under application)
E29/1133	WA	Exploration Licence	Viking Mines Ltd	100% (Under application)
E30/0529	WA	Exploration Licence	Viking Mines Ltd	100% (Under application)
P29/2652	WA	Exploration Licence	Viking Mines Ltd	100%

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

**Ghana**

License name	Location	License type	License Holder/ JV Partners*	Viking Mines Ownership
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.

## 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")

**30 June 2021**

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (12 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	(1,593)	(1,911)
	(b) development		
	(c) production		
	(d) staff costs	(134)	(410)
	(e) administration and corporate costs	(418)	(852)
1.3	Dividends received (see note 3)		
1.4	Interest received	-	1
1.5	Interest and other costs of finance paid		
1.6	Income taxes paid		
1.7	Government grants and tax incentives	19	68
1.8	Other (provide details if material) <i>Expenses relating to Red Dirt Mining Pty Ltd acquisition</i>	-	(152)
<b>1.9</b>	<b>Net cash from / (used in) operating activities</b>	<b>(2,126)</b>	<b>(3,256)</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 (12 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>	(72)	(132)
<b>2.6</b>	<b>Net cash from / (used in) investing activities</b>	<b>(72)</b>	<b>(162)</b>

<b>3.</b>	<b>Cash flows from financing activities</b>		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	4,000	5,534
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	(260)	(341)
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>3,740</b>	<b>5,193</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	1,530	1,417
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(2,126)	(3,256)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(72)	(162)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	3,740	5,193



<b>Consolidated statement of cash flows</b>		<b>Current quarter \$A'000</b>	<b>Year to date (12 months) \$A'000</b>
4.5	Effect of movement in exchange rates on cash held	5	(115)
<b>4.6</b>	<b>Cash and cash equivalents at end of period</b>	<b>3,077</b>	<b>3,077</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	3,077	1,495
5.2	Call deposits	-	35
5.3	Bank overdrafts	-	-
5.4	Other (provide details) <i>Trust Account</i>	-	-
<b>5.5</b>	<b>Cash and cash equivalents at end of quarter (should equal item 4.6 above)</b>	<b>3,077</b>	<b>1,530</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	104
6.2	Aggregate amount of payments to related parties and their associates included in item 2	-
<i>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.</i>		

## 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.</i> <i>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)	(2,126)
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)	<b>(2,126)</b>
8.4	Cash and cash equivalents at quarter end (item 4.6)	3,077
8.5	Unused finance facilities available at quarter end (item 7.5)	-
8.6	Total available funding (item 8.4 + item 8.5)	<b>3,077</b>
8.7	<b>Estimated quarters of funding available (item 8.6 divided by item 8.3)</b>	1.5
<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: Viking expects that the current level of net operating cashflows (expenditure) will reduce significantly as field activity has ceased whilst drilling results are obtained and analysed.		
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: Viking has taken no steps to raise further cash to fund its operations as at this time there is sufficient funding to continue operations.		

## 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:

Viking expects to be able to continue its operations to meet its business objectives as there is sufficient funding to complete the planned exploration activity whilst drilling results are obtained and geological information is reviewed and assessed.

*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: 27 July 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.