

ASX Announcement

30 April 2019



ASX Code: VKA

Quarterly Report for the period ended 31 March 2019

During the quarter ended 31 March 2019, Viking Mines Ltd (**Viking** or the **Company**) was actively focussed on reviewing new acquisition opportunities and continuing the proceedings against the purchaser of the Akoase Gold Project.

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.

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 the purchaser and guarantors of the Akoase Gold Project. The matter is proceeding in the High Court (Commercial Division) in Ghana. Subsequent to the end of the quarter, the parties have engaged in lengthy negotiations with a view to settling the proceedings and the Company will ensure that the market is informed of any material information relating to this matter as it progresses.

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

The Company was active in seeking the grant of the Tumentu prospecting licence from the Minerals Commission during the March 2019 quarter.

Subsequent to the end of the quarter, the Minerals Commission of Ghana have granted the prospecting licence for Tumentu as announced to the market on 26 April 2019.

The Company has developed and budgeted for a two year work program, consisting of air-core (AC) and reverse circulation (RC) drilling, soil geochemistry and ground based geophysics. A recent field inspection (April 2019) by directors of the Company indicated the prospectivity of this area.

The Company will update the market on progress made with the Tumentu program in due course.

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 has commenced action against the Mineral Resources and Petroleum Authority of Mongolia in this regard.

The Company has received a written judgement from the Administrative Court, which found that compensation was payable by the Finance Ministry. The Company has received legal advice that the payer of the compensation should be the Minerals and Petroleum Authority of Mongolia and the Company has lodged an appeal in respect of the judgement. The Appeal Court has remitted the matter to the Administrative Court for rehearing in relation to this and other matters.

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

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

As announced to the market on 3 October 2018, the Company signed a binding terms sheet with Altain Nuurs LLC to sell all of the assets held by the Company in Mongolia, being the Berkh Uul coal project and the Khonkhor Zag coal project, for a total consideration of USD\$1,000,000. The Company will ensure that the market is informed of any material information relating to this transaction as it progresses.

As announced on 31 January 2019, the proposed sale to Altain Nuurs LLC did not proceed. In accordance with and consistent with the Board's objectives, the Company has continued to engage with other prospective buyers in relation to these assets, which negotiations are on a preliminary basis.

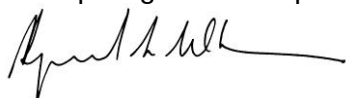
5. Corporate

The Company has a strong cash position of \$2.549 million as at 31 March 2019.

Other than the matters set out above, no other matter or circumstance has arisen since 31 December 2018 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 Board believes Viking is in a strong and unique position to identify and evaluate 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'.

Ray Whitten
Executive Chairman

For further information please contact:

Ray Whitten, Executive Chairman
+61 2 8072 1400



**Tenements Held at
31 March 2019**

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
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 and oil and gas exploration entity quarterly report

Introduced 01/07/96 Origin Appendix 8 Amended 01/07/97, 01/07/98, 30/09/01, 01/06/10, 17/12/10, 01/05/13, 01/09/16

Name of entity

VIKING MINES LIMITED

ABN

38 126 200 280

Quarter ended ("current quarter")

31 March 2019

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (9 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers		
1.2 Payments for		
(a) exploration & evaluation	(42)	(145)
(b) development		
(c) production		
(d) staff costs	(68)	(192)
(e) administration and corporate costs	(23)	(391)
1.3 Dividends received (see note 3)		
1.4 Interest received	31	49
1.5 Interest and other costs of finance paid		
1.6 Income taxes paid		
1.7 Research and development refunds		
1.8 Other		
1.9 Net cash from / (used in) operating activities	(102)	(679)

2. Cash flows from investing activities		
2.1 Payments to acquire:		
(a) property, plant and equipment	(16)	(16)
(b) tenements (see item 10)		
(c) investments		
(d) other non-current assets		

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (9 months) \$A'000
2.2	Proceeds from the disposal of:		
	(a) property, plant and equipment		
	(b) tenements (see item 10)		
	(c) investments		
	(d) other non-current assets		
2.3	Cash flows from loans to other entities		
2.4	Dividends received (see note 3)		
2.5	Other (Deposit on sale of Mongolian assets and subsequent refund of 50% of deposit)	(71)	71
2.6	Net cash from / (used in) investing activities	(87)	55

3.	Cash flows from financing activities		
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)		
3.10	Net cash from / (used in) financing activities	-	-

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	2,812	3,090
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(102)	(679)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(87)	55
4.4	Net cash from / (used in) financing activities (item 3.10 above)	-	-
4.5	Effect of movement in exchange rates on cash held	(74)	83
4.6	Cash and cash equivalents at end of period	2,549	2,549

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	2,549	2,812
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)	2,549	2,812

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

**Current quarter
\$A'000**

68

-

Remuneration and fees paid to Directors and their associates.

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

- 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

**Current quarter
\$A'000**

-

-

Mining exploration entity and oil and gas exploration entity quarterly report

8. Financing facilities available <i>Add notes as necessary for an understanding of the position</i>	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
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.		

--

9. Estimated cash outflows for next quarter	\$A'000
9.1 Exploration and evaluation	80
9.2 Development	-
9.3 Production	-
9.4 Staff costs	68
9.5 Administration and corporate costs	100
9.6 Other (USD 50k repayment)	-
9.7 Total estimated cash outflows	248

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:

Executive Chairman

Date: 30 April 2019

Print name: Ray 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.