

QUARTERLY REPORT FOR THE PERIOD ENDED 30 JUNE 2022

- **Final assays returned for 33 holes from First Hit RC drilling program**
- **First Hit South target results include:**
 - **1m at 7.66 g/t Au from 45m, 480m South of historic First Hit gold mine¹**
 - **2m at 4.49g/t Au from 147m, immediately adjacent to the historic First Hit gold mine¹**
- **Near surface mineralisation intersected at Twin Peaks target, including 2m at 3.71 g/t Au from 53m¹**
- **Court appointed independent expert SRK Consulting testify 33,000 ounces of gold depleted from the Akoase resource due to mining as part of ongoing royalty claim**
- **Re-structure of the Board**
- **Strong cash position of \$4.445M as of 30 June 2022**

Viking Mines Ltd (Viking or the Company) is pleased to present its quarterly activities report for the period ended 30 June 2022 (**June quarter**).

AUSTRALIA

First Hit Project, Western Australia

As announced on 19 April 2022¹, the Company received the final assay results for the remaining 33 holes that comprised part of the 71 hole, 6,723m RC drilling program undertaken at the Company's First Hit Project (**First Hit**), located 50km west of Menzies in the West Australian goldfields. With these results, the drilling program has positively intersected gold in all 4 target areas tested.

Significant intersections from near surface mineralisation at the Twin Peaks and First Hit South target areas which were received **in the reporting period** include:

- VKRC0041: 1m at 7.66 g/t Au from 45m (First Hit South)
- VKRC0028: 2m at 4.49 g/t Au from 147m (First Hit South)
- VKRC0043: 2m at 3.71 g/t Au from 53m (Twin Peaks)

Following receipt of the assays, the Company continued to assess the results and identify priority targets to inform future work programs.

There remains significant potential at the First Hit project with multiple drill ready follow up targets warranting further investigation, namely;

1. **First Hit North Camp 1;** Newly discovered shoot located 720m north of the historic high grade First Hit mine with results up to **1m at 13.52g/t Au²**



2. **First Hit North Hilton;** Newly discovered shoot located 220m north of the historic high grade First Hit mine with results up to **2m at 9.67g/t Au**²
3. **Jana's Reward;** two mineralised positions of **1m at 36.49g/t Au** and **1m at 17.84g/t Au** respectively drilled in an area with no prior bedrock testing³
4. **First Hit South; 1m at 7.66g/t** located 480m south of the historic high-grade First Hit gold mine¹

In addition to the targets immediately around First Hit, Viking holds tenure along >25km of the prospective Zuleika Shear with little historical bedrock drilling. A review of previous work has identified historic high grade drill results and rock chip samples up to **32.5g/t Au**⁴.

The Board is reviewing the targets and is seeking to identify the most effective methods to assess them to add value for shareholders.

GHANA

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

As reported previously, the High Court in Ghana appointed mining experts SRK Consulting to assess the extent of mining undertaken by the purchasers of the Akoase Project, namely Akoase Resources Limited, BXC Company Ghana Limited and Cheng Yi ("**the defendants**") at the Akoase Project.

During the June Quarter, SRK Consulting completed their site visit of the Akoase Project⁵. A representative for the Company who attended the site visit provided photographic evidence of mining activity being undertaken by the defendants (refer to ASX announcement on 16 June 2022).

Events occurring after the reporting period

As announced to the market on 29 July 2022, SRK Consulting's report was formally presented to the court on 4 July 2022, and the court subsequently adjourned until 22 July 2022.

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

Based on the findings of the Expert, Viking is seeking royalty payments on the 33,000 ounces (plus interest on the royalty and outstanding sums) which is estimated to be greater than US\$2.1M. In addition, any further ounces mined will be subject to the royalty agreement up to a



royalty cap of 50,000 ounces total. The Company is also seeking punitive legal costs which we believe will be significant.

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.

CORPORATE

The Company has a strong cash position of \$4.445 million as of 30 June 2022.

As announced on 20 April 2022, Mr Charles Thomas was appointed as Non-executive Chairman, replacing Mr Michael Cox as Interim Chair. Mr Cox remains a Non-Executive Director of the Company. On 19 May 2022, Mr David Hall resigned as a Non-Executive Director and director fees for the Non-Executive Chairman and remaining Non-Executive Director were reduced to \$48,000 and \$36,000 per annum respectively as part of the Company's strategy to reduce overheads.

As set out in section 6 of the attached Appendix 5B, the Company made payments to related parties of the entity of \$120,000 in the quarter ending 30 June 2022. 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 and Ghanaian projects.
- Tenement administration and management costs for the First Hit and Ghanaian projects.
- General corporate and administration costs.

Corporate Opportunities

The Company continues to review and conduct due diligence on a vast array of mineral acquisition opportunities, to compliment the Company's existing project portfolio, with the objective of acquiring mature exploration assets with the potential to deliver long-term shareholder returns. The Board believes the Company is uniquely positioned to capitalise on some of the opportunity's that currently exist in the sector. The Company has particular focus on acquiring advanced future metal projects. The Company will update the market should any of these opportunities that are being reviewed proceed to a more formal stage.

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



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

Julian Woodcock
Managing Director and CEO
Viking Mines Limited

For further information, please contact:

Viking Mines Limited
Sarah Wilson - Company Secretary
08 6245 0870

- 1 - ASX Announcement - Viking receives final assays for First Hit RC drill programme, 19 Apr 2022
- 2 - ASX Announcement - Viking receives remaining assays for First Hit North target, 14 Feb 2022
- 3 - ASX Announcement - Viking intersects bonanza gold up to 36g/t Au 1.5km from First Hit, 3 Mar 2022
- 4 - ASX Announcement - Viking finds 4m at 5.1g/t Au in historic data on new tenure, 25 March 2022
- 5 - ASX Announcement - Viking confirms mining in royalty claim in Ghana, 16 June 2022
- 6 - ASX Announcement - Viking hears expert testify 33koz depleted in royalty claim, 29 July 2022

APPENDIX 1 - TENEMENTS HELD AS AT 30 JUNE 2022

Australia

License name	Location	License type	License Holder/ JV Partners*	Viking Mines Ownership
M30/0091	WA	Mining Licence	Red Dirt Mining Pty Ltd	100%
M30/0099	WA	Mining Licence	Red Dirt Mining Pty Ltd	100%
P30/1125	WA	Prospecting Licence	Red Dirt Mining Pty Ltd	100%
P30/1126	WA	Prospecting Licence	Viking Mines Ltd	100%
P30/1137	WA	Prospecting Licence	Red Dirt Mining Pty Ltd	100%
P30/1144	WA	Prospecting Licence	Red Dirt Mining Pty Ltd	100%
E29/1133	WA	Exploration Licence	Viking Mines Ltd	100%
E30/0529	WA	Exploration Licence	Viking Mines Ltd	100%
E29/1131	WA	Exploration Licence	Viking Mines Ltd	100% (under application)
E29/1169	WA	Exploration Licence	Red Dirt Mining Pty Ltd	100% (under application)
P29/2652	WA	Prospecting Licence	Viking Mines Ltd	100% (under application)
P30/1160	WA	Prospecting Licence	Red Dirt Mining Pty Ltd	100% (under application)

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

Competent Persons Statement

Information in this release that relates to Exploration Results on the Western Australian projects is based on information compiled and/or reviewed 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 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 releases.

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 2022

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (12 months) \$A'000
1.	Cash flows from operating activities		
1.1	Receipts from customers		
1.2	Payments for		
	(a) exploration & evaluation	(96)	(2,038)
	(b) development		
	(c) production		
	(d) staff costs	(182)	(747)
	(e) administration and corporate costs	(130)	(145)
1.3	Dividends received (see note 3)		
1.4	Interest received		
1.5	Interest and other costs of finance paid	(1)	(8)
1.6	Income taxes paid		
1.7	Government grants and tax incentives	4	26
1.8	Other (provide details if material)		4,017
1.9	Net cash from / (used in) operating activities	(405)	(1,105)
2.	Cash flows from investing activities		
2.1	Payments to acquire or for:		
	(a) entities		
	(b) tenements		
	(c) property, plant and equipment	-	(13)
	(d) exploration & evaluation		
	(e) investments		
	(f) other non-current assets		96

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (12 months) \$A'000
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)		
2.6	Net cash from / (used in) investing activities	-	83

3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)		
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		
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)	(15)	(58)
3.10	Net cash from / (used in) financing activities	(15)	(58)

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	4,560	3,076
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(405)	1,105
4.3	Net cash from / (used in) investing activities (item 2.6 above)	-	83
4.4	Net cash from / (used in) financing activities (item 3.10 above)	(15)	(58)

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

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (12 months) \$A'000
4.5	Effect of movement in exchange rates on cash held	304	(239)
4.6	Cash and cash equivalents at end of period	4,445	4,445

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1	Bank balances	4,445	4,560
5.2	Call deposits		
5.3	Bank overdrafts		
5.4	Other (provide details)		
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	4,445	4,445

6.	Payments to related parties of the entity and their associates	Current quarter \$A'000
6.1	Aggregate amount of payments to related parties and their associates included in item 1	120
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

7.	Financing facilities <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>	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
7.1	Loan facilities		
7.2	Credit standby arrangements		
7.3	Other (please specify)		
7.4	Total financing facilities		
7.5	Unused financing facilities available at quarter end		
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.		

8.	Estimated cash available for future operating activities	\$A'000
8.1	Net cash from / (used in) operating activities (item 1.9)	(405)
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)	(405)
8.4	Cash and cash equivalents at quarter end (item 4.6)	4,445
8.5	Unused finance facilities available at quarter end (item 7.5)	-
8.6	Total available funding (item 8.4 + item 8.5)	4,445
8.7	Estimated quarters of funding available (item 8.6 divided by item 8.3)	10.97
<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.

29 July 2022

Date:

Board of Viking Mines Ltd

Authorised by:
(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.