VIKING MINES

VIKING MOVES TO FINAL SUBMISSIONS WITH GHANA LEGAL CLAIM

- **Cross-examination of the court appointed independent expert SRK (the Expert) completed at court hearing in Ghana on 22 November 2022**
- **Defendants legal counsel did not contest the 33,000oz reported as mined by the Expert calculated from the site visit on 4 June 2022**
- **Independent expert demonstrated under cross-examination that further gold could have been mined from the project since the June site visit**
- **If accepted by the court, the calculations provided by the expert would see the royalty payable on the full 50,000oz**
- **Viking is entitled to royalty payments of US$40/oz mined up to a maximum of 50,000oz as per the sale and purchase agreement which was upheld by the court ruling on 20 October 2021**
- **Based on the findings of the Expert, Viking is seeking royalty payments plus interest and outstanding other payments estimated to range between US$2.1M to US$2.8M plus costs**

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 submitted to the court on 4 July 2022.

The Expert gave partial testimony at a hearing on 22 July 2022 and the court adjourned until October 2022. The hearing date for the Expert to complete their testimony was subsequently further adjourned due to clerical matters with the court. The Expert's testimony and cross-examination was finally completed at a hearing on 22 November 2022.

As advised by our legal counsel and as a summary of the proceedings held on 22 November, the Defendant's legal counsel declined to cross-examine the Expert and did not challenge the evidence presented which stated that 33,000oz had been depleted from the resource to 4 June 2022.

Vikings legal counsel (representing RAL) subsequently pursued a line of questioning for the Expert on how much additional gold could have been mined since the site visit was completed. The Expert made statements that further gold could have been mined given the extent of activities and equipment seen at the site visit. The calculations made by the expert saw the total gold mined potentially exceeding the 50,000oz threshold on which royalty payments are due.

The court subsequently adjourned until mid-December and instructed both parties to prepare their final submissions for consideration by the Judge ahead of ruling on the claim at a later date to be determined.

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.

Royalty and Interest

The sale and purchase agreement provides for royalty payments to Viking's wholly owned subsidiary (RAL) on the first 50,000oz of gold produced from Akoase. Viking are cautiously optimistic that the 33,000oz stated by the expert as depleted from the Project as of the site visit on 4th June 2022 will be ruled in Vikings favour as payable and due.

Further, the assertion by the expert that additional gold could have been mined from the Project since the site visit opens the way for Viking to claim for the balance 17,000 ounces covered by the royalty agreement.

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

Claim Amounts

Viking have calculated what the company believes to be a conservative estimate on the balance owed using the 33,000oz stated by the expert to June 2022. This sum is estimated to be in excess of **US$2.1M** ***before costs***.

A more optimistic outcome is that the court deems the royalty is due on the full 50,000oz which would see a claim in excess of **US$2.8M** ***before costs***.

RAL will also be pursing punitive legal costs in addition to the above items. To date Viking has expended >US$400k pursuing the claim and will be seeking reimbursement of the full amount plus interest. The Company notes that this remains an ongoing court case and the outcome is not certain.

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

"Completing the cross-examination of the Independent Expert is a key step, which, in the absence of any opposition by the Defence, provides a sound basis for the royalty claim on 33,000 ounces of more than US$1.3M.

With the addition of interest owed on this amount and the purchase price and other payments which have already been ruled on by the court, we are expecting a positive judgement in excess of >US$2.1M.

We recognise that the process is slow going, but with each hearing we are getting closer to a final judgement and the Company respects the legal process which must be followed.

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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