

VIKING HEARS EXPERT TESTIFY 33KOZ DEPLETED IN ROYALTY CLAIM

- Independent expert SRK Consulting testify 33,000 ounces of gold depleted from the Akoase resource as of 4 June 2022
- Based on the findings of the Expert, Viking is seeking royalty payments plus interest estimated to be greater than US\$2.1M
- Active mining confirmed at the Akoase Project
- Areas marked up ready for production may see further ounces mined with royalties due
- Court hearing adjourned till 10 October 2022 when further cross-examination of the Independent Expert will continue

Viking Mines Limited (ASX: VKA) ("**Viking**" or "**the Company**") is pleased to provide an update on ongoing litigation matters in Ghana against the purchasers of the Akoase Project ("**the Project**"), namely Akoase Resources Limited, BXC Company Ghana Limited and Cheng Yi ("**the Defendants**") from Viking's wholly owned subsidiary Resolute Amansie Ltd ("**RAL**").

As announced on 16 June 2022, the report prepared by SRK Consulting (internationally accredited mining experts) as independent expert ("**the Expert**") on the extent of mining activity at the Project was to be submitted to the court on 4 July 2022.

The report was accepted by the court at that time and a further adjournment made to 22 July 2022 to allow both parties time to assess the report and prepare cross-examinations of the Expert.

At the hearing on 22 July 2022, the judge commenced with questioning of the Expert who testified the following key points:

- 33,000 ounces of in-situ gold has been depleted from the block (resource) model due to mining
- Mining is currently being undertaken at the Project and the Defendants are mining to a mine plan
- Mineralisation seen in the mine workings is consistent with gold bearing mineralisation
- Mining of gold is taking place outside of the modelled mineralisation

After the initial line of questioning, the judge adjourned the case until October 2022 (after the annual Ghanaian judicial recess from 1 August to 30 September 2022) due to time constraints restricting her from continuing at that time.

POTENTIAL CLAIM OUTSTANDING

As reported on 20 October 2021, the judge ruled in favour of RAL and that the Defendants are liable to pay the following:

- US\$3M outstanding from the sale price;
- US\$120k transfer fees;
- A royalty on any mining completed of US\$40/ounce up to a maximum of US\$2M; and
- Interest on each of the above amounts.



The Defendants paid US\$3M towards the outstanding claim in July 2021, but considerable sums remain of the aggregate amount owed. Viking estimate the balance owed to be >US\$2.1M **before costs**. RAL will also be pursuing punitive legal costs in addition to the above items which Viking believe to be significant. The Company notes that this remains an ongoing court case and the outcome is not certain.

Royalty and Interest

The sale agreement provides for royalty payments to Viking's wholly owned subsidiary (RAL) on the first 50,000 ounces of gold produced from Akoase. The hearing held on 22 July 2022 has provided further support to Vikings claim that royalties are owed by the Defendants.

The Expert has now testified that at the time of the site visit (4 June 2022), 33,000 ounces of gold have been depleted from the Project. Observations made by the Expert on the site visit demonstrated that mining is continuing at the Project and that further gold extraction is likely.

The sale agreement further provides that interest is calculated on a daily basis on all outstanding balances at a rate of 5% per annum.

Commenting on the developments of the litigation and the testimony of the independent expert, Viking Mines Managing Director & CEO Julian Woodcock said:

"We have made another key step towards obtaining a ruling on the balance of sums owed by the Defendants to Viking's subsidiary RAL.

The Experts report of 33,000 ounces of gold depleted from the Akoase model and the clear evidence of mining makes it difficult to refute that the royalty is payable by the defendants.

It is frustrating that we are further delayed till after the annual judicial recess, but we have to respect and follow due process to ensure a positive ruling in our favour.

We remain confident that the court will have little option but to rule in favour of RAL."

END

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

Julian Woodcock
Managing Director and CEO
Viking Mines Limited

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ABOUT VIKING MINES

Viking Mines is a gold focussed 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. Viking is currently undergoing legal proceedings to secure costs and interest 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.

Competent Persons Statement

Information in this release that relates to Exploration Results on the Western Australian projects is based on information compiled by Mr Ian Stockton, who is a Member of the Australian Institute of Mining and Metallurgy (AusIMM). Mr Stockton is a full-time employee of CSA Global. Mt Stockton is engaged by Viking Mines Ltd as an independent consultant. Mr Stockton has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity being undertaken 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'. The exploration results were first reported to ASX on 26 November 2020. The Company confirms that it is not aware of any new information or data that materially affects the information and all material assumptions and technical parameters underpinning the estimates continue to apply and have not materially changed. The Company confirms that the form and context in which the Competent Persons' findings are presented have not been materially modified from the original.

¹ASX announcement dated 26th November 2020