

# ASX Announcement

6 December 2013



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ASX Code: VKA

## VIKING AND AUMINCO MERGER UPDATE

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Further to the heads of agreement signed with emerging coal developer Auminco Mines Limited (AUM or Auminco) Viking Ashanti Limited (ASX:VKA) announces that it has received ASX confirmation that it can complete the proposed Auminco merger transaction in accordance with ASX Listing Rule 11.1.2. Should all condition precedents be satisfied Viking will be required to call a meeting of its shareholders to approve the merger transaction.

Discussions with AUM have resulted in revised merger terms and board composition from that previously announced to the market on 20 November 2013.

### AMENDED MERGER TERMS

Under the revised agreement Viking will now acquire 100% of the Auminco shares and options by the issue of:

- 81,000,000 Viking shares;
- 27,000,000 million unlisted Viking options exercisable at \$0.12 for a term of 30 months from merger completion; and
- 3,000,000 unlisted Viking options exercisable at \$0.20 on or before 15 November 2016.

As a result of the amended consideration Viking shareholders will own 53% and Auminco shareholders 47% of the enlarged post merger capital on an undiluted basis and prior to any capital raising.

The post merger Board will now comprise of 4 members with existing Viking directors Jack Gardner and Peter McMickan remaining as Chairman and Executive Director respectively.

There is no change to the other merger terms as announced on 20 November 2013 and due diligence investigations are still on track to be completed by 15 December 2013.

If the acquisition is successful, the issued share capital structure of Viking prior to any future capital raising is expected to be as follows:



Viking shares presently on issue	90,150,580
Viking shares to be issued to Auminco shareholders under the transaction	81,000,000
Total Viking shares on issue following the transaction	<b>170,150,580</b>

Viking Chairman, Mr Jack Gardner said: *“the Board believes this will be a transforming transaction for Viking, allowing it to achieve its strategic objective of acquiring near term production assets with potential to deliver sustainable cash flows for in excess of 15 years.”*

Auminco Mines Limited Chairman Andrew Whitten said: *“We believe the merger will create value for shareholders, who will benefit from a broad range of complementary skill sets at Board and management level, as well as the spread of commodity and geographic risk”.*

## **MERGER HIGHLIGHTS**

Viking will offer to acquire 100% of Auminco by the issue of Viking shares and options

Viking shareholders will own 53% and Auminco shareholders will own 47% of the undiluted combined entity

Spread of commodity risk – metallurgical coal, gold and zinc

Spread of geographical risk – primarily Ghana and Mongolia

790,000 oz Inferred JORC (2012) gold resource in Ghana

Mining licence granted for Mongolian metallurgical coal asset

Near term production potential from Mongolian coal assets

Experienced combined management with successful track records

Unanimous support of both Companies’ Boards

## **NEW BOARD AND EXECUTIVE MEMBERS**

On completion of the merger, Viking will invite two members of the current AUM management team to join the VKA Board. A third member of that AUM management team will act in an alternate director capacity.

Mr Andrew Whitten will join the board as Non-Executive Deputy Chairman, Mr Matt Morgan as Managing Director, whilst Mr Bayar Tsagdaa will act as an alternate for Mr Andrew Whitten.

Mr Jack Gardner will remain as Non-Executive Chairman, current Managing Director Mr Peter McMickan will remain as an Executive Director and Mr Mike Langoulant will remain as Company Secretary. Mr Trygve Kroepelien and Mr Mark Newlands will resign from their positions as Non-Executive Directors.

### INDICATIVE TIMETABLE

The indicative timetable for the merger is unchanged by the merger term amendments and remains as follows (subject to change):

Event	Indicative Date
1. VKA announces Merger agreement	20 November 2013
2. Due Diligence period ends	15 December 2013
3. VKA and AUM agree Share Purchase Agreement (SPA) or Viking issues Bidders Statement	Mid - Late December 2013
4. VKA despatches Notice of Meeting seeking shareholder approval for transaction	Mid - Late December 2013
5. If transaction proceeds by way of takeover, takeover offer period opens	Mid - Late December 2013
6. AUM shareholder meeting to approve transaction held (if required)	Early February 2014
7. VKA shareholder meeting held to approve transaction	Early February 2014
8. VKA prospectus for capital raising issued	Early February 2014
9. If transaction proceeds by way of takeover, takeover offer closes	Mid February 2014
10. VKA prospectus for capital raising closes	Late March 2014
11. Transaction completes	Late March 2014

## ADVISERS

Viking is being advised by Emerald Partners and Auminco is being advised by Inteq Limited.

A handwritten signature in black ink, appearing to read 'Peter McMickan'.

Peter McMickan  
Managing Director

**Competent Person's Statement:** The information in this Public Report that relates to gold 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 mineralization and type of deposit under consideration and to the activity that he is undertaking to qualify as a Competent Person as defined in the 2012 Edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. 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.



## VIKING ASHANTI COMPANY INFORMATION

### Directors

Jack Gardner	Non-Executive Chairman
Peter McMickan	Managing Director
Trygve Kroepelien	Non-Executive Director
Mark Newlands	Non-Executive Director

### Company Secretary

Michael Langoulant

### Shareholder Enquiries

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