



ASX Announcement

31 July 2014

ASX Code: VKA

Quarterly Report for the period ended 30 June 2014

During the three months to 30 June, 2014, Perth-based Viking Mines Ltd (Viking or the Company) progressed with its off market takeover of unlisted Sydney based emerging coal producer, Auminco Mines Limited (Auminco). As at the date of this report, Viking had received over 97% acceptances from Auminco shareholders.

Three Memoranda of Understandings (MOU's) have now been signed by Auminco with Mongolian government entities for potential coal supply from the Berkh Uul project.

A three month Exclusivity Agreement was signed with Akroma Gold Co Ltd for them to evaluate the Akoase gold project in Ghana.

No field activity was undertaken during the period on Viking Ashanti's Ghanaian gold projects.

1. Auminco Merger

On 21 March, 2014, Viking announced that it would proceed with an off market takeover offer for all of the issued share capital of Auminco. In the absence of a superior offer, the Offer was recommended unanimously by the Board of Auminco and each Board member of Auminco has accepted the Offer in respect of their own shareholding.

On 8 April 2014, Viking completed the despatch of the Bidder's Statement dated 2 April 2014 in respect of an off-market takeover bid for all of the fully paid ordinary shares in Auminco. As at the date of this report, Viking had received acceptances from Auminco shareholders totalling 97.44% of Auminco.

A capital raising is planned by the Company in the September quarter to fund operations, with the minimum expected to complete internal Mongolian coal-focussed production feasibility studies and to enable development decisions. A Viking capital raise is the only unfulfilled takeover condition.

1.1 Merger Highlights

Auminco is an emerging coal producer with two high quality strategically located coal projects in Mongolia (Figure 1).

There is near-term production potential from the Berkh Uul bituminous coal project, located near the Russian border, rail infrastructure and potential off-take customers.

The Khonkhor Zag anthracitic coal project is located on a granted 30 year mining lease close to China's border with only 1.2 km of the 4 km strike explored by drilling.



Further upside potential exists through Auminco's portfolio of additional coal and base metals projects in Mongolia.

On completion, this will be a transforming transaction for Viking Ashanti allowing the Company to achieve its strategic objective of acquiring near term production assets with potential to deliver sustainable cash flows for in excess of 15 years, together with substantial exploration upside.

1.2 Berkh Uul Coal Project – Mongolia (Auminco 100%)

Berkh Uul is located 400 km north of Ulaanbaatar in northern Mongolia within the Orkhon-Selege coal district and within 20km of the Russian border. The project is within 40km of rail access into Russian off-take markets, in close proximity to water, infrastructure and transport.

The deposit consists of shallow, consistent coal seams of high quality bituminous coal amenable to open pit mining.

Auminco's discussions with nearby cement works and power stations confirm a local industrial demand for unwashed Berkh Uul coal, due to its low ash and relatively high calorific value. This has been evidenced during the quarter (and subsequent to quarter end) by the signing of three non-binding MOU's with the following government entities:

- Darkhan Thermal Power Plant - a major supplier of electricity to Mongolia's second largest city, the commercial and industrial centre of Darkhan, and the northern region of Mongolia. This plant is being upgraded with coal consumption to increase from approximately 400,000t per year to approximately 600,000t per year
- Erdenet Power Plant - a major supplier of electricity to the Erdenet copper mine, located 180km west of Darkhan City. The plant consumes approximately 250,000t of coal per year
- Darkhan Metallurgical Plant - located close to Darkhan City, it is expanding its current 100,000 tpa steel milling capacity. This expansion is due for completion in 2015.

The MOU's, signed with Auminco's Mongolian subsidiary BRX LLC state the government entities intent to enter into future purchase agreements for Berkh Uul project coal, and establishes testing of a bulk sample as a basis for technical evaluation of the coal.

The Berkh Uul deposit has a JORC (2012) coal resource of 38.3 Mt. Of this, 21.4Mt is classified as Indicated and 16.9Mt classified as Inferred. The coal is bituminous in rank (ASTM classification) with average in situ quality as follows: Total Moisture 19.8%, Calorific Value 5,323 kcal/kg (air dried basis, adb), Ash 15.5% (adb), and Total Sulphur 0.37% (adb).

The information in this report concerning the Mineral Resources of Auminco is extracted from Viking's announcement to the ASX entitled "New 38.3Mt resource for Merger Company's Mongolian coal project" dated 17 March, 2014, and is available to view on Viking's website at www.vikingashanti.com. Viking confirms that it is not aware of any new information or data that materially affects the information included in the original market announcement and, in the case of estimates of Mineral Resources that all material assumptions and technical parameters underpinning the estimates in the relevant market announcement continue to apply and have not materially changed. Viking confirms that the form and context in which the



Competent Person's findings are presented have not been materially modified from the original market announcement.

2. Akoase Gold Project

On 2 July 2014 the Company announced that it had entered into an Exclusivity Agreement with Ghanaian company Akroma Gold Co. Ltd (Akroma) in relation to Viking's 100% owned Akoase gold project in southern Ghana.

The agreement, the terms of which include the payment of an option fee of US\$90,000 grants Akroma a 3 month period of exclusivity to undertake due diligence on Akoase to enable Akroma to negotiate a transaction with Viking Mines in relation Akoase at any time within that 3 month period.

Akroma is the owner of the neighbouring Sian gold project, approximately 12 km northwest of Akoase. Sian has historically reported an NI 43-101 Indicated and Inferred resource of 396,000 ounces. In July 2013 TSX listed Midlands Minerals (MEX.TSX-V) sold their 65% interest in the Sian gold project for a cash price equivalent to US\$13.20/oz.

The Akoase gold project has a JORC (2012) Inferred resource of 790,000 ounces of contained gold and is located 150km north of Accra, and 25km from Newmont's Akyem gold mine, on the margins of the Ashanti Gold Belt, one of the most prolific gold bearing provinces in the world (Figure 2).

The information in this report concerning the Mineral Resources of Viking Mines is extracted from the report entitled "12% Increase to 790,000 oz in Gold Resource for Ghana Project" created on 4 October 2013 and is available to view on Viking Mines website at www.vikingmines.com. Viking Mines confirms that it is not aware of any new information or data that materially affects the information included in the original market announcement and, in the case of estimates of Mineral Resources or Ore Reserves that all material assumptions and technical parameters underpinning the estimates in the relevant market announcement continue to apply and have not materially changed. Viking Mines confirms that the form and context in which the Competent Person's findings are presented have not been materially modified from the original market announcement.

3. Exploration

3.1 Akoase Gold Project – Ghana (VKA 100%)

No field activity was undertaken at Akoase in the quarter.

3.2 West Star/Blue River Joint Venture Gold Project – Ghana (VKA 100% hard rock gold rights)

No field activity was undertaken in the quarter.

The West Star and Blue River gold properties are subject to joint venture agreements with local Ghanaian companies, where Viking Ashanti has earned 100% of the rights to all hard rock gold mineralization.



4. Corporate and Administration

A number of Ghanaian located project farm-in and farm-out opportunities were considered during the quarter. None are currently at an advanced stage of consideration. Viking Ashanti will continue to pursue these and any other opportunities, which are complementary to its existing Ghanaian gold project portfolio.

As approved at the General Meeting of shareholders on 2 May 2014, Viking Ashanti Limited advised of a change of name to Viking Mines Limited on 21 May 2014.

The Company's ASX code remains the same.

Peter McMickan
Managing Director

For further information contact:

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Competent Persons 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 Mines 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.

The information in this Public Report that relates to the Exploration Results and Mineral Resources of Auminco Mines Limited is based on information compiled by Mr Matt Morgan, who is a Member of the Australasian Institute of Mining and Metallurgy. Mr Morgan is a full time employee of Auminco Mines Ltd. Mr Morgan 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 Morgan consents to the inclusion in this presentation 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.

Figure 1: Auminco Mines Project Locations, Mongolia

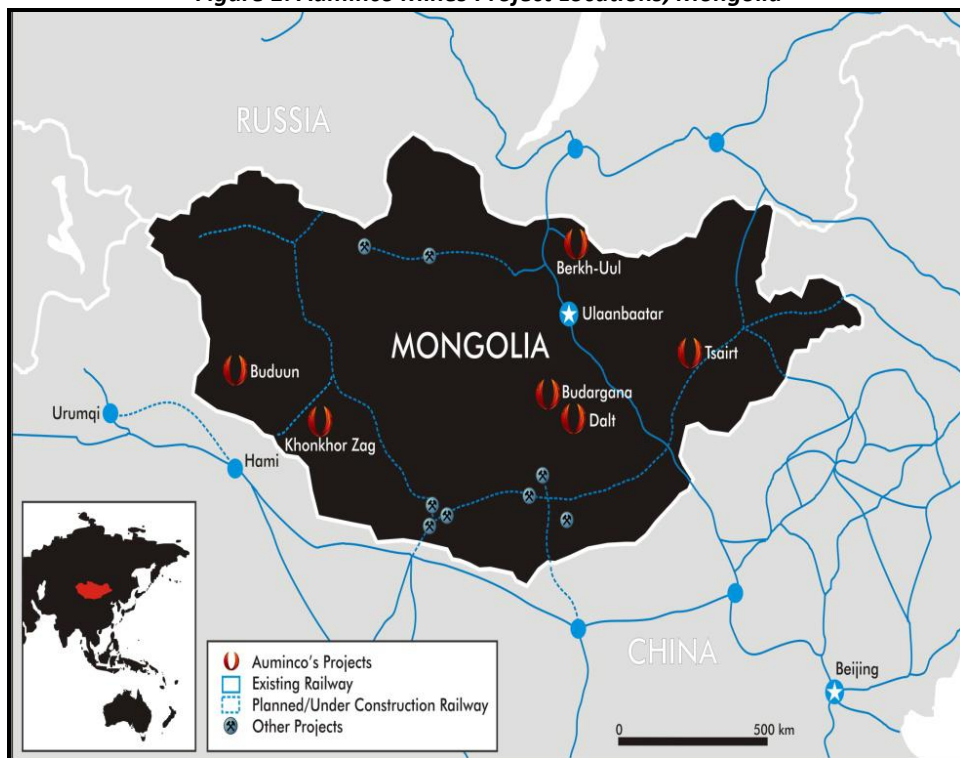
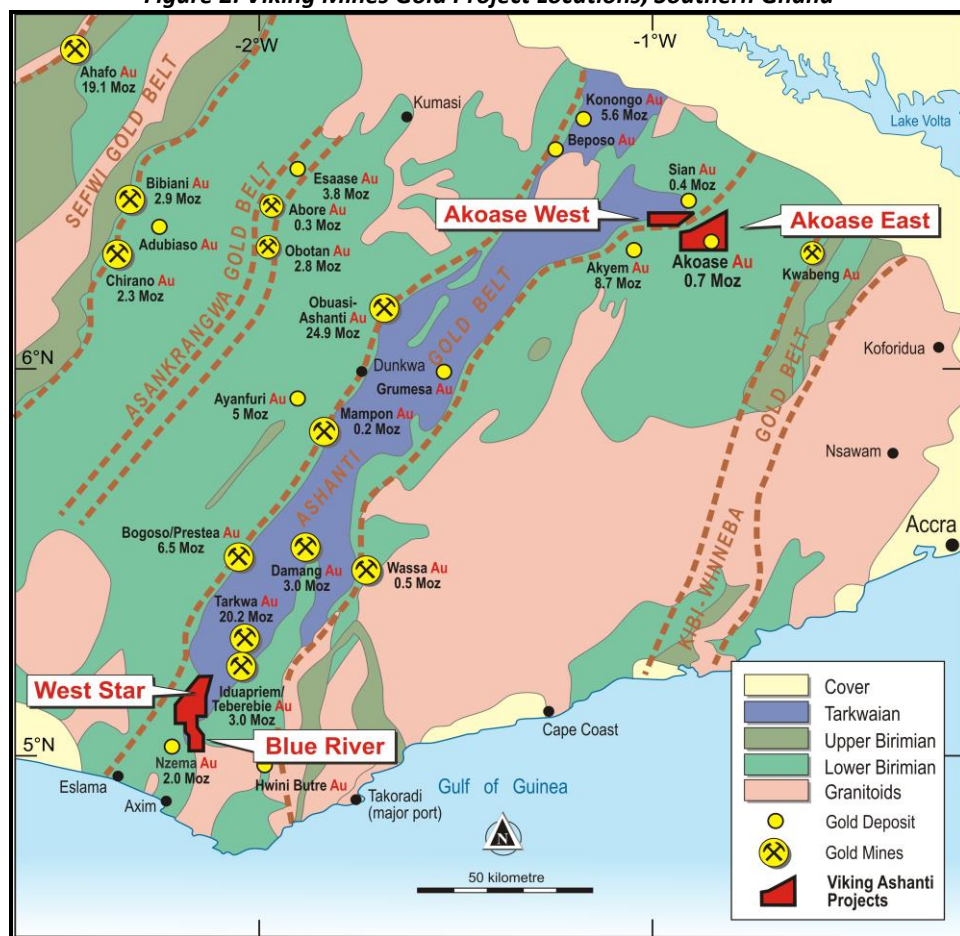


Figure 2: Viking Mines Gold Project Locations, Southern Ghana





Appendix 1
Tenements Held at 30 June 2014

Viking Mines Ltd

Licence name	Location	Licence type	Licence Holder/ JV Partners	Viking Ashanti Ownership
Akoase West	southern Ghana	Prospecting licence	RAL	100%
Akoase East	southern Ghana	Prospecting licence	RAL	100%
Blue River	southern Ghana	Mining lease	BRMCL/RAL	100% hardrock
West Star(1)	southern Ghana	Prospecting licence	WMCL/RAL	100% hardrock
West Star (2)	southern Ghana	Mining lease	WMCL/RAL	100% hardrock
Akoase South-East	southern Ghana	Prospecting licence	RAL	100%

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

BRMCL = Blue River Mining Company Ltd., WMCL = West Star Mining Company Ltd, both joint venture partners

Appendix 5B

Mining exploration entity quarterly report

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

Name of entity

VIKING MINES LIMITED

ABN

126 200 280

Quarter ended ("current quarter")

30 June 2014

Consolidated statement of cash flows

Cash flows related to operating activities	Current quarter \$A'000	Year to date (12 months) \$A'000
1.1 Receipts from product sales and related debtors		
1.2 Payments for (a) exploration & evaluation (b) development (c) production (d) administration	(31) (112)	(240) (487)
1.3 Dividends received	1	4
1.4 Interest and other items of a similar nature received		
1.5 Interest and other costs of finance paid		
1.6 Income taxes paid		
1.7 Other (provide details if material)		
Net Operating Cash Flows	(142)	(723)
Cash flows related to investing activities		
1.8 Payment for purchases of: (a) prospects (b) equity investments (c) other fixed assets		
1.9 Proceeds from sale of: (a) prospects (b) equity investments (c) other fixed assets		2
1.10 Loans to other entities	(100)	(550)
1.11 Loans repaid by other entities		
1.12 Other (provide details if material)		
Net investing cash flows	(100)	(548)
1.13 Total operating and investing cash flows (carried forward)	(242)	(1,271)

+ See chapter 19 for defined terms.

Appendix 5B
Mining exploration entity quarterly report

1.13	Total operating and investing cash flows (brought forward)	(242)	(1,271)
	Cash flows related to financing activities		
1.14	Proceeds from issues of shares, options, etc.		789
1.15	Proceeds from sale of forfeited shares		
1.16	Proceeds from borrowings	100	350
1.17	Repayment of borrowings		
1.18	Dividends paid		
1.19	Other - capital raising costs		(79)
	Net financing cash flows	100	1,060
	Net increase (decrease) in cash held	(142)	(211)
1.20	Cash at beginning of quarter/year to date	175	244
1.21	Exchange rate adjustments to item 1.20		
1.22	Cash at end of quarter	33	33

Payments to directors of the entity and associates of the directors
Payments to related entities of the entity and associates of the related entities

		Current quarter \$A'000
1.23	Aggregate amount of payments to the parties included in item 1.2	28
1.24	Aggregate amount of loans to the parties included in item 1.10	

1.25 Explanation necessary for an understanding of the transactions

Non-cash financing and investing activities

2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

2.2 Details of outlays made by other entities to establish or increase their share in projects in which the reporting entity has an interest

+ See chapter 19 for defined terms.

Financing facilities available

Add notes as necessary for an understanding of the position.

	Amount available \$A'000	Amount used \$A'000
3.1 Loan facilities	400	350
3.2 Credit standby arrangements		

Estimated cash outflows for next quarter

	\$A'000
4.1 Exploration and evaluation	50
4.2 Development	
4.3 Production	
4.4 Administration	50
Total	100

Reconciliation of cash

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.

	Current quarter \$A'000	Previous quarter \$A'000
5.1 Cash on hand and at bank	33	8
5.2 Deposits at call		167
5.3 Bank overdraft		
5.4 Other (provide details)		
Total: cash at end of quarter (item 1.22)	33	175

Changes in interests in mining tenements

	Tenement reference	Nature of interest (note (2))	Interest at beginning of quarter	Interest at end of quarter
6.1	Interests in mining tenements relinquished, reduced or lapsed			
6.2	Interests in mining tenements acquired or increased			

+ See chapter 19 for defined terms.

Appendix 5B
Mining exploration entity quarterly report

Issued and quoted securities at end of current quarter

Description includes rate of interest and any redemption or conversion rights together with prices and dates.

	Total number	Number quoted	Issue price per security (see note 3) (cents)	Amount paid up per security (see note 3) (cents)
7.1 Preference securities <i>(description)</i>				
7.2 Changes during quarter (a) Increases through issues (b) Decreases				
7.3 +Ordinary securities	112,688,225	112,688,225		
7.4 Changes during quarter (a) Increases through issues (b) Decreases				
7.5 +Convertible debt securities <i>(description)</i>				
7.6 Changes during quarter (a) Increases through issues (b) Decreases				
7.7 Options <i>(description and conversion factor)</i>	22,683,913	-	<i>Exercise price</i> \$0.18	<i>Expiry date</i> 31/08/2014
7.8 Issued during quarter				
7.9 Exercised during quarter				
7.10 Expired during quarter				
7.11 Debentures <i>(totals only)</i>				
7.12 Unsecured notes <i>(totals only)</i>				

+ See chapter 19 for defined terms.

Compliance statement

- 1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act or other standards acceptable to ASX (see note 5).
- 2 This statement does /does not* (*delete one*) give a true and fair view of the matters disclosed.



Sign here:

Company Secretary

Date: 31 July 2014

Print name: Michael Langoulant

Notes

- 1 The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.
- 2 The "Nature of interest" (items 6.1 and 6.2) includes options in respect of interests in mining tenements acquired, exercised or lapsed during the reporting period. If the entity is involved in a joint venture agreement and there are conditions precedent which will change its percentage interest in a mining tenement, it should disclose the change of percentage interest and conditions precedent in the list required for items 6.1 and 6.2.
- 3 **Issued and quoted securities** The issue price and amount paid up is not required in items 7.1 and 7.3 for fully paid securities.
- 4 The definitions in, and provisions of, *AASB 6: Exploration for and Evaluation of Mineral Resources* and *AASB 107: Statement of Cash Flows* apply to this report.
- 5 **Accounting Standards** ASX will accept, for example, the use of International Financial Reporting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.

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+ See chapter 19 for defined terms.