



## **VIKING MINES LIMITED**

**ACN 126 200 280**

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### **NOTICE OF ANNUAL GENERAL MEETING**

**and**

### **EXPLANATORY MEMORANDUM**

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Date of Meeting: 12 December 2014

Time of Meeting: 12.30 pm (WST)

Place of Meeting: Suite 2, Level 1  
47 Havelock Street  
West Perth WA

This Notice of Annual General Meeting and Explanatory Memorandum should be read in their entirety. If shareholders are in doubt as to how they should vote, they should seek advice from their accountant, solicitor or other professional adviser prior to voting.

# VIKING MINES LIMITED

ACN 126 200 280

## NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the fourth annual general meeting of shareholders of Viking Mines Limited ACN 126 200 280 ("**Company**") will be held at Suite 2, 47 Havelock Street, West Perth, Western Australia at 12.30pm (WST) on 12 December 2014.

The Explanatory Memorandum which accompanies and forms part of this Notice of Annual General Meeting describes the various matters to be considered and contains a glossary of defined terms for terms that are not defined in full in this Notice of Annual General Meeting.

The Annual General Meeting has been convened later than 5 months after the end of the financial year in order to enable the Company to seek Shareholder approval of Resolutions 4(a) and 4(b) of the Notice following a determination by ASX in respect of the matters set out in Section 3 of the Explanatory Memorandum. The Company has applied to ASIC for an extension of time within which to hold the Annual General Meeting.

## AGENDA

### ANNUAL FINANCIAL STATEMENTS AND REPORTS

To receive and consider the Annual Financial Report, the Directors' Report and Auditor's Report for the Company and its controlled entities for the period ended 30 June 2014.

### ORDINARY RESOLUTIONS

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#### 1. Adoption of Remuneration Report

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

*"That, for the purposes of section 250R(2) of the Corporations Act 2001 (Cth) and for all other purposes, the Remuneration Report for the Company and its controlled entities for the period ended 30 June 2014 be adopted."*

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#### 2. Re-election of Mr Gardner as a Director

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

*"That Mr Gardner, who retires by rotation in accordance with the Company's constitution and being eligible, offers himself for re-election, be re-elected as a Director."*

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#### 3. Election of Mr Whitten as a Director

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

*"That Mr Ray Whitten, who was appointed as a director of the Company to fill a casual vacancy on 28 October 2014 retires in accordance with the Company's constitution and being eligible, offers himself for election, be elected as a Director."*

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#### **4. Ratify an issue of Shares and Options to Related Parties**

To consider and, if thought fit, to pass, with or without amendment, the following as separate **ordinary resolutions**:

- 4(a) *“That, for the purposes of rectifying a breach by the Company of Listing Rule 10.11 and for all other purposes, Shareholders ratify and approve the previous issue of 10,000,000 Shares and 2,500,000 Options to an associate of a director Mr John Gardner, under the Company’s prospectus dated 18 August 2014 on the terms and conditions set out in the Explanatory Memorandum.”*
- 4(b) *“That, for the purposes of rectifying a breach by the Company of Listing Rule 10.11 and for all other purposes, Shareholders ratify and approve the previous issue of 1,000,000 Shares and 250,000 Options to associates of a director, Mr Peter McMickan, under the Company’s prospectus dated 18 August 2014 on the terms and conditions set out in the Explanatory Memorandum.”*

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#### **5. Approve issue of Shares and Options to a Director**

To consider and, if thought fit, to pass, with or without amendment, the following as an **ordinary resolution**:

*“That, for the purposes of Listing Rule 10.11 and for all other purposes, Shareholders approve the issue of 2,000,000 Shares and 500,000 Options to Mr John Gardner or his nominee, being a related party, on the same terms as a prospectus dated 18 August 2014 as set out in the Explanatory Memorandum.”*

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#### **6. Approval of issue of Viking Shares and Viking Options to the Auminco Lenders under the Debt Agreement**

To consider and, if thought fit, to pass, with or without amendment, the following as an **ordinary resolution**:

*“That, for the purposes of Listing Rule 7.1 and for all other purposes, Shareholders approve and grant the Directors the authority to issue up to 35,246,742 Shares and 11,748,913 Options to the Auminco Lenders under the terms of the Debt Agreement, in accordance with the terms and conditions set out in the Explanatory Memorandum.”*

***Note:** This resolution is in the same terms as Resolution 5 of the Notice of General Meeting dated 31 March 2014 for the General Meeting held on 2 May 2014. The securities approved for issue pursuant to that resolution were not issued by the Company as the time limit for the issue of securities pursuant to the previous resolution has expired. The Company is now seeking re-approval of the issue of the relevant securities.*

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## 7. Approval of issue of Viking Options to Corporate Advisers

To consider and, if thought fit, to pass, with or without amendment, the following as an **ordinary resolution**:

*“That, for the purposes of Listing Rule 7.1 and for all other purposes, Shareholders approve and grant the Directors the authority to issue 3,450,000 Options to the Corporate Advisers for facilitating and assisting with the Takeover Offer, in accordance with the terms and conditions set out in the Explanatory Memorandum.”*

***Note:** This resolution is in the same terms as Resolution 6 of the Notice of General Meeting dated 31 March 2014 for the General Meeting held on 2 May 2014. The securities approved for issue pursuant to that resolution were not issued by the Company as the time limit for the issue of securities pursuant to the previous resolution has expired. The Company is now seeking re-approval of the issue of the relevant securities.*

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## 8. Approval of issue of Options

To consider and, if thought fit, to pass, with or without amendment, the following as an **ordinary resolution**:

*“That, for the purposes of Listing Rule 7.1 and for all other purposes, Shareholders approve and grant the Directors the authority to issue 3,000,000 Viking Options to Iarudi LLC (**Iarudi**) under the terms of the Auminco Option Deed, , in accordance with the terms and conditions set out in the Explanatory Memorandum.”*

***Note:** This resolution is in the same terms as Resolution 7 of the Notice of General Meeting dated 31 March 2014 for the General Meeting held on 2 May 2014. The securities approved for issue pursuant to that resolution were not issued by the Company as the time limit for the issue of securities pursuant to the previous resolution has expired. The Company is now seeking re-approval of the issue of the relevant securities.*

## Voting Exclusions

For the purposes of the Corporations Act and Listing Rule 14.11, the following voting exclusion statements apply to the Resolutions. The Company will disregard any votes on the following Resolutions cast by or on behalf of the following persons:

Resolution	Excluded Party(ies)
Resolution 1	Members of the Key Management Personnel whose remuneration is detailed in the Remuneration Report and their closely related parties (which includes spouse, child, dependent, other family members and any controlled company).  Mr John Gardner and any of his Associates.  Mr Peter McMickan and any of his Associates.
Resolution 2	Mr John Gardner and any of his Associates.  Mr Peter McMickan and any of his Associates.
Resolution 3	Mr John Gardner and any of his Associates.  Mr Peter McMickan and any of his Associates.
Resolution 4(a)	Mr John Gardner and any of his Associates.  Mr Peter McMickan and any of his Associates.
Resolution 4(b)	Mr Peter McMickan and any of his Associates.  Mr John Gardner and any of his Associates.
Resolution 5	Mr John Gardner and any of his Associates.  Mr Peter McMickan and any of his Associates (if Resolution 4(b) is not approved).
Resolution 6	A person who is an Auminco Lender and any Associate of an Auminco Lender.  Mr John Gardner and any of his Associates (if Resolution 4(a) is not approved).  Mr Peter McMickan and any of his Associates (if Resolution 4(b) is not approved).
Resolution 7	The Corporate Advisers and a person who might obtain a benefit, except a benefit solely obtained in the capacity of a holder of ordinary securities, if Resolution 6 is passed, and any Associates of those persons.  Mr John Gardner and any of his Associates (if Resolution 4(a) is not approved).  Mr Peter McMickan and any of his Associates (if Resolution 4(b) is not approved).
Resolution 8	Iarudi LLC and any of its Associates.  Mr John Gardner and any of his Associates (if Resolution 4(a) is not approved).  Mr Peter McMickan and any of his Associates (if Resolution 4(b) is not approved).

However, the Company need not disregard a vote on Resolutions 1 to 8 (inclusive) if it is cast by:

- the person as a proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form; or
- the person chairing the Meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

## BY ORDER OF THE BOARD

Michael Langoulant  
Company Secretary  
Dated: 10 November 2014

# VIKING MINES LIMITED

ACN 126 200 280

## EXPLANATORY MEMORANDUM

This Explanatory Memorandum has been prepared for the information of Shareholders in connection with the business to be considered at the fourth Annual General Meeting of Shareholders to be held at Suite 2, 47 Havelock Street, West Perth, Western Australia at 12.30pm (WST) on 12 December 2014.

The Explanatory Memorandum should be read in conjunction with the accompanying Notice of Annual General Meeting. For the assistance of Shareholders, a glossary of defined terms is included at the end of this Explanatory Memorandum.

Full details of the business to be considered at this Annual General Meeting are set out below.

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### Annual financial statements and reports

The Corporations Act requires that the Annual Report (which includes the Annual Financial Report, Directors' Report and Auditor's Report) be laid before the Annual General Meeting.

There is no requirement for the Shareholders to approve the Annual Report. However, Shareholders will be given an opportunity to ask questions and make comments about the Annual Report or the Company generally but there will be no formal resolution submitted to the Meeting in respect of it.

Mr Graham Swan, as the auditor responsible for preparing the Auditor's Report for the year ended 30 June 2014 (or his representative) will attend the Meeting. The Chairman will also allow a reasonable opportunity for Shareholders to ask the auditor questions about:

- (a) the conduct of the audit;
- (b) the preparation and content of the Auditor's Report;
- (c) the accounting policies adopted by the Company in relation to the preparation of financial statements; and
- (d) the independence of the auditor in relation to the conduct of the audit.

To assist the Board and the auditor of the Company in responding to questions please submit any questions you may have by mail to the Company Secretary's office, **Suite 2, 47 Havelock Street, West Perth WA 6005**, or by fax to **+61 8 9324 2977** so that it is received by no later than 5.00pm (WST) on Friday 5 December 2014.

In accordance with section 250PA of the Corporations Act, at the Meeting, the Company will distribute a list setting out the questions directed to the auditor received in writing from members, being questions which the auditor considers relevant to the content of the Auditor's Report or the conduct of the audit of the Annual Financial Report. The Chairman will allow reasonable opportunity to respond to the questions set out on this list.

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### 1. Resolution 1 - Adoption of Remuneration Report

The Remuneration Report of the Company for the financial period ended 30 June 2014 is set out on pages 16 to 18 of the Company's 2014 Annual Report. It sets out a range of matters relating to the remuneration of Directors, executives and senior managers of the Company.

Pursuant to section 250R(2) of the *Corporations Act 2001 (Cth)*, a resolution that the Remuneration Report be adopted must be put to vote at the Company's Annual General Meeting. The vote on this Resolution is advisory only and does not bind the Directors or the

Company. However, the Board will take the outcome of the vote into consideration when reviewing the remuneration practices and policies of the Company.

A reasonable opportunity will be provided for discussion of the Remuneration Report at the Meeting.

In accordance with the Corporations Act, if 25% or more of votes that are cast are voted against the adoption of the Remuneration Report at two consecutive Annual General Meetings, Shareholders will be required to vote at the second of those Annual General Meetings on a resolution (a “spill resolution”) that another meeting be held within 90 days at which all of the Company’s directors (other than the Managing Director) must go up for re-election.

The Company encourages all eligible Shareholders to cast their votes on Resolution 1 (Remuneration Report).

A vote on Resolution 1 must not be cast by or on behalf of either a member of the Key Management Personnel details of whose remuneration are included in the Remuneration Report or their closely related parties.

Any undirected proxies held by the Chairman of the Meeting, other directors or other key management personnel or any of their closely related parties will be voted in favour of Resolution 1 (Remuneration Report).

The Board unanimously recommends that Shareholders vote in favour of adopting the Remuneration Report.

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## **2. Resolution 2 & 3 - Re-election of Directors**

It is a requirement under the Company's constitution that Mr Jack Gardner retires by rotation at the Annual General Meeting. Mr Gardner, being eligible for re-election pursuant to the Company's constitution, offers himself for re-election.

Mr Gardner graduated with Bachelor of Engineering from the University of Melbourne in 1962 and 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 the company became that country’s leading mining project engineers.

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. Mincor today is an ASX Top 300 company. It operates underground nickel sulphide mines in Western Australia.

Mr Gardner was also associated with Guinor from 1993, overseeing a number of expansions of the Lero heap leach project, and was pivotal in the development of the 350,000 oz pa LEFA Corridor Project. Guinor was acquired by Crew Gold Corporation Inc.

As regards Resolution 2, the Directors (apart from Mr Gardner) recommend to Shareholders that Mr Gardner be re-elected.

Also in accordance with the Company's constitution, Mr Ray Whitten, who was appointed on 28 October 2014, retires at the Annual General Meeting. Mr Whitten is eligible for election pursuant to the Company's constitution, and offers himself for election.

Mr Whitten is an admitted solicitor with over 40 years' experience having previously acted as President of the City of Sydney Law Society.

Mr Whitten is an experienced investor with a wide range of investment interests and has served as a Director of many private and public companies. In 2005 as Chairman of the National Stock Exchange of Australia Limited (NSX) he was responsible for its successful IPO on the ASX in 2005.

His current roles include serving as Chairman of Whittens & McKeough, a boutique Sydney law firm specialising in mergers and acquisitions and corporate law and as Deputy Chairman of the Safety, Return to Work and Support Board (a board formed under statute responsible for determining the general policies and direction for the following agencies: Workcover NSW, Motor Accidents Authority NSW and Lifetime Care and support Authority NSW). The Board is also responsible for determining the investment policies of a number of funds, which include those of the Workers' Compensation (Dust Diseases) Fund.

Mr Whitten holds a Bachelor of Arts and Bachelor of Laws from the University of Sydney, a Masters of Laws from the University of Technology, Sydney, is an accredited specialist in business law and is a Notary Public.

As regards Resolution 3, the Directors (apart from Mr Whitten), recommend to Shareholders that Mr Whitten be re-elected.

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### **3. Resolutions 4(a) & (b) – Ratify an issue of Shares and Options to Related Parties**

#### **3.1 Background**

At the general meeting of Shareholders held on 2 May 2014 (**General Meeting**), Shareholders approved:

- (a) the issue of up to 140,000,000 Shares and 35,000,000 Options for the purposes of the Company's recently completed capital raising under the Company's Prospectus (**Prospectus Securities**); and
- (b) the issue of 10,000,000 Shares and 2,500,000 Options to Mr Jack Gardner, a Director, or his nominee and the issue of up to 1,000,000 Shares and 250,000 Options to Mr Peter McMickan, a Director, or his nominee under the Company's Prospectus (**Director Securities**).

In accordance with the requirements of the Listing Rules, the Shareholder approvals of the issue of these securities were subject to requirements that the Prospectus Securities (other than the Director Securities) be issued within 3 months of the General Meeting and that the Director Securities be issued within one month of the General Meeting.

The Company has issued at total of 55,285,849 Shares and 13,821,471 Options under its Prospectus, including the Director Securities issued to Nominees of Messrs Gardner and McMickan.

Unfortunately in issuing the Prospectus Securities and the Director Securities the Company over-looked the relevant time limits under the mistaken belief that the time limits did not apply to securities issued under a prospectus.

As a result and as notified to ASX, the Company has inadvertently breached:



- (a) Listing Rule 7.1 in issuing 38,382,595 Shares and 13,821,471 Options under the Prospectus in excess of the 15% limit permitted under Listing Rules 7.1 for the issue of securities without shareholder approval; and
- (b) Listing Rule 10.11 in issuing 11,000,000 Shares and 2,750,000 Options to entities associated with directors of the Company, Mr John Gardner and Mr Peter McMickan (**Relevant Directors**), later than the one time period permitted by the Listing Rules and the previous shareholder approval given at the Company's general meeting held on 2 May 2014.

ASX has considered the breaches and in accordance with ASX's requirements, the Company now seeks Shareholder ratification of the issue of the Director Securities pursuant to Resolution 4.

With the Relevant Directors' consents, a holding lock has been applied to the Director Securities until such time as Shareholders ratify the issue of the Director Securities.

In accordance with ASX's requirements, the Company has provided an undertaking to ASX not to issue any equity securities without Shareholder approval until 24 October 2015, unless the issue comes within an exception in Listing Rule 7.2.

#### **Listing Rule information**

Listing Rule 10.11 provides that a company must not issue or agree to issue any equity Securities, or other Securities with rights to conversion to equity, to a related party of that company without first obtaining shareholder approval.

The following information is provided in to enable Shareholders to assess the merits of Resolution 4(a) and (b):

- (a) the related parties of the Company to which the Director Securities were issued were:
  - (i) Greenline Nominees Pty Ltd, an associate and nominee of Mr Gardner; and
  - (ii) Mrs C McMickan and P&C McMickan <McMickan Family Super Fund>, associates and nominees of Mr McMickan;
- (b) the number of Shares that was issued was 11,000,000 while 2,750,000 Options were also issued;
- (c) the Director Securities were issued on 24 September and 24 October 2014;
- (d) the issue price of the Shares was \$0.038, being the same price as that paid by all other applicants for the Securities offered under the Company's Prospectus dated 18 August 2014;
- (e) no funds will be raised on the issue of the Options; however, a total of \$247,500 will be raised if all of the Options are exercised at \$0.09 each;
- (f) the Shares are fully paid ordinary shares in the capital of the Company, issued on the same terms and conditions as the existing Shares on issue; and the Company has applied for quotation of the Shares on ASX;
- (g) any Shares issued on exercise of the Options will be fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the existing Shares on issue;
- (h) the full terms of the Options are set out in Schedule 1 to this Explanatory Statement;

- (i) the Company intends to use the funds raised from the Share issue for the Company's exploration and general working capital purposes;
- (j) it is a requirement of ASX that Mr Gardner and his Associates and Mr McMickan and his Associates be precluded from voting on Resolutions 4(a) and 4(b), and accordingly the Company will disregard any votes that may be cast by the holders of the Director Securities on Resolutions 4(a) and 4(b);
- (k) if Shareholders do not ratify the issue of Director Securities, the relevant Director Securities must be sold within a period determined by the Company and ASX; any loss arising from the sale of Director Securities must be borne by the relevant Director, and any profit from the sale of Director Securities must be donated to a registered charity in accordance with ASX guidelines; and
- (l) any dividends paid in relation to Director Securities will have to be donated to a charity if Shareholder ratification is not obtained (there is no intention of the Company to pay any dividend at this time).

### **3.2 Voluntary holding lock**

The Director Securities are presently the subject of a holding lock preventing their sale or transfer.

### **3.3 Directors' recommendation**

The Directors (other than Mr Gardner and Mr McMickan) recommend Shareholders vote in favour of Resolutions 4(a) and 4(b).

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## **4. Resolutions 5 – Approve an issue of Shares and Options to a Director**

### **4.1 Background**

Notwithstanding the matters contained in Resolutions 4(a) and (b), Mr John Gardner, a Director, or his nominee, wishes to apply for a further 2,000,000 Shares and 500,000 Options on the same terms and conditions as Securities issued under the Prospectus. Under the terms of the Prospectus the Shares will be issued at an issue price of \$0.038 each while the attaching Options are issued free.

Entities associated with John Gardner (being Greenline Pty Ltd and Jaytu Pty Ltd, the trustee of the JW Gardner Super Fund) together presently hold 20,507,643 Shares, comprising an interest of 9.60% in the Company's total Shares, and 2,500,000 Options.

#### **Listing Rule information**

Shareholder approval under Listing Rule 10.11 is being sought for these further Securities to be issued a Director or his associates on the same terms as Securities issued under the Prospectus.

Listing Rule 10.11 provides that a company must not issue or agree to issue any Equity Securities, or other Securities with rights to conversion to equity, to a related party of that company without first obtaining shareholder approval. In accordance with Listing Rule 10.13, the following information is provided in to enable Shareholders to assess the merits of Resolution 5 for the purposes of Listing Rule 10.11:

- (a) the related parties of the Company to which Shares and Options may be issued are Mr Gardner and/or his associates;
- (b) the maximum number of Shares that may be issued to the Director is 2,000,000;

- (c) it is proposed that one free attaching Option exercisable at \$0.09 on or before 30 April 2017 will be granted for every 4 Shares issued to the Director; the maximum number of Options the Company proposes to grant is therefore 500,000 Options;
- (d) the Shares and Options will be issued on the same date and within 1 month of the date of the Meeting;
- (e) the issue price of the Shares will be \$0.038;
- (f) no funds will be raised on the issue of the Options; however, a total of \$45,000 will be raised if all of these Options are exercised at \$0.09 each;
- (g) the Shares issued will be fully paid ordinary shares in the capital of the Company, issued on the same terms and conditions as the existing Shares then on issue; and the Company will apply for quotation of the Shares on ASX;
- (h) any Shares issued on exercise of the Options will be fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the existing Shares on issue;
- (i) the full terms of the Options are set out in Schedule 1 to this Explanatory Memorandum;
- (j) if approval is given under Resolution 5 for the purposes of Listing Rule 10.11, approval is not required to be given for the purposes of Listing Rule 7.1;
- (k) the Company intends to use the funds raised from the Director subscription for the Company's general working capital purposes; and
- (l) an appropriate voting exclusion statement is included in the Notice.

#### **4.2 Corporations Act exemption**

Section 208 of the Corporations Act states that a public company cannot give a "financial benefit" (including an issue of shares and options) to a "related party" of the Company unless one of the exceptions set out in section 210 to 216 of the Corporations Act apply, or the holders of ordinary Securities have approved the giving of the financial benefit to the related party at a general meeting.

Section 210 of the Corporations Act provides that shareholder approval is not required to give a financial benefit on terms that:

- (a) would be reasonable in the circumstances if the public company and the related party were dealing at arm's length; or
- (b) are less favourable to the related party than arm's length terms.

As the Shares and Options proposed to be issued to Mr Gardner or his nominee are proposed to be issued on the same terms and at the same price as all other Securities issued to non-related parties under the Company's Prospectus and are for the purposes of a capital raising, the Directors (other than Mr Gardner) consider that the proposed issue is reasonable in the circumstances as if the Company and Mr Gardner were dealing at arm's length. Accordingly, the Directors (other than Mr John Gardner) have resolved that Shareholder approval is not required for the purposes of section 208 of the Corporations Act as the exemption under section 210 of the Corporations Act applies.

### 4.3 Directors' recommendation

The Directors (other than Mr Gardner) recommend Shareholders vote in favour of Resolution 5.

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## 5. Resolution 6 - Approval of issue of Shares and Options to the Auminco Lenders under the Debt Agreement

### 5.1 Background

At the General Meeting held on 2 May 2014 Shareholders approved the issue of 35,246,742 Shares and 11,748,913 Options to the Auminco Lenders to satisfy debt. The approval to issue these Securities has since lapsed and the Securities have not been issued. The Company now seeks a fresh approval from Shareholders to issue the Securities to the Auminco Lenders.

On 21 March 2014, Viking entered into a Deed of Acquisition and Release (**Debt Agreement**) with Auminco and the Auminco Lenders that have collectively advanced Auminco approximately \$1.75 million (plus accrued interest of \$215,802) as both secured loans and convertible notes (**Debt**).

As a condition of completing the Auminco takeover Viking agreed to acquire or take an assignment of (as the case may be) the interest of the Auminco Lenders in the Debt in exchange for the issue of 35,246,742 Shares and 11,748,913 Options (**Debt Consideration**) to the Auminco Lenders in proportion to the amount of the Debt held by each of them.

The purpose of the Debt Agreement is to ensure Auminco does not have any outstanding debts owing to third parties following completion of the Takeover Offer, other than pre-determined specific amounts owed by Auminco to certain trade creditors.

Each party has provided standard warranties for an agreement of this nature.

Some of the Auminco Lenders are "related parties" of the Company within the meaning of that term set out in section 228 of the Corporations Act and Listing Rule 19.12 by reason of their associations with Mr Ray Whitten, who has been appointed a Director of the Company. Barbary Coast Investments Pty Ltd and Torona Pty Ltd are lenders associated with Mr Whitten.

### Corporations Act exemption

Section 208 of the Corporations Act states that a public company cannot give a "financial benefit" (including an issue of shares and options) to a "related party" of the Company unless one of the exceptions set out in section 210 to 216 of the Corporations Act apply, or the holders of ordinary Securities have approved the giving of the financial benefit to the related party at a general meeting.

Section 210 of the Corporations Act provides that shareholder approval is not required to give a financial benefit on terms that:

- (a) would be reasonable in the circumstances if the public company and the related party were dealing at arm's length; or
- (b) are less favourable to the related party than arm's length terms.

As the Debt Agreement has been negotiated with non-related parties and their advisors who are 'arm's length' third parties, the Directors consider that the Debt Agreement is reasonable in the circumstances as if the Company and the Auminco Lenders associated with Mr Ray Whitten were dealing at arm's length. Accordingly, the Directors (other than Mr Ray Whitten) have resolved that Shareholder approval is not required for the purposes of section 208 of the Corporations Act as the exemption under section 210 of the Corporations Act applies.

## **Listing Rule information requirements**

Resolution 6 seeks Shareholder approval under Listing Rule 7.1 for the issue of the Debt Consideration to the Auminco Lenders.

In accordance with Listing Rule 7.3, the following information is provided to enable Viking Shareholders to assess the merits of Resolution 6 for the purposes of Listing Rule 7.1:

- (a) the maximum number of Shares proposed to be issued is 35,246,742;
- (b) the maximum number of Options proposed to be issued is 11,748,913, each with an exercise price of \$0.09 and expiring on 30 April 2017;
- (c) the Shares and Options issued pursuant to Resolution 6 will be issued within 3 months of the date of the Meeting and it is intended that allotment will occur on one date;
- (d) the Shares and Options will be issued in consideration for the Debt and accordingly no funds will be raised through the issue of those securities; if the Options are exercised, the Company will receive \$1,057,402;
- (e) the Shares and Options will be issued and allotted to the Auminco Lenders, being Barbary Coast Investments Pty Ltd, Rodby Holdings Pty Ltd, Bestvale Resource Consultants Pty Ltd, Torona Pty Limited, Gilt Nominees Pty Limited, Porter & Co Nominees ATF Porter & Co Pty Limited Super Fund, Keith Thornton ATF Thornton Superannuation Fund, AE.COM Pty Ltd and Landrew Investments Pty Ltd;
- (f) the Shares issued will be fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the existing Shares on issue; Viking will apply for quotation of the Shares on ASX;
- (g) any Shares issued on exercise of the Options will be fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the existing Shares on issue;
- (h) the Options will be issued on the terms set out in Schedule 1 to this Explanatory Memorandum; and
- (i) an appropriate voting exclusion statement is included in the Notice.

## **5.2 Directors' recommendations**

The Directors (other than Mr Ray Whitten) unanimously recommend Shareholders vote in favour of Resolution 6. Mr Whitten does not make a recommendation because one of the Auminco Lenders is an entity associated with him.

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## **6. Resolution 7 - Approval of issue of Options to Corporate Advisers**

### **6.1 Background**

At the General Meeting held on 2 May 2014 Shareholders approved an issue of 3,450,000 Options to the Company's corporate advisers re the Auminco takeover, Inteq Limited and Emerald Partners Limited, (**Corporate Advisers**). The approval to issue these Options has since lapsed and the Options have not been issued. The Company now seeks a fresh approval from Shareholders to issue the Options to the Corporate Advisers.

Under its agreements with the Company the Corporate Advisers are entitled to 3,450,000 Options as part compensation for their respective corporate advisory and brokerage services to both the Company and Auminco in relation to the Auminco takeover.

### **Listing Rule information**

Resolution 7 seeks Shareholder approval under Listing Rule 7.1 for the issue of the Options to the Corporate Advisers. In accordance with Listing Rule 7.3, the following information is provided to enable Shareholders to assess the merits of Resolution 7 for the purposes of Listing Rule 7.1:

- (a) the number of Options to be issued to the Corporate Advisers is 3,450,000;
- (b) the Options proposed to be issued pursuant to Resolution 7 will be issued within 3 months of the date of the Meeting and it is intended that allotment will occur on one date;
- (c) the Options will be issued in consideration for corporate services rendered by the Corporate Advisers in relation to the Auminco takeover and accordingly no funds will be raised through the issue of those securities; if the Options are exercised, the Company will receive \$310,500;
- (d) the Options will be issued to the Corporate Advisers or their nominees;
- (e) any Shares issued on exercise of the Options will be fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the existing Shares on issue;
- (f) the Options will be issued on the terms set out in Schedule 1 to this Explanatory Memorandum; and
- (g) an appropriate voting exclusion statement is included in the Notice.

### **6.2 Directors' recommendation**

The Directors unanimously recommend that Shareholders vote in favour of Resolution 7.

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## **7. Resolution 8 - Approval of issue of Iarudi Options**

### **7.1 Background**

At the General Meeting held on 2 May 2014 Shareholders approved an issue of 3,000,000 Options to Iarudi LLC (**Iarudi**). The approval to issue these Options has since lapsed and the Options have not been issued. The Company now seeks a fresh approval from Shareholders to issue the Options to Iarudi.

Resolution 8 seeks Shareholder approval under Listing Rule 7.1 for the issue by the Company of 3,000,000 Options (**Iarudi Options**) to Iarudi under the terms of a private agreement between Iarudi, Viking and Auminco dated 18 March 2014 (**Auminco Option Deed**).

Under the terms of the Auminco Option Deed, Iarudi has agreed to cancel its 3,000,000 Auminco Options exercisable at \$0.20 on or before 8 July 2016 (**AUM 20c Options**) in exchange for 3,000,000 Iarudi Options exercisable at \$0.20 on or before 15 November 2016 and otherwise on the terms set out in Schedule 2.

### **Listing Rule information**

In accordance with Listing Rule 7.3, the following information is provided to enable Shareholders to assess the merits of Resolution 8 for the purposes of Listing Rule 7.1:

- (a) the maximum number of Iarudi Options proposed to be issued is 3,000,000 Iarudi Options to Iarudi LLC, each exercisable at \$0.20 on or before 15 November 2016;

- (b) the Iardui Options will be issued within 3 months of the date of the Meeting and it is intended that allotment will occur on one date;
- (c) the Iardui Options are to be issued to Iaurdi in consideration for the cancellation of the AUM 20c Options under the Auminco Option Deed and accordingly no funds were raised through the issue of those securities; if the Iardui Options are exercised, the Company will receive \$600,000;
- (d) any Shares to be issued on exercise of the Iardui Options will be fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the existing Shares on issue;
- (e) the Iardui Options will be issued on the terms set out in Schedule 1 to this Explanatory Memorandum; and
- (f) an appropriate voting exclusion statement is included in the Notice.

## **7.2 Directors' recommendation**

The Directors unanimously recommend that Shareholders vote in favour of Resolution 8.

## GLOSSARY OF TERMS

In this Explanatory Memorandum the following expressions have the following meanings:

“**ASIC**” means the Australian Securities and Investment Commission.

“**Associate**” has the meaning given in Division 2 of Part 1.2 of the Corporations Act.

“**ASX**” means ASX Limited, or the stock exchange conducted by ASX, as the context requires

“**Auminco**” means Auminco Mines Limited ACN 159 575 863

“**Auminco Lenders**” means Barbary Coast Investments Pty Ltd, Rodby Holdings Pty Ltd, Bestvale Resource Consultants Pty Ltd, Torona Pty Limited, Gilt Nominees Pty Limited, Porter & Co Nominees ATF Porter & Co Pty Limited Super Fund, Keith Thornton ATF Thornton Superannuation Fund, AE.COM Pty Ltd and Landrew Investments Pty Ltd.

“**Auminco Option Deed**” means The Deed of Agreement between Iarudi LLC, Viking and Auminco dated 18 March 2014, in relation to the cancellation of Auminco Options held by, and the issue of new Viking Options to, Iarudi LLC

"**Annual Report**" means the Company's Annual Report including the Financial Report, Directors' Report and Auditor's Report for the year ended 30 June 2014.

“**Auditor's Report**” means the independent auditor's report contained in the Annual Report.

"**Board**" means the Board of Directors of the Company.

"**Company or Viking**" means Viking Mines Limited ACN 126 200 280.

"**Constitution**" means the Company's constitution from time to time.

"**Corporations Act**" means the *Corporations Act 2001 (Cth)*.

“**Corporate Advisers**” means Emerald Partners Limited and Inteq Limited.

“**Debt**” has the meaning given to that term in Section 5.1.

“**Debt Agreement**” means the Deed of Acquisition and Release between Viking, Auminco and the Auminco Lenders dated 21 March 2014.

“**Debt Consideration**” has the meaning given to that term in Section 5.1.

“**Director Securities**” has the meaning given to that term in Section 3.1.

"**Directors**" means the directors of the Company from time to time.

“**Directors' Report**” means the directors' report contained in the Annual Report.

"**Explanatory Memorandum**" means the explanatory memorandum that accompanies and forms part of this Notice.

“**Iarudi Option**” means an option to be issued a Share, exercisable at \$0.20 any time up to 15 November 2016.

“**Key Management Personnel**” means those persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly, including any Director (whether executive or otherwise) of the Company.

“**Listing Rule**” means a Listing Rule of ASX Limited.



"**Meeting**" or "**Annual General Meeting**" means the annual general meeting of Shareholders of the Company convened by this Notice.

"**Notice**" or "**Notice of Annual General Meeting**" means the notice of annual general meeting which accompanies this Explanatory Memorandum.

"**Option**" means an option to be issued a Share, exercisable at \$0.09 any time up to 30 April 2017.

"**Prospectus**" means the Company's prospectus dated 18 August 2014 and lodged with ASIC on that date.

"**Remuneration Report**" means the remuneration report appearing in the Annual Report.

"**Resolution**" means a resolution referred to in the Notice.

"**Securities**" has the meaning given in Chapter 19 of the ASX Listing Rules

"**Share**" means an ordinary share in the Company.

"**Shareholder**" means a shareholder of the Company.

"**WST**" means Western Standard Time in Western Australia.

## **Schedule 1 – Terms and Conditions of Options**

The terms and conditions of the Options are regulated by the Constitution, the Corporations Act, the Listing Rules and general law.

The terms and conditions of the Options are as follows:

1. Each Option entitles the holder to acquire one Share.
2. Each Option may be exercised at any time prior to their expiry date by forwarding to the Company at its principal office an exercise notice, duly completed together with payment of exercise price per Option exercised.
3. An Option may be transferred by an instrument (duly duties endorsed where necessary) in the form commonly used for transfer of Options at any time until the expiry date of the Options. This right is subject to any restrictions on the transfer of an Option that may be imposed by ASX in circumstances where the Company is listed on ASX or the Corporations Act.
4. The Company may apply to ASX for quotation of the Options subject to the satisfaction of all application requirements under the Corporations Act and Listing Rules.
5. Option holders shall be permitted to participate in new issues of securities on the prior exercise of Options, in which case the Option holders shall be afforded the period of at least nine (9) Business Days prior to and inclusive of the record date (to determine entitlements to the issue) to exercise the Option.
6. Shares issued on the exercise of Options will be issued not more than ten (10) Business Days after receipt of a properly executed exercise notice and application moneys. Shares allotted pursuant to the exercise of an Option will rank equally with the then issued Shares of the Company in all respects. If the Company is listed on ASX it will, pursuant to the exercise of an Option, apply to ASX for quotation of the Shares issued as a result of the exercise, in accordance with, but subject to, the Corporations Act and the Listing Rules.
7. In the event of any reconstruction (including consolidation, sub-division, reduction or return) of the issued capital of the Company, all rights of the Option holder will be changed to the extent necessary to comply with the relevant Listing Rules.
8. If there is a bonus issue of Shares to Shareholders, the number of Shares over which the Option is exercisable may be increased by the number of Shares which the holder of the Option would have received if the Option had been exercised before the record date for the bonus issue.
9. In the event that a pro rata issue (except a bonus issue) is made to the holders of the underlying securities of the Company, the exercise price of the Options may be reduced in accordance with Listing Rule 6.22.

## PROXY AND VOTING ENTITLEMENT INSTRUCTIONS

### PROXY INSTRUCTIONS

Shareholders are entitled to appoint up to two individuals or bodies corporate to act as proxies to attend and vote on their behalf. Where more than one proxy is appointed each proxy may be appointed to represent a specific proportion of the Shareholder's voting rights. If the appointment does not specify the proportion or number of votes each proxy may exercise, each proxy may exercise half of the votes.

The proxy form (and the power of attorney or other authority, if any, under which the proxy form is signed) or a copy or facsimile which appears on its face to be an authentic copy of the proxy form (and the power of attorney or other authority) must be deposited at or sent by facsimile transmission to the Company Secretary's office, **Suite 2, 47 Havelock Street, West Perth WA 6005, +61 8 9324 2977**, not less than 48 hours before the time for holding the Meeting, or adjourned meeting as the case may be, at which the individual or body corporate named in the proxy form proposes to vote.

The proxy form must be signed by the Shareholder or his/her attorney duly authorised in writing or, if the Shareholder is a corporation, in a manner permitted by the Corporations Act.

The proxy may, but need not, be a Shareholder of the Company.

In the case of Shares jointly held by two or more persons, all joint holders must sign the proxy form.

A proxy form is attached to this Notice.

### VOTING ENTITLEMENT

For the purposes of determining voting entitlements at the Meeting, Shares will be taken to be held by the persons who are registered as holding the Shares at 9.00pm (WST) on Wednesday, 10 December 2014. Accordingly, transactions registered after that time will be disregarded in determining entitlements to attend and vote at the Meeting.

### QUESTIONS FROM SHAREHOLDERS

At the Meeting the Chairman will allow a reasonable opportunity for Shareholders to ask questions or make comments on the management of the Company and the Remuneration Report.

Mr Graham Swan, as the auditor responsible for preparing the Auditor's Report for the year ended 30 June 2014 (or his representative) will attend the Meeting. The Chairman will also allow a reasonable opportunity for Shareholders to ask the auditor questions about the conduct of the audit; the preparation and content of the Auditor's Report; the accounting policies adopted by the Company in relation to the preparation of financial statements; and the independence of the auditor in relation to the conduct of the audit.

To assist the Board and the auditor of the Company in responding to questions please submit any questions you may have by mail to the Company Secretary's office, **Suite 2, 47 Havelock Street, West Perth WA 6005**, or by fax to **+61 8 9324 2977** so that it is received by no later than 5.00pm (WST) on Friday, 5 December 2014.

As required under section 250PA of the Corporations Act, at the Meeting, the Company will distribute a list setting out the questions directed to the auditor received in writing by Tuesday 9 December 2014, being questions which the auditor considers relevant to the content of the Auditor's Report or the conduct of the audit of the Annual Financial Report for the year ended 30 June 2014. The Chairman will allow reasonable opportunity to respond to the questions set out on this list.

**VIKING MINES LIMITED**  
**ACN 126 200 280**

**PROXY FORM**

The Company Secretary

Viking Mines Limited, Suite 2, 47 Havelock Street, West Perth WA 6005,

Facsimile +61 8 9324 2977

I/We \_\_\_\_\_

of \_\_\_\_\_

being a Shareholder/(s) of Viking Mines Limited ("**Company**") and entitled to

\_\_\_\_\_ Shares in the Company

hereby appoint \_\_\_\_\_

of \_\_\_\_\_

or failing him/her/it \_\_\_\_\_

of \_\_\_\_\_

or failing him/her/it the Chairman as my/our proxy to vote for me/us and on my/our behalf at the Annual General Meeting of the Company to be held at the Suite 2, 47 Havelock Street, West Perth, Western Australia at 12.30pm (WST) on Friday, 12 December 2014 and at any adjournment thereof in respect of \_\_\_\_\_ of my/our Shares or, failing any number being specified, **ALL** of my/our Shares in the Company.

If two proxies are appointed, the proportion of voting rights this proxy is authorised to exercise is [     ]%.  
(An additional proxy form will be supplied by the Company on request.)

If you wish to indicate how your proxy is to vote, please tick the appropriate places below. If no indication is given on a Resolution, the proxy may abstain or vote at his/her/its discretion.

In relation to undirected proxies, the Chairman intends to vote in favour of all of the Resolutions.

If the Chairman is my/our proxy, I/we expressly authorise the Chairman to vote on Resolution 1 in his discretion (except where I/we have marked the voting boxes below) even though that Resolution is connected with the remuneration of Key Management Personnel.

I/we acknowledge that the Directors (other than the Chairman) and other Key Management Personnel of the Company and their closely related parties will not cast any votes in respect of Resolution 1 that arise from any undirected proxy that they hold.

I/we direct my/our proxy to vote as indicated overleaf:

