

# ASX Announcement

31 January 2018



ASX Code: VKA

## Quarterly Report for the period ended 31 December 2017

During the quarter ended 31 December 2017, Viking Mines Ltd (**Viking** or the **Company**) was actively focussed on reviewing new acquisition opportunities.

### 1. Akoase Gold Project (Ghana, 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. However, the Company expects full receipt of the funds.

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.

Once the Company has received confirmation in relation to the payment of the USD\$3 million, the market will be informed accordingly.

### 2. Tumentu Gold Project (Ghana, VKA 100%)

The Company is continuing through the due process with the Minerals Commission to be granted the prospecting licence for Tumentu.

### 3. Berkh Uul Coal Project (Mongolia, VKA 100%)

No on-ground activity on the project during the quarter.

Viking continues to seek resolution relating to changes to boundaries of protected areas affecting the Berkh Uul prospecting license, introduced under Long Name Law in 2010. The Company also continues to investigate its legal options in relation to this matter.



#### 4. Khonkhor Zag Coal Project (Mongolia, VKA 100%)

No on-ground work was undertaken on the project during the quarter.

Discussions are in progress with potential Joint Venture partners to assist with development of the project.

#### 5. Corporate

Following the Annual General Meeting of the Company, held on 29 November 2017, the Company announced that Mr Charles Thomas and Mr Michael Cox were appointed as directors of the Company.

Mr Thomas is a well-respected mining executive and corporate financier who will provide valuable knowledge to assist with the Company's global search for suitable projects.

Mr Cox is an experienced corporate director having held CEO, Chairman and Non-Executive roles for a number of listed companies.

Further to the appointments of Mr Thomas and Mr Cox, the Company's Executive Chairman, Mr Jack Gardner tendered his resignation as Chairman and director of the Company.

Mr Ray Whitten, an existing director of the Company, was elected as Acting Chairman following the Annual General Meeting.

On 13 December 2017, the Company announced that it had entered into a Corporate Services Mandate with GTT Ventures Pty Ltd ("GTT") for the purpose of identifying new business opportunities and promotion of the Company. Under the terms of the mandate, GTT will source and present new project opportunities to the Company concurrently with the company's own ongoing review and assessment of projects.

With cash reserves building from the sale of the Akoase gold project, the board believes Viking is in a strong and unique position to identify and evaluate new value creating opportunities in the mining sector.

The Company continues its review of mineral project farm-in/acquisition opportunities with the objective of acquiring mature exploration assets with potential to deliver long term sustainable cash flow.

A handwritten signature in black ink, appearing to read 'Ray Whitten', with a long horizontal line extending to the right.

Ray Whitten  
Acting Chairman

*For further information please contact:*

Ray Whitten  
Acting Chairman  
+61 2 8072 1400

**Tenements Held at  
31 December 2017**

**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 application	RAL	100%

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

**Mongolia**

License name	Location	License type	License Holder/JV Partners*	Viking Mines ownership
<b>Berkh Uul</b>	Selenge province, Mongolia	Exploration license	BRX LLC	100%
<b>Khonkhor Zag</b>	Govi Altai province, Mongolia	Mining lease	Salkhit Altai LLC	100%

\* BRX LLC and Salkhit Altai LLC are

## Appendix 5B

### Mining exploration entity and oil and gas exploration entity quarterly report

**Name of entity**

VIKING MINES LIMITED

**ABN**

38 126 200 280

**Quarter ended ("current quarter")**

December 2017

<b>Consolidated statement of cash flows</b>	<b>Current quarter \$A'000</b>	<b>Year to date (6 months) \$A'000</b>
<b>1. Cash flows from operating activities</b>		
1.1 Receipts from customers		
1.2 Payments for		
(a) exploration & evaluation	(98)	(185)
(b) development		
(c) production		
(d) staff costs	(129)	(237)
(e) administration and corporate costs	(76)	(235)
1.3 Dividends received		
1.4 Interest received	2	4
1.5 Interest and other costs of finance paid		
1.6 Income taxes paid		
1.7 Research and development refunds		
1.8 Other (provide details if material)		
<b>1.9 Net cash from / (used in) operating activities</b>	<b>(301)</b>	<b>(653)</b>

<b>2. Cash flows from investing activities</b>		
2.1 Payments to acquire:		
(a) property, plant and equipment	(2)	(2)
(b) tenements (see item 10)		
(c) investments		

<b>Consolidated statement of cash flows</b>		<b>Current quarter \$A'000</b>	<b>Year to date (6 months) \$A'000</b>
	(d) other non-current assets		
2.2	Proceeds from the disposal of:		
	(a) property, plant and equipment		
	(b) tenements (see item 10)	(13)	2,312
	(c) investments		
	(d) other non-current assets		
2.3	Cash flows from loans to other entities		
2.4	Dividends received		
2.5	Other –		
<b>2.6</b>	<b>Net cash from / (used in) investing activities</b>	<b>(15)</b>	<b>2,310</b>

<b>3.</b>	<b>Cash flows from financing activities</b>		
3.1	Proceeds from issues of shares		
3.2	Proceeds from issue of convertible notes		
3.3	Proceeds from exercise of share options		
3.4	Transaction costs related to issues of shares, convertible notes or options		
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>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	3,942	2,063
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(301)	(653)

<b>Consolidated statement of cash flows</b>		<b>Current quarter \$A'000</b>	<b>Year to date (6 months) \$A'000</b>
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(15)	2,310
4.4	Net cash from / (used in) financing activities (item 3.10 above)	-	-
4.5	Effect of movement in exchange rates on cash held	(39)	(133)
<b>4.6</b>	<b>Cash and cash equivalents at end of period</b>	<b>3,587</b>	<b>3,587</b>

<b>5.</b>	<b>Reconciliation of cash and cash equivalents</b> at the end of the quarter to the related items in the accounts	<b>Current quarter \$A'000</b>	<b>Previous quarter \$A'000</b>
5.1	Bank balances	543	3,374
5.2	Call deposits	3,044	568
5.3	Bank overdrafts		
5.4	Other (provide details)		
<b>5.5</b>	<b>Cash and cash equivalents at end of quarter</b>	<b>3,587</b>	<b>3,942</b>

**6. Payments to directors of the entity and their associates**

6.1 Aggregate amount of payments to these parties included in item 1.2

6.2 Aggregate amount of cash flow from loans to these parties included in item 2.3

6.3 Include below any explanation necessary to understand the transactions included in items 6.1 and 6.2

<b>Current quarter \$A'000</b>
122

**7. Payments to related entities of the entity and their associates**

**Current quarter  
\$A'000**

7.1 Aggregate amount of payments to these parties included in item 1.2

7.2 Aggregate amount of cash flow from loans to these parties included in item 2.3

7.3 Include below any explanation necessary to understand the transactions included in items 7.1 and 7.2

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**8. Financing facilities available**

*Add notes as necessary for an understanding of the position*

<b>Total facility amount at quarter end \$A'000</b>	<b>Amount drawn at quarter end \$A'000</b>

8.1 Loan facilities

8.2 Credit standby arrangements

8.3 Other (please specify)

8.4 Include below a description of each facility above, including the lender, interest rate and whether it is secured or unsecured. If any additional facilities have been entered into or are proposed to be entered into after quarter end, include details of those facilities as well.

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**9. Estimated cash outflows for next quarter**

**\$A'000**

9.1 Exploration and evaluation

100

9.2 Development

9.3 Production

9.4 Staff costs

50

9.5 Administration and corporate costs

150

9.6 Other (provide details if material)

**9.7 Total estimated cash outflows**

**300**

## Mining exploration entity and oil and gas exploration entity quarterly report

10.	Changes in tenements (items 2.1(b) and 2.2(b) above)	Tenement reference and location	Nature of interest	Interest at beginning of quarter	Interest at end of quarter
10.1	Interests in mining tenements and petroleum tenements lapsed, relinquished or reduced				
10.2	Interests in mining tenements and petroleum tenements acquired or increased				

### 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.



Sign here: .....

Acting Chairman and Director

Date: 31 January 2018

Print name: Raymond Whitten

### Notes

1. The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity that wishes to disclose additional information is encouraged to do so, in a note or notes included in or attached to this report.
2. If this quarterly 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 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.