



Viking Ashanti Limited

ABN 38 126 200 280

Annual report
for the year ended 30 June 2011

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Viking Ashanti Limited
ABN 38 126 200 280

Directors

Non-Executive Chairman: John William Gardner
Managing Director: Peter McMickan
Non-Executive Director: Trygve Kroepelien
Non-Executive Director: Mark Newlands

Company secretary

Michael Langoulant

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Stock Exchange Listing

Australian Securities Exchange (ASX Code: VKA)

CHAIRMANS LETTER

Dear fellow shareholders,

Your Board of Directors is pleased to present the second Viking Ashanti Limited (“Viking” or the “Company”) annual report.

The year has seen gold prospectivity in West Africa, your Company’s primary exploration focus, continue to be recognised as one of the best exploration addresses globally. Ghana is central to this region and continues to be one of the preferred jurisdictions in which to operate. Despite the economic uncertainties in the US and Europe, the gold price, which set numerous price highs in calendar 2011, continues to be buoyant, and the outlook for gold remains positive.

During 2011, our primary focus has been on extending the mineralised zones at our 500,000 ounce Akoase East gold project. The results of this work have been very encouraging, with mineralisation extended 30-50m at depth, and over 500m along strike from the current resource. The deposit remains open in all directions.

The Company has completed more than 2,500m of diamond drilling, 5,000m of Reverse Circulation (RC) drilling and collected more than 3,000 soil samples from within our projects during Viking Ashanti’s first full year of operation. This work has defined additional prospective exploration targets on a number of our properties.

During the year the Company has continued to pursue an active program of investor relations, through presentations to investors and brokers in Australia and London. Viking Ashanti also presented at major conferences including Indaba in Cape Town and Africa Down Under in Perth.

I personally thank all employees and consultants involved with the Company during the year, including our Ghanaian national geologists and field crews. I am confident that over the coming 12 months, our combined efforts will continue to produce positive exploration results consistent with your Company’s overall objectives.

On behalf of the Board, I thank our new investors and existing shareholders for your ongoing support and we look forward to keeping you informed of our progress during 2012.

Yours faithfully

A handwritten signature in blue ink, appearing to read 'Jack Gardner', with a small cross symbol to its left.

Jack Gardner
Chairman

Operations Report

Highlights – southern Ghana projects

- **Akoase East gold mineralisation extended at depth through systematic diamond drilling program.**
- **Akoase East gold mineralisation extended along strike for at least 500 metres, and remains open to northeast and southwest.**
- **Soil geochemical sampling program at Akoase East identifies five new anomalies along the main structural trend, strongest anomaly 1.2km long at >50ppb gold.**
- **At West Star/Blue River, soil geochemistry results highlight new drilling targets along the highly prospective Salman shear zone.**

Projects

The Viking Ashanti mineral licences are located in southern Ghana, West Africa (Figure 1) in one of the most strongly gold endowed and tightly held geological provinces in the world, the Ashanti Gold Belt. Numerous multi-million ounce gold deposits are located within and on the margins of the Ashanti Gold Belt, including two of the largest gold deposits in the world, Obuasi and Tarkwa.

Viking licences cover more than 440 sq km of ground in three project areas; Akoase, West Star/Blue River and Nchiadi/Nyame Dzikan. The most advanced prospect, Akoase East, hosts a significant near surface JORC classified resource of 500,000 oz of gold.

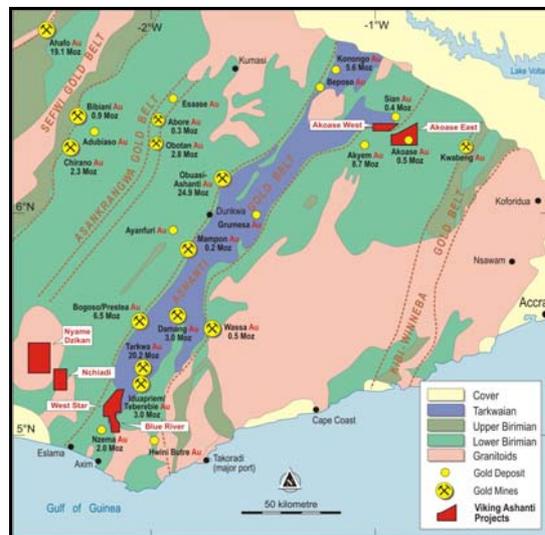


Figure 1: Project locations in Southern Ghana

Akoase East and West Projects

The Akoase project is located approximately 125km north-northwest of Accra (Figure 1), with sealed road access within 5km and grid power within 10km of the project area.

The Akoase prospecting licences are 100% owned by Viking Ashanti and cover 106km² in the northern part of the Axim-Konongo gold belt (Figures 1 and 2). A number of major gold mines and projects are located within this belt, including Newmont's 8.7 million ounce Akyem gold project which is approximately 25km southwest of the Akoase project.

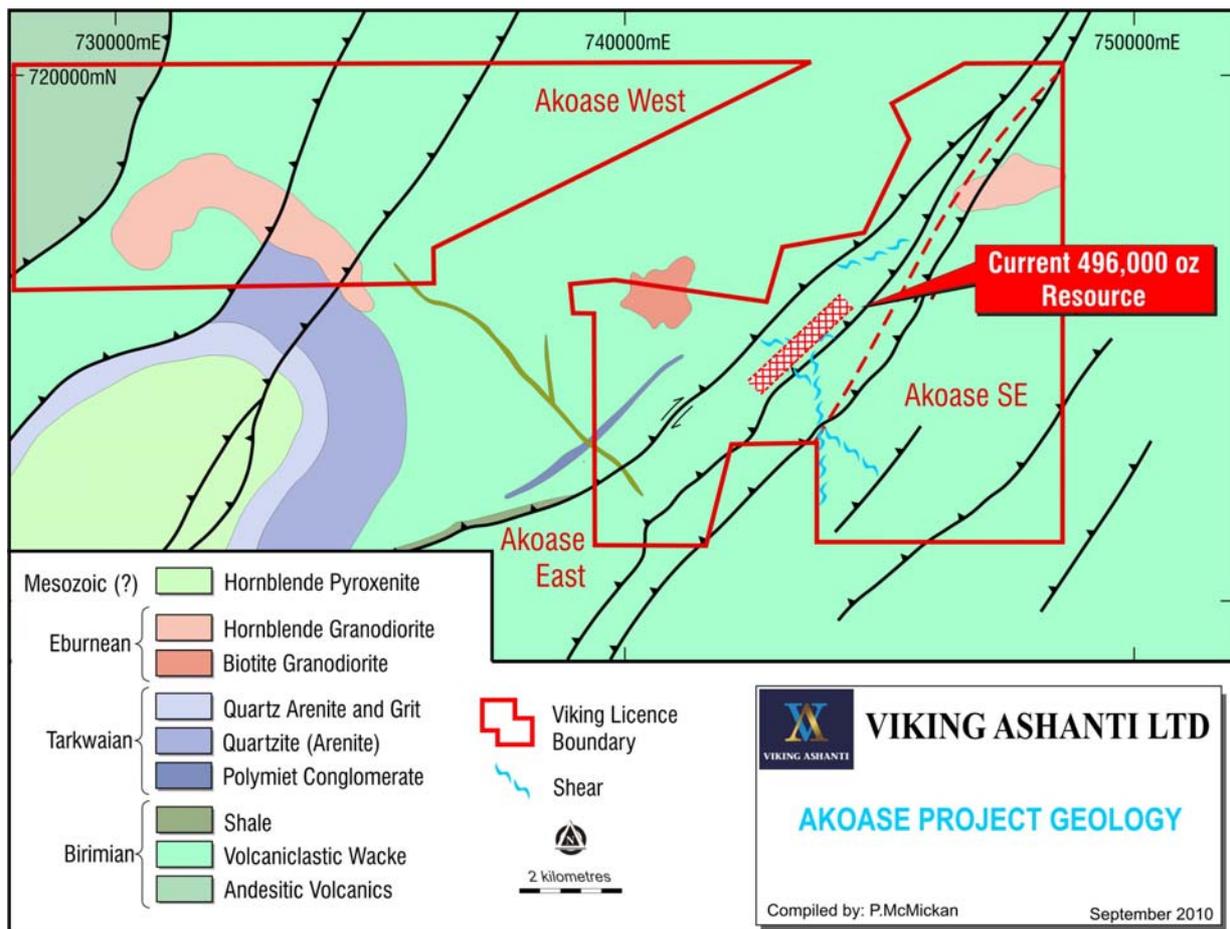


Figure 2: Akoase Project Geology

Akoase East

Gold mineralisation at the Akoase East deposit is typically vein-hosted and is associated with quartz-carbonate breccia and stockwork veins developed in zones of strong sericite-ankerite-pyrite alteration along the regionally extensive Kadewaso structural trend (Figure 3).

Drilling commenced at Akoase East in August 2010. The initial drilling focus was to systematically drill diamond holes some 30-50 metres below existing RC drilling to extend the resource at depth, and to provide valuable geological and structural information on the deposit (Figure 4). Some 2,500 metres of diamond core was drilled to complete this program in May 2011 (Figure 5).

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Assay results from these holes have demonstrated down dip continuity of the multiple mineralised zones at gold grades comparable to or higher than the average resource grade. Selected results from this drilling are shown below (Table 1):

Table 1: Selected Drill Results at depth

Drill hole Information						Mineralized Intercepts				
Hole ID	Easting	Northing	RL	dip/azimuth	hole depth (m)	from (m)	to (m)	intersection width (m)	grade (g/t Au)	oxidation
AKD003a	714886	744084	423	-52/140	137.9	91.0	95.0	4.0	1.43	fresh
						105.0	113.0	8.0	6.47	fresh
						(including 110.0	111.0	1.0	44.6)	
AKD004	743766	714455	460	-55/140	159.3	94.3	95.3	1	2.62	fresh
						120.43	125.3	4.87	2.49	fresh
AKD005	744015	714811	468	-52/140	160.0	26.20	27.70	1.5	2.71	oxide
						32.2	35.2	3	1.51	oxide
						62.7	64.7	2	1.58	fresh
						100	103	3	0.86	fresh
						119.1	125	5.9	1.55	fresh
AKRC009D	743914.8	714805.7	543.3	-55/140	251.4	130	133	3	2.71	fresh
						152	155	3	1.31	fresh
						173	176	3	1.09	fresh
						183	201	18	1.30	fresh
						221	222	1	2.02	fresh
AKRC016D	743280.0	714027.8	517.9	-55/140	142.2	21	30	9	1.10	oxide
						33	45	12	2.13	oxide
						49	50	1	2.12	oxide
						107	109	2	1.59	fresh
AKRC017D	742481.7	713536.3	449.2	-55/140	188.1	44	48	4	0.60	oxide
						54	57	3	1.43	oxide
						116	117	1	2.88	fresh
						141	142	1	2.49	fresh
						153	154	1	1.25	fresh
						156	162	6	1.32	fresh
						167	168	1	2.22	fresh
				170	171	1	1.72	fresh		

The site split RC chip samples (approx. 3kg each) and half HQ/NQ size diamond drill samples from each hole were collected at down hole intervals (typically maximum of 1m) based on geological logging, and submitted to ALS Chemex laboratories in Kumasi, Ghana for gold analysis. The analytical methods were by 50g fire assay/AAS finish with a 0.01 g/t Au detection limit and 25g aqua regia/AAS finish with a 0.002 g/t Au detection limit. Significant results reported are nominally above 0.5 g/t Au over a minimum down hole interval of 1 metre, with no top cut applied. Assay quality control procedures included insertion of certified reference standards, blanks and duplicates. True intersection widths are estimated to be approximately 75% of reported drill intersection widths.

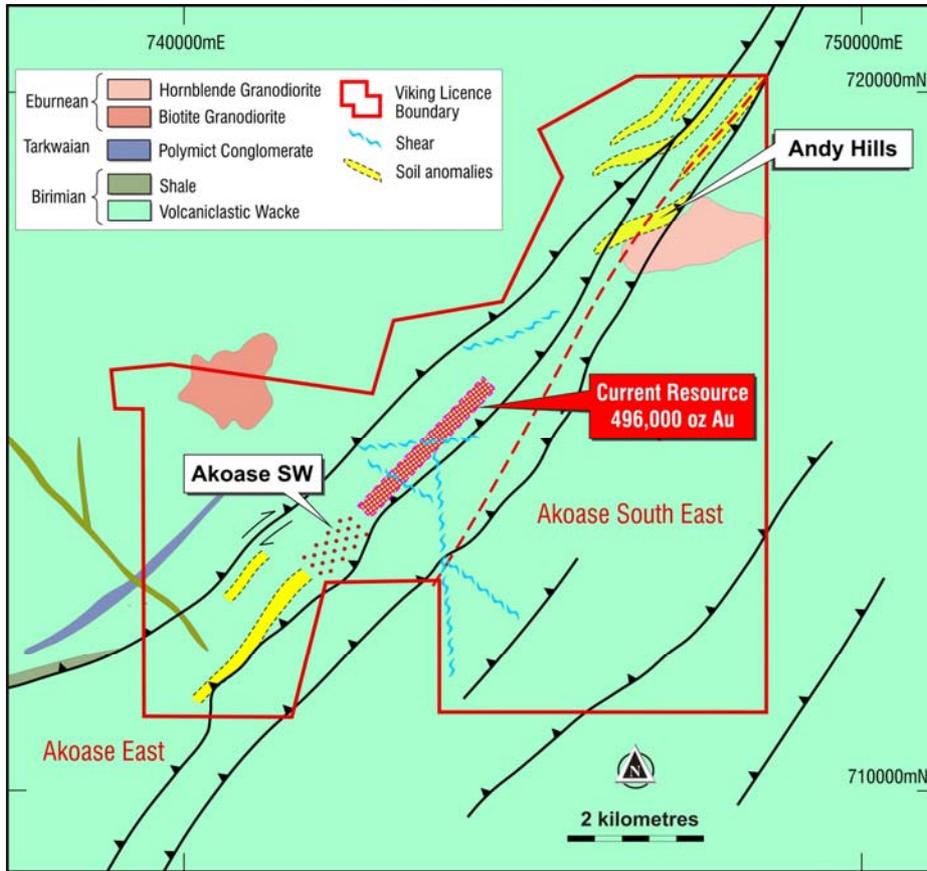


Figure 3: Akoase East geology

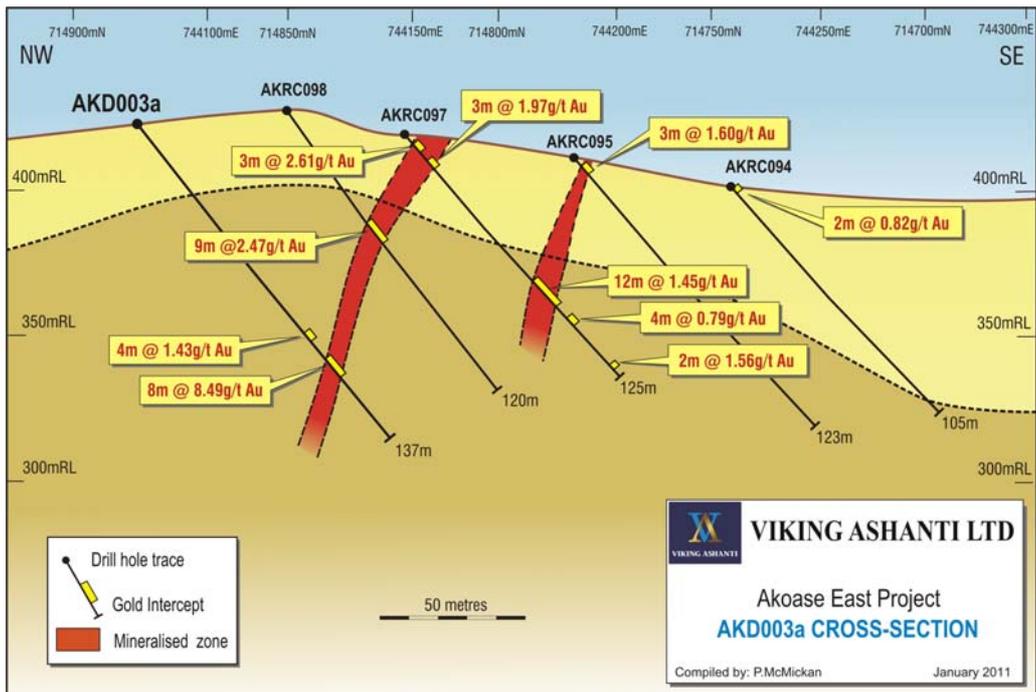


Figure 4: Akoase East cross section

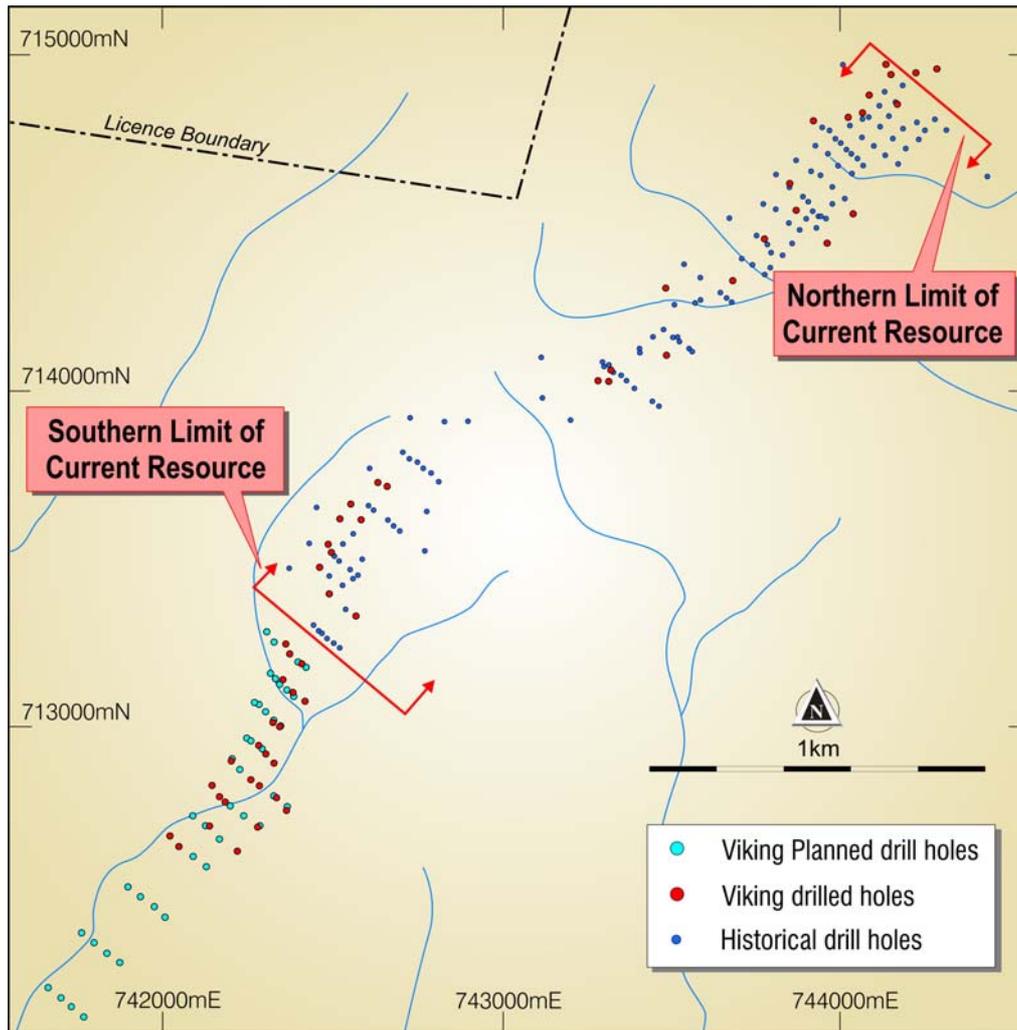


Figure 5: Akoase East drilling

More recently, RC drilling has been conducted to test the immediate strike extensions of the Akoase East mineralisation to the southwest and northeast. This drilling has been conducted on drill lines either 50m or 100m apart, to depths of approximately 60m vertically below surface. Results from this ongoing drill program have been very encouraging, and demonstrate that the mineralisation continues along strike for at least 400 metres to the southwest and 100 metres to the northeast of the current resource.

Selected results from this drilling are shown below in Table 2:

Table 2: Selected Drilling Results Akoase East extensions

Drill hole Information						Mineralized Intercepts				
Hole ID	Easting	Northing	RL	dip/azimuth	hole depth (m)	from (m)	to (m)	intersection width (m)	grade (g/t Au)	oxidation
Southwest										
AKRC110	742357.0	713241.7	392.4	-50/140	77	54	55	1	9.05	oxide
AKRC112	742402.4	713184.6	357.3	-50/140	68	3	6	3	1.21	oxide
						44	49	5	3.06	fresh
AKRC113	742346.4	713134.2	340.9	-50/140	51	36	42	6	1.36	fresh
AKRC116	742296.0	712919.1	309.8	-50/140	87	19	20	1	3.13	oxide
						59	74	15	1.51	fresh
AKRC119	742274.2	712938.8	325.4	-50/140	100	6	13	7	1.10	oxide
						96	97	1	0.58	fresh
Northeast										
AKD006	714942.0	744142.0	411.0	-53/140	161.6	113.0	127.0	14.0	2.24	fresh
						143.0	146.0	3.0	2.54	fresh
AKRC104	744217.9	714943.9	407.3	-50/140	93	71	76	5	1.94	oxide
						83	91	8	2.22	fresh
AKRC134	744274.1	714948.1	374.4	-50/140	87	23	36	13	2.54	oxide
						45	46	1	2.19	oxide
						57	60	3	3.14	oxide

The site split RC chip samples (approx. 3kg each) and half HQ/NQ size diamond drill samples from each hole were collected at down hole intervals (typically maximum of 1m) based on geological logging, and submitted to ALS Chemex laboratories in Kumasi, Ghana for gold analysis. The analytical methods were by 50g fire assay/AAS finish with a 0.01 g/t Au detection limit and 25g aqua regia/AAS finish with a 0.002 g/t Au detection limit. Significant results reported are nominally above 0.5 g/t Au over a minimum down hole interval of 1 metre, with no top cut applied. Assay quality control procedures included insertion of certified reference standards, blanks and duplicates. True intersection widths are estimated to be approximately 75% of reported drill intersection widths.

Drilling is in progress to continue to test a further 1.5 strike km of the Kadewaso trend extending to the southwest.

Soil geochemistry has also been completed over the northern 3.6 km strike of the Kadewaso structural trend to the northern licence boundary (Figure 3). Interpretation of results has identified five new sub-parallel north-east striking anomalous geochemical trends. The most significant of these is the Andy Hills prospect, represented as a >50ppb gold anomaly, 1.2km long and up to 100m wide, with a peak value of 15.15 g/t Au. This anomaly is located approximately 2.5km north east of the Akoase resource.

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Excellent potential clearly exists to further expand the Akoase resource immediately along strike to the northeast and southwest, and at depth. Near surface strike extensions of the mineralised zones will be the focus of drilling in the opening half of 2011-2012, particularly to the northeast and at the Andy Hills prospect.

Viking Ashanti's licences cover 11 strike km of the regionally extensive Kadewaso structural trend, within which the current 500,000 ounce gold resource is located. Viking has now drill tested the central 3 strike km of this trend. Anomalous soil geochemistry and ground geophysics along this trend provide multiple exploration targets for future drilling.

Akoase West

Previous work undertaken has included regional mapping, structural studies and reconnaissance soil geochemistry. A prominent but diffuse soil anomaly is evident west of Akoase village in the western part of the licence area. Mapping reveals that the soil anomaly coincides with an occurrence of gossanous float in locally transported material. The anomaly lies immediately north of a prominent change in strike of one of the thrust zones, representing a favourable structural position. Infill soil sampling to 200m x 50m has been completed over this area to better define the geometry of the anomaly, with 620 samples collected. Assay results are awaited.

Resources

The current resource for Akoase East was estimated in-house by Resolute Mining Ltd in 2006, and reported to JORC standards. The resource was estimated using all surface trench, RC and diamond drilling data available at that time with Multiple Indicator Kriging used as the estimation method. No high grade cuts were applied. The resource estimate, classified as Inferred and reported at various grade cut-offs and weathering types, is presented in Tables 3 and 4 below:

Cut-off (g/t Au)	Inferred		
	Tonnes (million)	Grade (g/t Au)	Metal (oz Au)
0.2	34	0.6	705,000
0.5	13.3	1.2	496,000
0.7	8.5	1.5	404,000
1.0	5.0	1.9	309,000

Category	Tonnes (million)	Grade (g/t Au)	Metal (oz Au)
Oxide			
Inferred	2.5	1.1	90,000
Transitional			
Inferred	3.6	1.2	140,000
Fresh			
Inferred	7.3	1.1	266,000
Total			
Inferred	13.3	1.2	496,000

Note: For details on assumptions, parameters and methods used to estimate the mineral resource please refer to the Viking Ashanti Limited prospectus dated April 2010.

Sighter metallurgical test work on composite oxide and fresh mineralised samples from Akoase has indicated that the gold is free milling.

West Star/Blue River Projects

The West Star and Blue River licences are located in the western region of Ghana and about 250km west of Accra with access via sealed roads to Nkroful, then unsealed roads to the project areas. The licences occupy the southern end of the Ashanti Gold Belt and share a southern boundary with Adamus Resources Limited licences, which host the 2 million resource ounce Nzema gold mine (Figure 4).

The licences are subject to joint venture with Ghanaian companies, Weststar Mining Company Ltd and Blueriver Mining Company Ltd, where Viking Ashanti has 100% interest in any hard rock gold mineralisation defined. The joint venture partners retain 100% of the alluvial mineralisation on the licences.

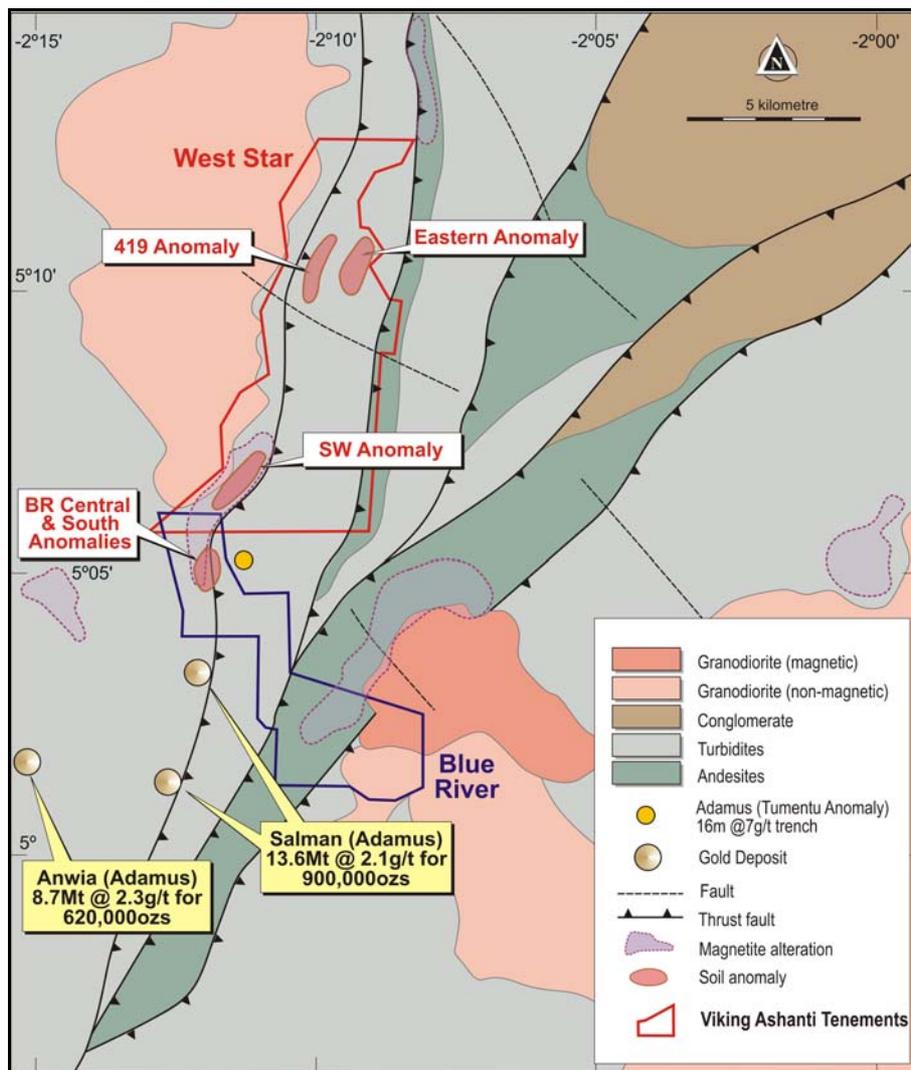


Figure 4: West Star/Blue River Geology

West Star

Historically, the Eastern soil anomaly has been drill tested over 2,400m strike length with 200m line spaced RC drilling to 50m vertical depth. While a number of economically significant grade and width intercepts were recorded in this drilling, the drill spacing was too broad to allow estimation of a resource.

Viking has completed an infill soil geochemical sampling program, with 943 soil samples collected. The Salman shear zone is now fully covered with soil sampling along its entire 17 strike km length within the West Star and Blue River licence areas.

Previous soil sampling, on a 400m x 50m pattern, had returned a number of anomalous (>200 ppb Au) results along the Salman shear zone and parallel structures. Results received to date from the infill sampling (to 200m x 50m spacing) returned individual soil values up to 400 ppb Au and has confirmed previously interpreted geochemical trends, providing more clearly defined drilling targets in previously untested areas along the Salman shear zone. Final assay results are awaited.

On receipt of final soil geochemistry assays, a reconnaissance 2,000m program of RC drilling on drill traverses 200m apart across the geochemical anomalies defining the Salman shear zone, will be completed.

Blue River

The Blue River South anomaly has been tested with mainly RC drilling on 200m line spacing over a strike length of 1,250m, while the Blue river Central anomaly has been tested over 1,000m of strike. While a number of economically significant grade and width intercepts were recorded in the drilling, the current drill spacing is too broad to allow estimation of a resource.

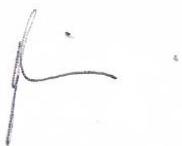
Mineralisation is a quartz vein type and hosted in graphitic shears within the Salman Shear Zone, with sericite-ankerite alteration halos up to 2m wide present around mineralised veins. The mineralised system appears to be a single irregular lode, extending for a strike of 1,350m with an average width of 15m but discontinuous, which may be the effects of offsetting by E-W thrust faults.

A 1,500m infill RC drilling program testing for oxide mineralisation is planned on the Blue River South anomaly later this year.

Nchiadi/Nyame Dzikan Projects

The Nchiadi and Nyame Dzikan properties are located 20km northwest of the Blue River/West Star project in the western region of Ghana. The properties are subject to joint venture agreements with a local Ghanaian company, Ahafo Ano South Goldfields Limited. Viking Ashanti has a 51% equity interest in the two properties.

Regional stream sediment sampling of the Nyame Dzikan licence has been completed, with 38 samples collected and assay results received. No significantly anomalous gold values were recorded, and no further work is planned. A re-assessment of the stream sediment and soil geochemistry exploration results from the Nchiadi property is in progress to determine future work programs.



Peter McMickan
Managing Director

Competent Person's Statement: The information in this Public Report that relates to Exploration Results, Mineral Resources or Ore Reserves is based on information compiled by Mr Peter McMickan, who is a Member of the Australasian Institute of Mining and Metallurgy. Mr McMickan is a full time employee of Viking Ashanti Limited. Mr McMickan has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity that he is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. Mr McMickan consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

Forward Looking Statements: This document may include forward looking statements. Forward looking statements may include, but are not limited to statements concerning Viking Ashanti Limited's planned exploration programs and other statements that are not historical facts. When used in this document, words such as "could", "plan", "estimate", "expect", "intend", "may", "potential", "should", and similar expressions are forward looking statements. Although Viking Ashanti 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.

Directors' Report

Your directors present their annual financial report on the consolidated entity (referred to hereafter as the "Group") consisting of Viking Ashanti Limited (the "Company" or "Parent") and the entities it controlled at the end of, or during, the financial year ended 30 June 2011. In order to comply with the Corporations Act, the directors report as follows:

Directors

The following persons were directors of the Company during the whole of the financial period and up to the date of this report:

John William Gardner (Non-Executive Chairman)

John William Gardner graduated with Bachelor of Engineering from the University of Melbourne in 1962. He has a Master of Business degree from Curtin University. He is a Fellow of The Institution of Engineers Australia.

Mr Gardner has a long and distinguished career in servicing the mining Industry in Australia as well as in West Africa. As a director and General Manager of Minproc Engineers he was responsible for design and construction of gold and base metal plants. He established Minproc in Ghana where they became that country's leading mining project engineers. He completed many project feasibility studies including geology, resources, mine plans and process plants. When he left the company Minproc Engineers had built more than 60 gold treatment plants.

In Ghana he also headed Ghana Manganese Company (GMC) as executive Chairman after negotiating the purchase of its projects from the Government of Ghana. Privately owned, GMC grew from 300,000 tpa to 1.7 million tpa of Manganese carbonate shipments, until it was acquired for cash.

Mr Gardner has been a director of Mincor Resources Limited since its inception and 1996 ASX listing having completed an IPO raising of \$8 million. Mincor today is an ASX top 200 Company. It operates 6 underground nickel sulphide mines and with resources growing year on year. Last financial year it reported \$106 million PBATDA. Mincor has spun out a copper company Tethyan Copper with an ASX listing and IPO of \$3 million. Tethyan was in joint venture with BHP Billiton, and when it was taken over by Antofagasta, a major copper producer in joint venture with Barrick Gold Corporation, for more than \$150 million; it had a resource above 1 billion tonne of low grade near surface porphyry copper with 20Moz of low grade gold contained.

Mr Gardner was also associated with Guinor from 1993 as a consultant to the company. He took an executive role in 1996, overseeing a number of expansions of the Lero heap leach project, and was pivotal in the development of the LEFA Corridor Project, including the detailed Feasibility Study, bank due diligence, the locating and purchasing from RTZ of a large process plant of 8 million tonne of ore per annum. Guinor was taken over by Crew Gold Corporation Inc (Crew) before completion of the LEFA Corridor gold mine.

Peter McMickan (Managing Director)

Peter McMickan graduated with an Honors Degree in Geology from the University of Melbourne, Australia in 1977. He has post-graduate qualifications in Mineral Economics from Macquarie University and is a Member of the Australasian Institute of Mining and Metallurgy.

His professional career has spanned 30 years worldwide with a number of major, well respected international exploration and mining companies including Newmont, Pancontinental Mining, BP Minerals, Kalgoorlie Consolidated Gold Mines and Homestake. He is a highly regarded geologist and manager, with a proven track record of business and technical success throughout his career.

His more recent experience covers corporate, senior management and technical supervision of mining, development and exploration projects throughout Australia, Africa and Europe. He managed the mine geology, exploration and successful resource development of Guinor's Lero gold project in Guinea, West Africa. During his four years with the company, the company's exploration spend increased to US\$1 million per month, which sustained the existing heap leach operation and resulted in expansion of the resource to over 4Moz of gold in the space of two years. This expanded resource base underpinned a major re-development of the Lero project to a 6Mtpa CIP/CIL operation producing 350,000 ounces of gold per year.

Mr McMickan was also involved in Guinor's re-domiciliation from Oslo to London, and listing the company on the Toronto Stock Exchange. He has, in the past six years been involved in the re-capitalization and positive market re-rating of three exploration and mining companies.

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Directors' Report

Mr McMickan joins Viking Ashanti from Aditya Birla Minerals Ltd, one of Australia's largest copper producers, where he was General Manager of Geology and Business Development. During his period of employment he was responsible for worldwide evaluation of advanced copper projects, the ongoing development of the Esperanza South and Maroochydore copper projects and new exploration discoveries in the Pilbara region of Western Australia.

Trygve Kroepelien (Non-Executive Director)

Trygve Kroepelien is a graduate of Dartmouth College, N.H., USA (BA) and Tuck School of Business Administration, N.H, USA (MBA).

His professional career has been focused on administration of natural resources, initially within the UN organization, and subsequently with Norwegian consulting companies supplying services to the developing world.

Mr Kroepelien has a wealth of successful experience throughout West Africa, particularly in Guinea, Ghana, Burkina Faso and Mauritania. For the last 30 years he has been active in the private sector, promoting mineral resource projects in West Africa. In 1986 Mr Kroepelien was appointed CEO and Managing Director of Kenor ASA (which subsequently changed its name to Guinor), a Norwegian emerging junior explorer. Guinor acquired the Dinguiraye exploration permits in Guinea (Conakry) initially with a 17.6% indirect participation. Under Mr Kroepelien's management, Guinor listed as the first gold explorer on the Oslo Exchange (OSX) in 1994. It subsequently, built a resource and a reserve to JORC standards and eventually inaugurated the first industrial gold mine in Guinea in 1996 (Société Minière de Dinguiraye – SMD).

In 1998, Guinor acquired 85% direct control of the SMD and eventually expanded it to a production of >100 000 oz in 2002. Mr Kroepelien was then responsible for securing USD 40 million in financing in 2002 and 2003 to undertake an extensive exploration program significantly increasing the company's certified resources.

Mr Kroepelien left Guinor December 2003 at which time the company had achieved a JORC certified resource of 4Moz and was planning a production expansion to 350,000 oz pa.

During Mr Kroepelien's tenure with Guinor the company grew from an initial capitalization of US2 million to US130 million.

Mr Kroepelien has continued to play an active role in the development of West African mineral resources remains a non-executive board member of SMD. He is also closely associated with the development of uranium deposits in Mauritania and Guinea as well as bauxite in Guinea.

Mark Newlands (Non-Executive Director)

Mr Newlands was appointed a director on 28th January 2010.

Mr. Newlands is based in the UK and has over 20 years experience in the investment banking and broking industries, most recently as Head of Equity Capital Markets in London at Enskilda Securities, the leading Scandinavian investment bank. During this time he executed numerous initial public offerings, as well as other capital raisings, rights issues and secondary share placings on behalf of European companies in a range of sectors. These transactions were marketed to a wide range of UK, Continental European and other international investors. Prior to Enskilda, he held senior positions at Nikko Securities, Europe and BZW (the then investment banking subsidiary of Barclays Bank PLC). He is currently a director of privately owned merchant banking firm Emerald Partners.

Mr. Newlands holds a BA in Economics from Oxford University and an MBA from INSEAD, business school, Fontainebleau.

Interests in the shares and options of the Company and related bodies corporate

The following relevant interests in shares and options of the Company or a related body corporate were held by the directors as at the date of this report.

Directors	Number of options over ordinary shares	Number of fully paid ordinary shares
John Gardner	1,500,000	4,000,000
Peter McMickan	2,500,000	2,700,000
Trygve Kroepelien	1,000,000	4,000,000
Mark Newlands	1,000,000	200,000

Directors' Report

Company secretary

Michael Langoulant

Mr Langoulant is a Chartered Accountant with 20 years' experience in corporate administration and fundraising for public companies. Mr Langoulant ten years with large international accounting firms, and has acted as chief financial officer, company secretary and non-executive director for a number of publicly listed companies. Mr Langoulant established his own corporate services consultancy firm in 1994.

Principal activities

The principal activity of the Group during the financial period was investment in mineral exploration projects.

Dividends

No dividend has been paid or declared since the start of the financial period and the directors do not recommend the payment of a dividend in respect of the financial period.

Review of operations

Information on the operations of the Group is set out in the review of Operations Report on pages 5 to 14 of this Annual Report.

Significant changes in the state of affairs

There have been no significant changes in the state of affairs of the Group to the date of this report.

Matters subsequent to the end of the financial period

There has not been any matter or circumstance that has arisen after balance date that has significantly affected, or may significantly affect, the operations of the Group, the results of those operations, or the state of affairs of the Group in future financial periods.

Likely developments and expected results

Additional comments on expected results of certain operations of the Group are included in the review of operations and activities.

Environmental legislation

The Group is subject to significant environmental legal regulations in respect to its exploration and evaluation activities in Ghana. There have been no known breaches of these regulations and principles.

Indemnification and insurance of directors and officers

During the financial period the Company did not pay premiums in respect of insuring directors and officers of the Company against liabilities incurred as directors or officers. However, since year end the Company has paid premiums in respect of a contract insuring all directors and officers of the Company and its controlled entities against liabilities incurred as directors or officers to the extent permitted by the *Corporations Act 2001*. Due to a confidentiality clause in the contract the amount of the premium has not been disclosed.

Meetings of directors

During the financial period there were 6 formal directors' meetings. All other matters that required formal Board resolutions were dealt with via written circular resolutions. In addition, the directors met on an informal basis at regular intervals during the financial period to discuss the Group's affairs.

The number of meetings of the Company's board of directors attended by each director were:

	<i>Directors' meetings held whilst in office</i>	<i>Directors' meetings attended</i>
J Gardner	5	5
P McMickan	5	5
T Kroepelien	5	4
M Newlands	5	5

Directors' Report

Shares under option

Outstanding share options at the date of this report are as follows:

Grant Date	Date of expiry	Exercise price	Number of options
29 January 2010	31 December 2012	\$0.345	6,000,000

No option holder has any right under the options to participate in any other share issue of the Company or any other controlled entity.

Shares issued on the exercise of options

There have been no shares issued upon the exercise of options.

Remuneration Report

This report outlines the remuneration arrangements in place for the key management personnel of Viking Ashanti Limited (the "Company") for the financial year ended 30 June 2011. The information provided in this remuneration report in relation to the current financial year has been audited as required by Section 308(3C) of the Corporations Act 2001.

The remuneration report details the remuneration arrangements for key management personnel ("KMP") who are defined as those persons having authority and responsibility for planning, directing and controlling the major activities of the Company and the Group, directly or indirectly, including any director (whether executive or otherwise) of the Company, and includes all executives of the Company and the Group

Key Management Personnel

(i) Directors

J Gardner (Chairman)

P McMickan (Managing Director)

T Kroepelien (Non-Executive Director)

M Newland (Non-Executive Director)

(ii) Executive

M Langoulant (Company Secretary)

Details of directors' and executives' remuneration are set out under the following main headings:

- A Principles used to determine the nature and amount of remuneration
- B Details of remuneration
- C Employment contracts/Consultancy agreements
- D Share-based compensation

Directors' Report

Remuneration Report (cont)

A Principles used to determine the nature and amount of remuneration

The objective of the Company's executive reward framework is to ensure reward for performance is competitive and appropriate for the results delivered. The framework aims to align executive reward with the creation of value for shareholders. The key criteria for good reward governance practices adopted by the Board are:

- competitiveness and reasonableness
- acceptability to shareholders
- performance incentives
- transparency
- capital management

The framework provides a mix of fixed salary, consultancy agreement based remuneration, and share based incentives. The broad remuneration policy for determining the nature and amount of emoluments of Board members and senior executives of the Company is governed by the full board. Although there is no separate remuneration committee the Board's aim is to ensure the remuneration packages properly reflect directors and executives duties and responsibilities. The Board assesses the appropriateness of the nature and amount of emoluments of such officers on a periodic basis by reference to relevant employment market conditions with the overall objective of ensuring maximum stakeholder benefit from the retention and motivation of a high quality Board and executive team.

The current remuneration policy adopted is that no element of any director/executive package be directly related to the Company's financial performance. Indeed there are no elements of any director or executive remuneration that are dependent upon the satisfaction of any specific condition. The overall remuneration policy framework however is structured in an endeavour to advance/create shareholder wealth.

Non-executive directors

Fees and payments to non-executive directors reflect the demands which are made on, and the responsibilities of, the directors. Non-executive directors' fees and payments are reviewed annually by the Board and are intended to be in line with the market.

Directors' fees

One of the directors is an executive with the remainder being non-executive. Each non- director receives a separate fixed fee for their services as directors. The current non-executive director fee is set at \$75,000 per annum for the Chairman and \$50,000 per annum per non-executive director.

Retirement allowances for directors

Apart from superannuation payments paid on salaries there are no retirement allowances for directors.

Executive pay

The executive pay and reward framework has the following components:

- base pay and benefits such as superannuation
- long-term incentives through participation in employee equity issues

Base pay

All executives are either full time employees or consultants that are paid on an agreed basis that have been formalised in consultancy agreements.

Benefits

Apart from superannuation paid on executive salaries there are no additional benefits paid to executives.

Short-term incentives

There are no current short term incentive remuneration arrangements.

Employee/Consultant options

To ensure that the Company has appropriate mechanisms in place to continue to attract and retain the services of suitable directors and employees, the Company has issued options to key personnel.

No options were issued in the year ended 30 June 2011. During the year ended 30 June 2010 the Company issued 6,000,000 Options exercisable at \$0.345 on or before 31 December 2012 to directors.

Directors' Report

Remuneration Report (cont)

B Details of remuneration

Amounts of remuneration

Details of the remuneration of the directors and key management personnel (as defined in AASB 124 *Related Party Disclosures*) of the Company and the Group for the year ended 30 June 2011 are set out in the following tables. There are no elements of remuneration that are directly related to performance.

The key management personnel of the Group are the directors of the Company and those executives that have authority and responsibility for planning, directing and controlling the activities of the Group.

Remuneration of key management personnel

Year ended	<i>Primary benefits</i>		<i>Post-employment benefits</i>	<i>Share-based payment</i>	
30 June 2011	<i>Salary and/or consulting fees</i>	<i>Directors' fees</i>	<i>Super-annuation</i>	<i>Equity option issues</i>	<i>TOTAL</i>
Name	\$	\$	\$	\$	\$
Director					
J Gardner	-	52,888	5,510	-	58,398
P McMickan	236,867	-	36,700	-	273,567
T Kroepelien	-	-	37,929	-	37,929
M Newlands	-	-	36,963	-	36,963
Key management personnel					
M Langoulant*	-	-	-	-	-
Year ended 30 June 2010					
Director					
J Gardner	53,894	8,333	-	34,200	96,427
P McMickan	80,367	-	3,525	57,000	140,892
T Kroepelien	10,652	5,833	-	22,800	39,285
M Newlands	-	5,833	-	22,800	28,633
Key management personnel					
M Langoulant*	-	-	-	-	-

* Fees for bookkeeping, accounting and corporate administration services of \$72,000 (2010:\$42,000) were paid to a company of which he is a director and shareholder

C Employment contracts/Consultancy agreements

On appointment to the Board, all Non-Executive Directors enter into a service agreement with the Company in the form of a letter of appointment. A formal employment contract has been made with the Managing Director.

The details of the Managing Director's consulting contract are summarised below:

- Term of agreement – 3 years from 10 May 2010
- Salary of \$335,000 pa plus statutory superannuation to be reviewed annually
- Payment of a termination benefit on early termination by the Company of no more than 12 months remuneration

Directors' Report

Remuneration Report (cont)

D Share-based compensation

Options

Options are granted to employees and consultants as determined by the board. There have been no options issued during the last financial year.

Auditor independence and non-audit services

Section 307C of the *Corporations Act 2001* requires our auditors, Rothsay Chartered Accountants, to provide the directors of the Company with an Independence Declaration in relation to the audit of the annual report. This Independence Declaration is set out on page 23 and forms part of this directors' report for the year ended 30 June 2011.

Non-audit services

The Company may decide to employ the auditor on assignments additional to their statutory audit duties where the auditor's expertise and experience with the Company and/or the consolidated entity are important. The Company has considered the position and is satisfied that the provision of the non-audit services is compatible with the general standard of independence for auditors imposed by the *Corporations Act 2001*. The auditor has not provided any material non-audit services meaning that auditor independence was not compromised.

Proceedings on behalf of Company

No person has applied to the Court under section 237 of the *Corporations Act 2001* for leave to bring proceedings on behalf of the Company, or to intervene in any proceedings to which the Company is a party, for the purpose of taking responsibility on behalf of the Company for all or part of those proceedings.

No proceedings have been brought or intervened in on behalf of the Company with leave of the Court under section 237 of the *Corporations Act 2001*.

This report is made in accordance with a resolution of the directors.



J Gardner
Chairman
Perth, Western Australia
23 September 2011

*R*OTHSA Y

Level 18, Central Park Building, 152-158 St Georges Terrace, Perth WA 6000
P.O. Box 8716, Perth Business Centre WA 6849
Phone (08) 6364 5076 www.rothsay.com.au

The Directors
Viking Ashanti Limited
16 Ord Street
West Perth WA 6005

Dear Sirs

In accordance with Section 307C of the Corporations Act 2001 (the "Act") I hereby declare that to the best of my knowledge and belief there have been:

- i) no contraventions of the auditor independence requirements of the Act in relation to the audit of the 30 June 2011 financial statements; and
- ii) no contraventions of any applicable code of professional conduct in relation to the audit.



Graham Swan (Lead auditor)

Rothsay Chartered Accountants

Dated 23 September 2011



Chartered Accountants

Liability limited by the Accountants Scheme, approved
under the Professional Standards Act 1994 (NSW).

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CORPORATE GOVERNANCE STATEMENT

Viking Ashanti Limited (the “Company”) considers the adoption of appropriate systems of control and accountability as the basis for the administration of corporate governance. Some of these policies and procedures are summarised in this report. Commensurate with the spirit of the ASX Guidelines, the Company has followed each Recommendation where the Board has considered the recommendation to be an appropriate benchmark for corporate governance practices, taking into account factors such as the size of the Company and the Board, resources available and activities of the Company. Where, after due consideration, the Company's corporate governance practices depart from the Recommendations, the Board has offered full disclosure of the nature of, and reason for, the adoption of its own practice.

Further information about the Company's corporate governance practices, policies and Charters are set out on the Company's website at www.kvikingashanti.com. In accordance with the ASX Principles and Recommendations, information published on the Company's website includes charters (for the Board and its sub-committees), codes of conduct and other policies and procedures relating to the Board and its responsibilities.

Disclosure – Principles & recommendations

The Company reports below on how it has followed (or otherwise departed from) each of the Principles & Recommendations during the 2010/2011 financial year ("**Reporting Period**").

Composition of the Board

The Board comprises John William Gardner as Chairman, Peter McMickan as Managing Director, Trygve Kroepelien and Mark Newlands as Non-Executive Directors. The qualifications and other details of the Directors are set out in the Directors' Report.

The Constitution requires a minimum number of three and a maximum number of ten Directors. The number of Directors may be varied, pursuant to the provisions of the Constitution, but the minimum number of Directors must not be less than three.

The relevant provisions in the Constitution and the Corporations Act determine the terms and conditions relating to the appointment and termination of Directors. Directors, other than the Managing Director, are subject to re-election by rotation every three years.

Board Charter

The Board has adopted a Board Charter. Under the Board Charter, the Board is responsible for the overall operation and stewardship of the Company and its subsidiaries and, in particular, is responsible for:

- setting the strategic direction of the Company, establishing goals to ensure that these strategic objectives are met and monitoring the performance of management against these goals and objectives;
- ensuring there are adequate resources available to meet the Company's objectives;
- appointing the Managing Director, Company Secretary and Chief Financial Officer of the Company;
- evaluating the performance and determining the remuneration of senior executives, and ensuring that appropriate policies and procedures are in place for recruitment, training, remuneration and succession planning;
- evaluating the performance of each Director of the Company on an annual basis;
- approving and monitoring financial reporting and capital management;
- approving and monitoring the progress of business objectives;
- ensuring that any necessary statutory licences are held and compliance measures are maintained to ensure compliance with the law and licences;
- ensuring that adequate risk management procedures exist and are being used;
- ensuring that the Company has appropriate corporate governance structures in place, including standards of ethical behaviour and a culture of corporate and social responsibility;
- ensuring that the Board is and remains appropriately skilled to meet the changing needs of the Company; and
- ensuring procedures are in place for ensuring the Company's compliance with the law.

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Beyond those matters, the Board has delegated authority to the Managing Director for management of the Company's affairs. The role of management is to support the Managing Director and implement the running of the general operations and financial business of the Company.

Corporate Code of Conduct

The Board has established a Corporate Code of Conduct ("Code"), a copy of which is available on the Company's website, with which the Directors, officers, managers, employees and consultants of the Company are expected to comply in relation to the affairs of the Company and when dealing with each other, shareholders and the broader community. Given the size and the scope of the Company's operations, the Directors do not consider it necessary for Viking Ashanti to have a separate code of conduct for directors and senior executives, as they are covered by the Code.

The Code sets out the Company's policies on various matters, including the following:

- conflicts;
- fair dealing;
- Company assets and property;
- computer, email and internet use;
- confidential information;
- health, safety and environment;
- employment practices; and
- gifts and entertainment.

The Code also outlines the procedure for reporting any breaches of the Code and the possible disciplinary action the Company may take in respect of any breaches.

Securities Dealing Policy

The Board has adopted a Securities Dealing Policy, a copy of which is available on the Company's website. The Securities Dealing Policy sets out the requirements for all Directors, executives, employees, contractors, consultants and advisers (Designated Persons) of Viking Ashanti dealing in the Company's securities.

In order to ensure that the Designated Persons do not inadvertently breach the insider trading provisions of the Corporations Act, the Securities Dealing Policy sets out those times where Designated Persons are prohibited from dealing in the Company's securities and the times within which Designated Persons are recommended to deal in the Company's securities, provided that Designated Person is not in possession of any inside information relating to the Company at the time of dealing.

Directors and senior executives may not deal in the Company's securities without notifying the Managing Director. The Managing Director must notify the Chairman and the Company Secretary of the Managing Director's intention to trade and must subsequently notify the Company Secretary of any trade that has occurred.

Audit and Compliance Committee

Viking Ashanti has established an Audit and Compliance Committee (Audit committee). The Audit Committee operates under the Audit Committee Charter which lists the primary responsibilities of the Audit Committee being:

- review any financial reports published externally;
- monitor corporate risk assessment processes;
- review the nomination and performance of the external auditor;
- monitor the establishment of appropriate ethical standards;
- monitor the procedures to ensure compliance with the Corporations Act and the Listing Rules and all other regulatory requirements;
- address any matters outstanding with auditors, Australian Taxation Office, Australian Securities and Investments Commission, ASX Limited and financial institutions; and
- review the results and findings of the auditor, the adequacy of accounting and financial controls and to monitor the implementation of any recommendations made.

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The Audit Committee comprises Messrs Gardner, Kroepelien and Newlands.

Continuous Disclosure Policy

The Company is a “disclosing entity” pursuant to sections 111AR of the Corporations Act and, as such, will need to comply with the continuous disclosure requirements of Chapter 3 of the Listing Rules and section 674 of the Corporations Act. Subject to the exceptions contained in the Listing Rules, the Company will be required to disclose to ASX any information concerning the Company which is not generally available and which a reasonable person would expect to have a material effect on the price or value of the shares.

The Company is committed to observing its disclosure obligations under the Corporations Act and its obligations under the Listing Rules. All relevant information provided to ASX will be posted on the Company’s website.

Viking Ashanti has adopted a Continuous Disclosure Policy, a copy of which is available on the Company’s website. The purpose of the Continuous Disclosure Policy is to:

- ensure that the Company, as a minimum, complies with its continuous disclosure obligations under the Corporations Act and the Listing Rules and, as much as possible, seeks to achieve and exceed best practice;
- provide shareholders and the market with timely, direct and equal access to information issued by the Company; and
- promote investor confidence in the integrity of the Company and its securities.

Shareholder Communication Policy

Viking Ashanti has adopted a Shareholder Communication Policy, a copy of which is available on the Company’s website. The Shareholder Communication Policy outlines the processes through which the Company will endeavour to ensure timely and accurate information is provided equally to all shareholders and the broader market.

The Company supports shareholder participation in general meetings and mechanisms for enabling shareholder participation will be reviewed regularly to encourage the highest level of shareholder participation.

Risk Management Policy

Viking Ashanti has established a Risk Management Policy, a copy of which is available on the Company’s website. The purpose of the Risk Management Policy is to:

- provide a framework for identifying, assessing, monitoring and managing risk;
- communicate the roles and accountabilities of participants in the risk management system; and
- highlight the status of risks to which the Company is exposed, including any material changes to the Company’s risk profile.

The Board is responsible for:

- risk management and oversight of internal controls;
- establishing procedures which provide assurance that business risks are identified, consistently assessed and adequately addressed; and
- the overseeing of such procedures.

The Board will review assessments of the effectiveness of risk management and internal compliance and control on a quarterly basis.

Exceptions to ASX Recommendations

The Company sets out below its “if not why not” report in relation to those matters of corporate governance where the Company’s practice departs from the ASX Recommendations, to the extent that they are currently applicable to the Company.

ASX Recommendations 1.2 and 2.5 (Process for evaluation)

Viking Ashanti does not have in place a formal process for evaluation of the Board, individual Directors and senior executives. Given the small size of the Board and the nature of the Company’s activities, the Directors do not consider the establishment of a formal performance evaluation strategy to be necessary at present.

Performance evaluation is a discretionary matter for consideration by the entire Board and, in the normal course of events, the Board will review performance of the management, Directors and the Board as a whole.

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ASX Recommendation 2.1 (Independent Directors)

At present, the Board does not comprise a majority of independent directors. John William Gardner, Trygve Kroepelien and Mark Newlands are Non-Executive Directors, however, only Mr. Newlands is classified as independent. Given the size and scope of the Company's operations, the Directors consider that this is both appropriate and acceptable at this stage of the Company's development.

The Board considers that it has the relevant experience in the exploration and mining industry, and is appropriately structured, to discharge its duties in a manner that is in the best interests of the Company and its shareholders from both a long-term strategic and operational perspective.

The Board intends to appoint further independent Non-Executive Directors as suitably qualified candidates are identified and the size and scale of the Company's operations determine.

ASX Recommendation 2.4 (Nomination Committee)

Given the size and the scope of the Company's operations, the Directors do not consider it necessary for Viking Ashanti to have a separate Nomination Committee at present. The Board considers the matters and issues that would fall to the nomination committee. The Board considers that at this stage, no efficiencies or other benefits would be gained by establishing a separate nomination committee.

The Board intends to reconsider the requirement for and the benefit of a separate Nomination Committee as the Company's operations develop.

ASX Recommendation 4.2 (Composition of Audit Committee)

ASX Recommendation 4.2 recommends that an audit committee should be structured so that it:

- consists only of non-executive directors;
- consists of a majority of independent directors;
- is chaired by an independent chair, who is not chair of the Board; and
- has at least three members.

At present, the Board considers it impractical for the Company to comply with ASX Recommendation 4.2 given the current size of the Board and the scope of the Company's operations. However, the Board considers the composition of the Audit Committee will be sufficient to enable the Audit Committee to properly discharge its duties.

ASX Recommendation 8.1 (Remuneration Committee)

The Company has not established a separate remuneration committee and does not have a formal remuneration policy in place.

The role of remuneration committee is undertaken by the Board in the absence of the Managing Director. The Board considers that given its current size and that only one (1) Director holds an executive position in the Company, no efficiencies or other benefits would be gained by establishing a separate remuneration committee.

As the size of the Company evolves, the Board will consider the appropriateness of forming a separate remuneration committee having regard to the ASX Recommendations. The Board has stated its responsibilities with respect to remuneration policies and practices in the Board Charter.

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Statement of Comprehensive Income
For the year ended 30 June 2011

	Note	Consolidated 2011 \$	2010 \$
Other income	2	<u>263,851</u>	79,797
Loans written off		-	(17,223)
Share based payment expense		-	(136,800)
Other expenses	2	<u>(3,689,884)</u>	<u>(955,771)</u>
		<u>(3,689,884)</u>	<u>(1,029,997)</u>
Loss before income tax expense	2	(3,426,033)	(1,029,997)
Income tax expense	3	-	-
Loss after income tax expense		<u>(3,426,033)</u>	<u>(1,029,997)</u>
Net loss for the year		<u>(3,426,033)</u>	<u>(1,029,997)</u>
Other comprehensive income			
Exchange differences on translation of foreign operations		(128,550)	171,682
Income tax relating to components of other comprehensive income		-	-
Other comprehensive income, net of tax		<u>(128,550)</u>	<u>171,682</u>
Total comprehensive loss for the year		<u><u>(3,554,583)</u></u>	<u><u>(858,315)</u></u>
Loss attributable to:			
Owners of the Company		(3,144,260)	(995,735)
Non-Controlling Interest		(281,773)	(34,262)
		<u>(3,426,033)</u>	<u>(1,029,997)</u>
Total comprehensive loss attributable to:			
Owners of the Company		(3,272,810)	(824,053)
Non-Controlling Interest		(281,773)	(34,262)
		<u>(3,554,583)</u>	<u>(858,315)</u>
Basic loss per share (cents per share)	4	Cents (4.55)	<u>Cents</u> <u>(4.75)</u>

The above statement of comprehensive income should be read in conjunction with the accompanying notes.

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Statement of Financial Position
As at 30 June 2011

	Note	Consolidated 2011 \$	2010 \$
Current Assets			
Cash and cash equivalents	6	4,026,056	7,671,100
Trade and other receivables	7	127,004	143,311
Other financial assets	8	38,864	41,403
Total Current Assets		4,191,924	7,855,814
Non-Current Assets			
Plant and equipment	9	58,656	635
Exploration project acquisition costs	10	6,373,110	6,373,110
Total Non-Current Assets		6,431,766	6,373,745
Total Assets		10,623,690	14,229,559
Current Liabilities			
Trade and other payables	11	425,502	476,790
Total Current Liabilities		425,502	476,790
Non-Current Liabilities			
Borrowings		-	-
Total Non-Current Liabilities		-	-
Total Liabilities		425,502	476,790
Net Assets		10,198,188	13,752,769
Equity			
Issued capital	12	14,547,939	14,547,939
Reserves	13	179,932	308,482
Accumulated losses		(4,213,649)	(1,069,390)
Outside equity interest		(316,034)	(34,262)
Total Equity		10,198,188	13,752,769

The above statement of financial position should be read in conjunction with the accompanying notes.

Viking Ashanti Limited
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Statement of Changes in Equity
For the year ended 30 June 2011

	Issued capital	Accumulated losses	Share based payments reserve	Foreign currency translation reserve	Outside Equity Interest	Total equity
Consolidated	\$	\$	\$	\$	\$	\$
Balance at 1 July 2009	75,000	(73,655)	-	-	-	1,345
Loss for the period	-	(1,029,997)	-	-	-	(1,029,997)
Other comprehensive income	-	-	-	171,682	-	171,682
Total comprehensive loss for the year	-	(1,029,997)	-	171,682	-	(858,315)
Outside equity interest in loss	-	34,262	-	-	(34,262)	-
Shares issued during the period	15,200,000	-	-	-	-	15,200,000
Capital raising costs (note 14(b))	(727,061)	-	-	-	-	(727,061)
Share based compensation	-	-	136,800	-	-	136,800
Balance at 30 June 2010	14,547,939	(1,069,390)	136,800	171,682	(34,262)	13,752,769
Balance at 1 July 2010	14,547,939	(1,069,390)	136,800	171,682	(34,262)	13,752,769
Loss for the period	-	(3,426,033)	-	-	-	(3,426,033)
Other comprehensive income	-	-	-	(128,550)	-	(128,550)
Total comprehensive loss for the year	-	(3,426,033)	-	(128,550)	-	(3,554,583)
Outside equity interest in loss	-	281,773	-	-	(281,773)	-
Shares issued during the period	-	-	-	-	-	-
Capital raising costs (note 14(b))	-	-	-	-	-	-
Share based compensation	-	-	-	-	-	-
Balance at 30 June 2011	14,547,939	(4,213,649)	136,800	43,132	(316,034)	10,198,188

The above statement of changes in equity should be read in conjunction with the accompanying notes.

Viking Ashanti Limited
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Statement of Cash Flows
For the year ended 30 June 2011

		Consolidated	
		Inflows/ (Outflows)	Inflows/ (Outflows)
		2011	2010
Note		\$	\$
Cash flows from operating activities			
Payments to suppliers and employees		(1,426,143)	(507,241)
Interest received		263,851	79,797
		(1,162,292)	(427,444)
Net cash outflow from operating activities	21(a)	(1,162,292)	(427,444)
Cash flows from investing activities			
Purchase of plant and equipment		(74,668)	(635)
Repayment of shareholder loans		-	(5,000)
Payments for exploration and evaluation		(2,408,084)	(373,110)
		(2,482,752)	(378,745)
Net cash outflow from investing activities		(2,482,752)	(378,745)
Cash flows from financing activities			
Proceeds from the issue of shares/options		-	9,200,000
Capital raising costs		-	(727,061)
		-	8,472,939
Net cash inflow from financing activities		-	8,472,939
Net increase/(decrease) in cash held		(3,645,044)	7,666,750
Cash at the beginning of reporting period		7,671,099	4,349
Cash at the end of the reporting period	6	4,026,056	7,671,099

The above statement of cash flows should be read in conjunction with the accompanying notes.

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Notes to the financial statements
For the year ended 30 June 2011

Note 1: Statement of significant accounting policies

(a) Basis of preparation

The financial report is a general-purpose financial report, which has been prepared in accordance with the requirements of the *Corporations Act 2001*, Accounting Standards and Interpretations and complies with other requirements of the law. The financial report has also been prepared on a historical cost basis. The Company is registered and domiciled in Australia.

(b) Adoption of new and revised standards

Changes in accounting policies on initial application of Accounting Standards

In the year ended 30 June 2011, the Group has reviewed all of the new and revised Standards and Interpretations issued by the AASB that are relevant to its operations and effective for the current annual reporting period. It has been determined by the Group that there is no impact, material or otherwise, of the new and revised Standards and Interpretations on its business and, therefore, no change is necessary to Group accounting policies.

The Group has also reviewed all new Standards and Interpretations that have been issued but are not yet effective for the year ended 30 June 2011. As a result of this review the Directors have determined that there is no impact, material or otherwise, of the new and revised Standards and Interpretations on its business and, therefore, no change necessary to Group accounting policies.

(c) Statement of compliance

The financial report was authorised by the Board of directors for issue on 22 September 2011.

The financial report complies with Australian Accounting Standards, which include Australian equivalents to International Financial Reporting Standards (AIFRS). Compliance with AIFRS ensures that the financial report, comprising the financial statements and notes thereto, complies with International Financial Reporting Standards (IFRS).

(d) Basis of consolidation

The consolidated financial statements comprise the financial statements of Viking Ashanti Limited and its controlled entities as at 30 June (the Group).

The financial statements of the controlled entities are prepared for the same reporting period as the Parent, using consistent accounting policies.

In preparing the consolidated financial statements, all intercompany balances and transactions, income and expenses and profit and losses resulting from intra-group transactions have been eliminated in full. Controlled entities are fully consolidated from the date on which control is transferred to the Group and cease to be consolidated from the date on which control is transferred out of the Group. Control exists where the Company has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

(e) Significant accounting judgements estimates and assumptions

The carrying amounts of certain assets and liabilities are often determined based on estimates and assumptions of future events. The key estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of certain assets and liabilities within the next annual reporting period are:

Deferred exploration expenditure:

The Group's main activity is exploration and evaluation for minerals. The nature of exploration activities are such that it requires interpretation of complex and difficult geological models in order to make an assessment of the size, shape, depth and quality of resources and their anticipated recoveries. The economic, geological and technical factors used to estimate mining viability may change from period to period. In addition exploration activities by their nature are inherently uncertain. Changes in all these factors can impact exploration asset carrying values.

Share-based payment transactions:

The Group measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined by using a Black and Scholes model.

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Notes to the financial statements
For the year ended 30 June 2011

Note 1: Statement of significant accounting policies (continued)

(f) Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognised:

(i) Interest income

Interest revenue is recognised on a time proportionate basis that takes into account the effective yield on the financial asset.

(g) Cash and cash equivalents

Cash comprises cash at bank and in hand. Cash equivalents are short term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. Temporary bank overdrafts are included in cash at bank and in hand. Permanent bank overdrafts are shown within borrowings in current liabilities in the balance sheet.

For the purposes of the statement of cash flows, cash and cash equivalents consist of cash and cash equivalents as defined above, net of outstanding bank overdrafts.

(h) Income tax

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the balance sheet date.

Deferred income tax is provided on all temporary differences at the balance date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred income tax liabilities are recognised for all taxable temporary differences except:

- when the deferred income tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and that, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; or
- when the taxable temporary difference is associated with investments in controlled entities, associates or interests in joint ventures, and the timing of the reversal of the temporary difference can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred income tax assets are recognised for all deductible temporary differences, carry-forward of unused tax assets and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and the carry-forward of unused tax credits and unused tax losses can be utilised, except:

- when the deferred income tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; or
- when the deductible temporary difference is associated with investments in controlled entities, associates or interests in joint ventures, in which case a deferred tax asset is only recognised to the extent that it is probable that the temporary difference will reverse in the foreseeable future and taxable profit will be available against which the temporary difference can be utilised.

The carrying amount of deferred income tax assets is reviewed at each balance date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilised.

Unrecognised deferred income tax assets are reassessed at each balance date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the financial period when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the balance date.

Income taxes relating to items recognised directly in equity are recognised in equity and not in profit or loss.

Deferred tax assets and deferred tax liabilities are offset only if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred tax assets and liabilities relate to the same taxable entity and the same taxation authority.

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Notes to the financial statements
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Note 1: Statement of significant accounting policies (continued)

(i) Other taxes

Revenues, expenses and assets are recognised net of the amount of GST except:

- when the GST incurred on a purchase of goods and services is not recoverable from the taxation authority, in which case the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and
- receivables and payables, which are stated with the amount of GST included.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the balance sheet.

Cash flows are included in the statement of cash flows on a gross basis and the GST component of cash flows arising from investing and financing activities, which is recoverable from, or payable to, the taxation authority, are classified as operating cash flows.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the taxation authority.

(j) Plant and equipment

Plant and equipment is stated at cost less accumulated depreciation and any accumulated impairment losses.

Depreciation is calculated on a straight-line basis over the estimated useful life of the assets as follows:

Office equipment – 20%

Plant and equipment – 20% - 40%

The assets' residual values, useful lives and amortisation methods are reviewed, and adjusted if appropriate, at each financial period end.

(k) Impairment of assets

The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, the Group makes an estimate of the asset's recoverable amount. An asset's recoverable amount is the higher of its fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets and the asset's value in use cannot be estimated to be close to its fair value. In such cases the asset is tested for impairment as part of the cash-generating unit to which it belongs. When the carrying amount of an asset or cash-generating unit exceeds its recoverable amount, the asset or cash-generating unit is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Impairment losses relating to continuing operations are recognised in those expense categories consistent with the function of the impaired asset unless the asset is carried at re-valued amount (in which case the impairment loss is treated as a revaluation decrease).

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Notes to the financial statements
For the year ended 30 June 2011

Note 1: Statement of significant accounting policies (continued)

An assessment is also made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the recoverable amount is estimated. A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case the carrying amount of the asset is increased to its recoverable amount. That increased amount cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior financial periods. Such reversal is recognised in profit or loss unless the asset is carried at revalued amount, in which case the reversal is treated as a revaluation increase. After such a reversal the depreciation charge is adjusted in future periods to allocate the asset's revised carrying amount, less any residual value, on a systematic basis over its remaining useful life.

(l) Trade and other payables

Trade payables and other payables are carried at amortised costs and represent liabilities for goods and services provided to the Group prior to the end of the financial period that are unpaid and arise when the Group becomes obliged to make future payments in respect of the purchase of these goods and services.

(m) Provisions

Where applicable, provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

When the Group expects some or all of a provision to be reimbursed, for example under an insurance contract, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is presented in the statement of comprehensive income net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects the risks specific to the liability.

When discounting is used, the increase in the provision due to the passage of time is recognised as a borrowing cost.

(n) Employee leave benefits

Wages, salaries, annual leave and sick leave

Liabilities for wages and salaries, including non-monetary benefits, annual leave and accumulating sick leave expected to be settled within 12 months of the reporting date are recognised in other payables in respect of employees' services up to the reporting date. They are measured at the amounts expected to be paid when the liabilities are settled. Liabilities for non-accumulating sick leave are recognised when the leave is taken and are measured at the rates paid or payable.

(o) Share-based payment transactions

Equity settled transactions:

The Group provides benefits to employees and consultants of the Group in the form of share-based payments, whereby employees render services in exchange for shares or rights over shares (equity-settled transactions).

The cost of these equity-settled transactions with employees and consultants is measured by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined by using the Black and Scholes model.

The cost of equity-settled transactions is recognised, together with a corresponding increase in equity, over the period in which any performance and/or service conditions are fulfilled, ending on the date on which the relevant employees become fully entitled to the award (the vesting period).

The cumulative expense recognised for equity-settled transactions at each reporting date until vesting date reflects (i) the extent to which the vesting period has expired, and

(ii) the Group's best estimate of the number of equity instruments that will ultimately vest. No adjustment is made for the likelihood of market performance conditions being met as the effect of these conditions is included in the determination of fair value at grant date. The statement of comprehensive income charge or credit for a period represents the movement in cumulative expense recognised as at the beginning and end of that period.

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Notes to the financial statements
For the year ended 30 June 2011

Note 1: Statement of significant accounting policies (continued)

(p) Issued capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

(q) Earnings per share

Basic earnings per share is calculated as net profit attributable to members of the parent, adjusted to exclude any costs of servicing equity (other than dividends) and preference share dividends, divided by the weighted average number of ordinary shares.

Diluted earnings per share is calculated as net profit attributable to members of the parent, adjusted for:

- costs of servicing equity (other than dividends) and preference share dividends;
- the after tax effect of dividends and interest associated with dilutive potential ordinary shares that have been recognised as expenses; and
- other non-discretionary changes in revenues or expenses during the period that would result from the dilution of potential ordinary shares, divided by the weighted average number of ordinary shares and dilutive potential ordinary shares.

(r) Exploration and evaluation expenditure

Exploration costs are expensed as incurred. Acquisition costs are accumulated in respect of each separate area of interest. Acquisition costs are carried forward where right of tenure of the area of interest is current and they are expected to be recouped through the sale or successful development and exploitation of the area of interest or, where exploration and evaluation activities in the area of interest have not yet reached a stage that permits reasonable assessment of the existence of economically recoverable reserves. When an area of interest is abandoned or the Directors' decide that it is not commercial, any accumulated acquisition costs in respect of that area are written off in the financial period and accumulated acquisition costs written off to the extent that they will not be recovered in the future. Amortisation is not charged on acquisition costs carried forward in respect of areas of interest in the development phase until production commences.

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Notes to the financial statements
For the year ended 30 June 2011

	Consolidated	
	2011	2010
	\$	\$
Note 2: Revenue and expenses		
(a) Revenue from continuing operations		
<i>Other revenue</i>		
Interest received	263,851	79,797
(b) Expenses		
Loss from ordinary activities before income tax expense includes the following specific expenses:		
Exploration and project evaluation	2,408,084	-
Auditors' fees	99,062	177,131
Employee costs	455,915	380,683
Consultants	294,131	122,444
Investor relations	6,250	68,717
	6,250	68,717
Note 3: Income tax		
Income tax expense recognised in income statement		
<i>Current income tax</i>		
Current income tax payable	-	-
<i>Deferred income tax</i>		
Relating to origination and reversal of temporary differences	-	-
	-	-
Income tax expense/(benefit) reported in statement of comprehensive income	-	-
Reconciliation to income tax expense on accounting loss		
Accounting loss before tax	(3,144,260)	(1,029,997)
Tax expense (revenue) at the statutory income tax rate of 30%	(943,278)	(308,999)
Sundry non-deductible expenses	38,779	135,620
Unrealised tax losses not recognised	904,499	173,379
	904,499	173,379
Income tax expense	-	-

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Notes to the financial statements
For the year ended 30 June 2011

Note 3: Income tax (cont)

	Consolidated 2011	2010
	\$	\$
Unrecognised deferred tax balances		
Deferred tax assets:		
Share issue costs	218,118	218,118
Tax revenue losses	1,099,948	195,449
	1,318,066	413,567
Deferred tax liabilities:		
Exploration expenses	-	-
Net unrecognised deferred tax assets	1,318,066	435,637

Note 4: Earnings per share

Total basic loss per share (cents)	(4.55)	(4.75)
The loss and weighted average number of ordinary shares used in the calculation of basic loss per share is as follows:		
Net loss for the period	(3,144,260)	(995,735)
The weighted average number of ordinary shares	(69,166,667)	20,984,018

The diluted loss per share is not reflected as the result is anti-dilutive.

Note 5: Segment information

The Group has adopted AASB 8 *Operating Segments* which requires operating segments to be identified on the basis of internal reports about components of the Group that are reviewed by the chief operating decision-maker in order to allocate resources to the segment and to assess its performance.

The Board of Viking Ashanti Limited reviews internal reports prepared as consolidated financial statements and strategic decisions of the Group are determined upon analysis of these internal reports. During the period the Group operated predominately in one business and geographical segment, being the resources sector in Ghana. Accordingly under the management approach outlined only one operating sector has been identified and no further disclosures are required in the notes to the consolidated financial statements.

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Notes to the financial statements
For the year ended 30 June 2011

Note 6: Cash and cash equivalents

	Consolidated 2011 \$	2010 \$
Cash at bank and on hand	223,631	292,280
Short term deposits	3,802,426	7,378,820
	<u>4,026,056</u>	<u>7,671,100</u>

(a) Reconciliation to Statement of Cash Flows

The above figures agree to cash at the end of the financial period as shown in the Statement of Cash Flows.

(b) Cash at bank and on hand

These are non- interest bearing accounts.

(c) Deposits at call

The deposits are at interest rates of 5.4%. These deposits are available at call.

(d) Cash balances not available for use

There are no cash balances not available for use (2010: nil).

Note 7: Trade and other receivables

GST	33,348	90,240
Other receivables	93,657	53,071
	<u>127,004</u>	<u>143,311</u>

Note 8: Other financial assets

Prepaid expenses	<u>38,864</u>	<u>41,403</u>
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Notes to the financial statements
For the year ended 30 June 2011

Note 9: Plant and equipment

Consolidated

	Plant and equipment \$	Total \$
Year ended 30 June 2011		
Opening balance	635	635
Additions	74,668	74,668
Movement in foreign exchange	129	129
Depreciation charge	(16,776)	(16,776)
Closing net book value	58,656	58,656
At 30 June 2011		
Cost or fair value	75,303	75,303
Accumulated depreciation	(16,647)	(16,647)
Net carrying amount	58,656	58,656
Year ended 30 June 2010		
Opening balance	-	-
Additions	635	635
Scrapped	-	-
Depreciation charge	-	-
Closing net book value	635	635
At 30 June 2010		
Cost or fair value	635	635
Accumulated depreciation	-	-
Net carrying amount	635	635

The depreciation rates are as follows:
Plant and equipment 20-40%

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Notes to the financial statements
For the year ended 30 June 2011

Note 10: Exploration project acquisition costs

	Consolidated 2011	2010
	\$	\$
Opening balance	6,373,110	-
Project acquisition costs	-	6,373,110
Project acquisition costs written off	-	-
Acquisition costs in respect of areas of interest in the exploration phase	6,373,110	6,373,110

The recoupment of exploration project acquisition costs carried forward is dependent upon the recoupment of costs through successful development and commercial exploitation, or alternatively by sale of the respective areas.

Note 11: Trade and other payables

Trade payables *	383,950	338,216
Other payables	41,552	138,574
	425,502	476,790

* Trade payables are non-interest bearing and are normally paid on 30 day terms.

Note 12: Issued capital

(a) Ordinary shares issued

69,166,667 (2010: 69,166,667) ordinary shares	14,547,939	14,547,939
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Holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at shareholders' meetings. In the event of winding up of the parent entity, ordinary shareholders rank after all creditors and are fully entitled to any proceeds on liquidation.

(b) Movements in ordinary share capital:

Date	Details	Number of shares	Issue Price	\$
30 June 2010	Balance at the beginning of the year	69,166,667		14,547,939
	Shares issued during the year	-		-
30 June 2011		69,166,667		14,547,939

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Notes to the financial statements
For the year ended 30 June 2011

Note 12: Issued capital (continued)

(c) Share options

	Number of options	
	2011	2010
Employee Options exercisable at \$0.345 on or before 31 December 2012	6,000,000	6,000,000

(d) Movements in share options

Employee Options to acquire ordinary fully paid shares at \$0.345 on or before 31 December 2012:		
Beginning of the financial year	6,000,000	-
Options issued during year	-	6,000,000
Balance at end of financial year	6,000,000	6,000,000

Note 13: Reserves

	Consolidated	
	2011	2010
	\$	\$
Share compensation reserve	136,800	136,800
Foreign currency translation reserve	43,132	171,682
	179,932	308,482

- (a) Share compensation reserve
The share compensation reserve is used to record the value of equity benefits provided to consultants and directors as part of their remuneration. Refer Note 14.
- (b) Foreign currency translation reserve
The foreign currency translation reserve represents foreign exchange movements on the translation of financial statements for controlled entities from the functional currency into the presentation currency of Australian dollars.

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Notes to the financial statements
For the year ended 30 June 2011

Note 14: Share based payments

Share based payments consists of listed and unlisted options issued to directors and consultants. The expense is recognised in the Statement of Comprehensive Income and Statement of Changes in Equity. The following share-based payment arrangements were in place during the current and prior periods:

	Number	Grant date	Expiry Date	Exercise price \$	Fair value at grant date
Unlisted employee options	6,000,000	29/1/2010	31/12/2012	\$0.345	\$0.023

Fair value of options granted

The fair value of the equity-settled share options granted to directors has been estimated as at the date of grant using the Black and Scholes model taking into account the terms and conditions upon which the options were granted.

The following table lists the inputs to the Black and Scholes model used:

	Unlisted
Dividend yield %	Nil
Expected volatility %	100%
Risk-free interest rate %	4.63%
Life of option	35 months
Exercise price	\$0.345
Grant date share price	\$0.10

The expected life of the options is based on historical data and is not necessarily indicative of exercise patterns that may occur. The expected volatility reflects the assumption that the historical volatility is indicative of future trends, which may also not necessarily be the actual outcome. No other features of options granted were incorporated into the measurement of fair value.

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Notes to the financial statements
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Note 15: Financial instruments

(a) Capital risk management

Prudent capital risk management implies maintaining sufficient cash and marketable securities to ensure continuity of tenure to exploration assets and to be able to conduct the Group's business in an orderly and professional manner. The Board monitors its future capital requirements on a regular basis and will when appropriate consider the need for raising additional equity capital or to farm-out exploration projects as a means of preserving capital. The Board currently has a policy of not entering into any debt arrangements.

(b) Categories of financial instruments

The Group's principal financial instruments comprise of cash and short-term deposits.

The main purpose of these financial instruments is to raise finance for the Group's operations. The Group has various other financial assets and liabilities such as receivables and trade payables, which arise directly from its operations. It is, and has been throughout the period under review, the Group's policy that no trading in financial instruments shall be undertaken.

(c) Financial risk management objectives

The Group is exposed to market risk (including, interest rate risk and equity price risk), credit risk and liquidity risk.

The main risks arising from the Group's financial instruments are interest rate risk and credit risk. The Board reviews and agrees policies for managing each of these risks and they are summarised below.

(d) Market risk

There has been no change to the Group's exposure to market risks or the manner in which it manages and measures the risk from the previous period.

(i) Interest rate risk management

All cash balances attract a floating rate of interest. Excess funds that are not required in the short term are placed on deposit for a period of no more than 6 months. The Group's exposure to interest rate risk and the effective interest rate by maturity periods is set out below.

Interest rate sensitivity analysis

As the Group has no interest bearing borrowings its exposure to interest rate movements is limited to the amount of interest income it can potentially earn on surplus cash deposits.

At 30 June 2011, if interest rates had changed by +/- 50 basis points and all other variables were held constant, the Group's after tax loss would have been \$25,000 (2010: \$9,000) lower/higher as a result of higher/lower interest income on cash and cash equivalents.

(e) Credit risk management

Credit risk relates to the risk that counterparties will default on their contractual obligations resulting in financial loss to the Group. The Group has adopted a policy of only dealing with credit worthy counterparties and obtaining sufficient collateral or other security where appropriate, as a means of mitigating the risk of financial loss from any defaults.

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Notes to the financial statements
For the year ended 30 June 2011

Note 15: Financial instruments (cont)

(f) Liquidity risk management

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities to ensure continuity of tenure to exploration assets and to be able to conduct the Group's business in an orderly and professional manner. Cash deposits are only held with major financial institutions.

2011	Weighted Average Interest Rate	Less than 1 month	1-3 months	3 months – 1 year	5 + years	Total
Financial assets						
Cash and cash equivalents	5.4%	223,631	3,802,426	-	-	4,026,056
Trade and other receivables		127,004	-	-	-	127,004
Other financial assets		38,864	-	-	-	38,864
		389,499	-	-	-	4,191,925
Financial liabilities						
Trade and other payables		499,304	-	3,012	-	502,316
		499,304	-	3,012	-	502,316
		(109,805)	3,802,426	(3,012)	-	3,689,609
2010						
Financial assets						
Cash and cash equivalents	4.4%	7,671,100	-	-	-	7,671,100
Trade and other receivables		143,311	-	-	-	143,311
Other financial assets		41,403	-	-	-	41,403
		7,855,814	-	-	-	7,855,814
Financial liabilities						
Trade and other payables		476,790	-	-	-	476,790
		476,790	-	-	-	476,790
		7,379,024	-	-	-	7,379,024

Note 16: Commitments and contingencies

Exploration expenditure commitments

Minimum exploration expenditure commitments do not apply in Ghana and the Government does not impose a minimum spend per licence. The exploration expenditure commitment is based on a work program system, whereby at the time for each renewal of a licence, the Company provides an outline of work planned and expected expenditure.

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Notes to the financial statements
For the year ended 30 June 2011

Note 17: Key management personnel disclosures

(a) Directors

At the date of this report the directors of the Company are:

JW Gardner – *Non-executive Chairman*

P McMickan – *Managing director*

T Kroepelien – *Non executive director*

M Newlands – *Non executive director*

There were no changes of the key management personnel after the reporting date and the date the financial report was authorised for issue.

(b) Key management personnel

M Langoulant – *Company secretary*

(c) Key management personnel compensation

	Consolidated	
	2011	2010
	\$	\$
Short-Term	361,755	164,913
Post employment	117,102	3,525
Share-based payments	-	136,800
	<u>478,857</u>	<u>305,238</u>

Detailed remuneration disclosures of directors and key management personnel are in pages 18 to 21 of this report.

(d) Option holdings of key management personnel

Details of options provided as remuneration, together with the terms and conditions of the shares and options can be found in section D of the remuneration report.

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Notes to the financial statements
For the year ended 30 June 2011

Note 17: Key management personnel disclosures (cont)

(d) Option holdings of key management personnel (cont)

2011	Balance at the beginning of the financial period	Granted during the financial period	Exercised during the financial period	Balance at the end of the financial period	Vested and exercisable at the end of the financial period
Name					
Director					
J Gardner	1,500,000	-	-	1,500,000	1,500,000
P McMickan	2,500,000	-	-	2,500,000	2,500,000
T Kroepelien	1,000,000	-	-	1,000,000	1,000,000
M Newlands	1,000,000	-	-	1,000,000	1,000,000
Other key management personnel					
M Langoulant	-	-	-	-	-
2010	Balance at the beginning of the financial period	Granted during the financial period	Exercised during the financial period	Balance at the end of the financial period	Vested and exercisable at the end of the financial period
Name					
Director					
J Gardner	-	1,500,000	-	1,500,000	1,500,000
P McMickan	-	2,500,000	-	2,500,000	2,500,000
T Kroepelien	-	1,000,000	-	1,000,000	1,000,000
M Newlands	-	1,000,000	-	1,000,000	1,000,000
Other key management personnel					
M Langoulant	-	-	-	-	-

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Note 17: Key management personnel disclosures (cont)

(e) Equity holdings of key management personnel

The number of shares in the Company held during the financial period by each director of the Company and key management personnel of the Group, including their personally related parties, are set out below:

2011	Balance at start of	Movement during	Balance at the end of
Director - Ordinary shares	year	the year	the financial year
J Gardner	4,000,000	-	4,000,000
P McMickan	2,700,000	-	2,700,000
T Kroepelien	4,000,000	-	4,000,000
M Newlands	200,000	-	200,000
Key management personnel			
M Langoulant	475,000	-	475,000
2010			
Director - Ordinary shares			
J Gardner	2,500,000	1,500,000	4,000,000
P McMickan	2,500,000	200,000	2,700,000
T Kroepelien	2,500,000	1,500,000	4,000,000
M Newlands	-	200,000	200,000
Key management personnel			
M Langoulant	-	475,000	475,000

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Note 18: Related party disclosure

The ultimate parent entity in the wholly-owned group and the ultimate Australian parent entity is Viking Ashanti Limited. The consolidated financial statements include the financial statements of Viking Ashanti Limited and the controlled entities listed in the following table:

Name of entity	Country of incorporation	Class of shares	Equity holding 2011 %	2010 %
Associated Goldfields Pty Ltd	Australia	Ordinary	100	100
Ghana Mining Investments Pty Ltd	Australia	Ordinary	100	100
Kiwi International Resources Pty Ltd	Australia	Ordinary	100	100
Abore Mining Company Ltd	Ghana	Ordinary	90	90
Obenemase Gold Mines Ltd	Ghana	Ordinary	90	90
Resolute Amansie Ltd	Ghana	Ordinary	90	90
Kiwi Goldfields Ltd	Ghana	Ordinary	100	100

The only transactions between Viking Ashanti Limited and its controlled entities during this financial year consisted of loans between Viking Ashanti Limited and its controlled entities.

Related parties

The following table provides details of advances to related parties and outstanding balances at balance date.

	Parent entity 2011 \$	2010 \$
Resolute Amansie Ltd	3,260,940	436,127
Impairment of loans to controlled entities	-	-
	3,260,940	436,127

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Notes to the financial statements
For the year ended 30 June 2011

Note 19: Parent Entity Disclosures

Financial position

	2011	2010
	\$	\$
Assets		
Current assets	3,877,879	7,641,057
Non-current assets	9,390,683	6,536,762
Total assets	13,268,562	14,177,819
Liabilities		
Current liabilities	274,943	254,142
Non-Current liabilities	-	-
Total liabilities	274,943	254,142
Equity		
Issued capital	14,547,939	14,547,939
Retained earnings	(1,691,121)	(761,062)
Reserves	136,800	136,800
Total equity	12,993,619	13,923,677

Financial performance

	2011	2010
	\$	\$
Loss for the year	(930,059)	(687,407)
Other comprehensive income	-	-
Total comprehensive loss	(930,059)	(687,407)

Note 20: Events after the balance date

There has not been any matter or circumstance that has arisen after balance date that has significantly affected, or may significantly affect, the operations of the Group, the results of those operations, or the state of affairs of the Group in future financial periods.

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Notes to the financial statements
For the year ended 30 June 2011

Note 21: Reconciliation of loss after income tax to net cash outflow from operating activities

	Consolidated	
	2011	2010
	\$	\$
<i>a) Reconciliation of loss from ordinary activities after income tax to net cash outflow from operating activities</i>		
Net loss for the year	(3,144,259)	(995,735)
Outside equity interest in loss	(281,772)	(34,262)
Depreciation	16,776	-
Share based payment expense		136,800
Foreign exchange movements	(205,493)	171,682
Exploration and evaluation	2,408,084	-
(Increase) / decrease in trade and other receivables	18,845	(181,439)
Increase / (decrease) in trade and other payables	25,527	475,510
Net cash outflow from operating activities	(1,162,292)	(427,444)

b) Non-cash financing and investing activities

There were nil non-cash financing and investing activities.

Note 22: Auditors' remuneration

The auditors of the Group are Rothsay Chartered Accountants.

	Consolidated	
	2011	2010
	\$	\$
Assurance services		
Rothsay Chartered Accountants:		
Audit and review of financial statements	42,500	15,000
Other firms		
Audit and review of financial statements	27,287	121,497
Total remuneration for audit services	69,787	136,497
Other services		
Rothsay Chartered Accountants:		
	-	10,000
Other firms:		
	-	30,634
Total remuneration for other services	-	40,634
Total auditors' remuneration	69,787	177,131

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Directors' declaration

1. In the opinion of the directors:
 - a. the accompanying financial statements and notes are in accordance with the Corporations Act 2001 including:
 - i. giving a true and fair view of the consolidated entity's financial position as at 30 June 2011 and of its performance for the financial year then ended; and
 - ii. complying with Accounting Standards and Corporations Regulations 2001; and
 - b. there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.
 - c. the financial statements and notes thereto are in accordance with International Financial Reporting Standards issued by the International Accounting Standards Board.
2. This declaration has been made after receiving the declarations required to be made to the directors in accordance with Section 295A of the Corporations Act 2001 for the year ended 30 June 2011.

This declaration is signed in accordance with a resolution of the Board of Directors.

A handwritten signature in blue ink, appearing to read 'J Gardner', is written over a small blue cross symbol.

J Gardner
Chairman

Perth, Western Australia
23 September 2011



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INDEPENDENT AUDIT REPORT TO THE MEMBERS OF VIKING ASHANTI LIMITED

Report on the financial report

We have audited the accompanying financial report of Viking Ashanti Limited (the Company) which comprises the balance sheet as at 30 June 2011 and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year ended on that date, a summary of significant accounting policies, other explanatory notes and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the year's end or from time to time during the year.

Directors Responsibility for the Financial Report

The Directors of the Company are responsible for the preparation and true and fair presentation of the financial report in accordance with the Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Act 2001*. This includes responsibility for the maintenance of adequate accounting records and internal controls that are designed to prevent and detect fraud and error, and for the accounting policies and accounting estimates inherent in the financial report. The Directors are also responsible for the remuneration disclosures contained in the directors' report.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. These Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance as to whether the financial report is free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on our judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, we consider internal controls relevant to the entity's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate to the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal controls. An audit also includes evaluating the appropriateness of accounting policies used in and the reasonableness of accounting estimates made by the directors as well as evaluating the overall presentation of the financial report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Independence

We are independent of the Company, and have met the independence requirements of Australian professional ethical requirements and the *Corporations Act 2001*.



Chartered Accountants

Liability limited by the Accountants Scheme, approved
under the Professional Standards Act 1994 (NSW).



Audit opinion

In our opinion the financial report of Viking Ashanti Limited is in accordance with the *Corporations Act 2001*, including:

- a) (i) giving a true and fair view of the consolidated entity's financial position as at 30 June 2011 and of their performance for the year ended on that date; and
(ii) complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Regulations 2001*;
- b) the consolidated financial report also complies with International Financial Reporting Standards as issued by the International Accounting Standards Board

Report on the remuneration report

We have audited the remuneration report included in the directors' report for the year ended 30 June 2011. The directors of the Company are responsible for the preparation and presentation of the remuneration report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the remuneration report, based on our audit conducted in accordance with Australian Auditing Standards.

Audit opinion

In our opinion the remuneration report of Viking Ashanti Limited for the year ended 30 June 2011 complies with section 300A of the *Corporations Act 2001*.

Rothsay

Graham R Swan
Partner

Dated 23 September 2011

Viking Ashanti Limited
ABN 80 091 415 968

Additional information

The shareholder information set out below was applicable as at 31 August 2011.

A. Distribution of equity securities

Analysis of numbers of equity security holders by size of holding:

			<i>Class of equity security</i>
			<i>Ordinary shares</i>
1	–	1,000	7
1,001	–	10,000	179
10,001	–	100,000	207
100,001	–	1,000,000	60
1,000,001		and over	10
			463

There were 29 holders of less than a marketable parcel of ordinary shares.

B. Equity security holders

Twenty largest quoted equity security holders – ordinary shares

Name	No. held	% of issued shares
RESOLUTE MINING LTD	23,000,000	33.25
JAYTU PTY LTD ATF (JOHN WILLIAM GARDNER SUPERANNUATION)	4,000,000	5.78
MR TRYGVE KROEPELIEN	3,256,667	4.71
MANSON GROUP PTY LIMITED <MANSON GROUP SUPER FUND A/C>	2,866,666	4.14
JP MORGAN NOMINEES AUSTRALIA LIMITED <CASH INCOME A/C>	2,343,669	3.39
HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	2,045,489	2.96
MACQUARIE BANK LIMITED <METALS & ENERGY CAP DIV A/C>	1,769,000	2.56
UBS WEALTH MANAGEMENT AUSTRALIA NOMINEES PTY LTD	1,723,001	2.49
MR PETER JAMES MCMICKAN	1,450,000	2.10
MS CAROLYN MCMICKAN	1,250,000	1.81
SLADE TECHNOLOGIES PTY LTD <EMBREY FAMILY S/FUND A/C>	918,000	1.33
VEBLEN GROUP PTY LIMITED <JCL A/C>	850,000	1.23
MR ROBERT MACFADYEN PTY LTD <MACFADYEN S/F A/C>	650,000	0.94
ABN AMRO CLEARING SYDNEY NOMINEES PTY LTD <CUSTODIAN A/C>	529,879	0.77
MR ALFRED MUNKENBECK	500,000	0.72
LANZA HOLDINGS PTY LTD <LANGOULANT FAMILY SUPER FUND A>	475,000	0.69
CLODENE PTY LTD	464,036	0.67
FROTH PTY LTD (CNY INVEST NO 2 A/C)	462,963	0.67
MR MATTHEW DAVID HOWISON	428,700	0.62
AFTRON PTY LIMITED	400,000	0.58
		49,383,070
		71.40

Viking Ashanti Limited
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Additional information

C. Substantial shareholders

Substantial shareholders in the Company are set out below:

	Number Held	Percentage
Ordinary shares		
Resolute Group Ltd	23,000,000	33.25
Jaytu Pty Ltd ATF (John William Gardner Superannuation)	4,000,000	5.78

D. Voting rights

The voting rights attaching to each class of equity securities are set out below:

Ordinary shares

On a show of hands every member present at a meeting in person or by proxy shall have one vote and upon a poll each share shall have one vote.

Viking Ashanti Limited
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Additional information

E. Tenement schedule

PROPERTY / LICENCE NAME	REGISTE RED HOLDER	LICENCE TYPE	RAL INTEREST	AREA (KM2)	LVB No.	DATE LAST GRANTED	LICENCE EXPIRY DATE
AKOASE WEST	RAL	Prospecting licence	100%	48.03	17799B/2008	23 June 2008	12 Oct 2011 application for extension submitted
AKOASE EAST	RAL	Prospecting licence	100%	28.51	1813/2005	22 Feb 2010	21 Feb 2012
BLUE RIVER	BRMCL	Mining lease	JV - 100% hard rock	50.25	2709/1986	30 July 2007	29 July 2012
WEST STAR	WSMCL	Prospecting licence	JV - 100% hard rock	21.48	460/2009	3 Dec 2008	3 May 2012
WEST STAR	WSMCL	Mining lease	JV - 100% hard rock	55.05	22526/2007	3 Oct 2007	2 Oct 2017
NCHIADI	AASGL	Prospecting licence	JV - 51%	59.85	13796/2001	15 Aug 2008	3 Sept 2011 application for extension submitted
NYAME DZIKAN	AASGL	Prospecting licence	JV - 51%	148.82	1545/2008	4 May 2010	3 May 2011 application for extension submitted
NCHIADI SOUTH	AASGL	Prospecting licence	JV - 51%	32.25		Application submitted 20 July 2008	
AKOASE SOUTH-EAST	RAL	Prospecting licence	100%	29.50	2712/2011	12 Jan 2011	11 Jan 2013

RAL = Resolute Amansie Ltd
 BRMCL = Blue River Mining Company Ltd
 WSMCL = West Star Mining Company Ltd
 AASGL = Ahafo Ano South Goldfields Ltd
 JV = joint venture