ASX Announcement

25 October 2016

ASX Code: VKA

Quarterly Report for the period ended 30 September 2016

During the three months to 30 September, 2016, Perth-based Viking Mines Ltd (Viking or the Company) activity was focussed on reviewing new mining project opportunities, while progressing Government approval of the sale agreement for the Akoase gold project in Ghana.

1. Akoase Gold Project (Ghana, VKA 100% - reducing to 0% upon completion of sale)

During the September 2016 quarter the Company continued to make significant progress in obtaining the necessary government approvals to transfer the Akoase tenements to Akoase Resources Limited (**ARL)** such that it can complete the US$10 million sale of these tenements.

Since lodging the necessary applications and documents required to obtain the Minister of Mines approval to the transfer of the Akoase licences to ARL, Viking, and the purchaser, have responded to various Minerals Commission requisitions for additional information. During the quarter Viking received a tax clearance certificate for its Ghanaian incorporated subsidiary from the Ghana Revenue Authority. Viking believes all necessary documentation has now been provided for Ministerial approval to be obtained and that the Minerals Commission has recommended to the Minister that the transfers be approved.

Once the necessary Ministerial approvals for the transfer of the tenements are received a further US$6 million in Akoase sales proceeds becomes immediately payable to Viking. Non-payment of this amount may void the sale transaction and the Akoase project ownership would then remain with Viking. In this event there is no obligation upon Viking to refund any portion of the US$2 million deposit already paid by ARL.

Akoase Sale Transaction Details

In June 2015 Viking announced the sale of the Akoase gold project for total sales consideration of US$10 million to be received as follows:

- US$2,000,000 – received by Viking

- US$6,000,000 to be paid in cash within 5 days after all conditions precedent have been satisfied. The only remaining condition relates to Viking obtaining the requisite Ghanaian Minerals Commission and Minister of Mines approvals as noted above.

- US$ 2,000,000 to be paid in cash as a gold production royalty

2. West Star/Blue River Joint Venture Gold Project (Ghana, VKA 100% hard rock)

As previously advised, as a result of their alleged non-compliance with the Mining Act, the tenement holder and Joint Venture partner received formal notification from the Minerals Commission that the West Star/Blue River tenements have been rescinded or will not be renewed. This decision had been appealed by our Joint Venture partner.

Based on information obtained from the Minerals Commission, the Blue River mining lease has not been renewed and has been allocated to another company. The West Star prospecting licence has also not been renewed, and part of the West Star mining lease has been rescinded and allocated to another company. Viking's Ghanaian subsidiary has now lodged a prospecting licence application over the majority of the area of the previous West Star prospecting licence.

Upon the new prospecting licence being granted Viking will proceed with a previously planned reconnaissance drill program to test a strong gold in soil anomaly located adjacent to the Salman shear zone in the northern part of the West Star prospecting licence.

3. Berkh Uul Coal Project (Mongolia, VKA 100%)

No on-ground activity on the project during the quarter.

Lodgement of the field inspection report conducted by two representatives from the Ministry of Tourism, Green Development and Environment has been delayed due to the recent Mongolian elections, where there has been a change of Government, senior ministers, public servants and advisors.

This follows a previously reported Government Resolution that licence areas in headwater zones and river basins are to be annexed and revoked. The Company has been advised by the Ministry of Tourism, Green Development and Environment that approximately 53% of the Berkh Uul prospecting licence falls within a headwaters of rivers zone. This government determination impacts upon the Company's current coal resource.

Viking expects to receive a formal response from the field inspection and the status of the government review process in the next quarter. A further written submission outlining the potential benefits of a mining project to the regional and State economy is planned to be lodged with the government in the December quarter.

4. Khonkhor Zag Coal Project (Mongolia, VKA 100%)

No on-ground work was undertaken on the project during the quarter.

5. Corporate

During the quarter the Company accelerated and intensified its review of mineral project farm-in/acquisition opportunities in the expectation that the final Akoase sale proceeds will be received during the December quarter.

One project review is currently at an advanced stage of consideration. Viking will continue to pursue this and any other opportunities, which are complementary to its existing project portfolio and consistent with its core objective to acquire near term production assets with potential to deliver sustainable cash flow.

The Company has appointed corporate adviser Emerald Partners Pty Ltd to assist in the search for suitable new advanced mining projects. Emerald Partners advised the Company on its sale of the Akoase gold project and has previously been a corporate adviser to the Company.

Jack Gardner
Executive Chairman

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Competent Persons 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 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 coal Exploration Results, Mineral Resources or Ore Reserves is based on information compiled by Mr David Lorge, who is a Member of the Society of Mining, Metallurgy, and Exploration Inc. (SME) and a Fellow of the Society of Economic Geologists (SEG). Mr Lorge is a full time employee of RSC Consultants. Mr Lorge 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 Lorge consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

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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.

About the Akoase Gold Project

The Akoase Project is an advanced exploration gold project located approximately 125km northwest of Accra in Ghana. The Project comprises the Akoase East (JORC (2012) classified Inferred resource of 790,000 ounces), Akoase South-East and Akoase West licences. Akoase is 25km from Newmont's 8 million ounce 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.

About the Berkh Uul Coal Project

Berkh Uul is located 400 km north of Ulaanbaatar in north-eastern Mongolia within the Orkhon-Selenge coal district and within 20km of the Russian border (Figures 1 and 3). 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 low strip ratio open pit mining.

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. To date four Memoranda of Understanding for the supply of coal from Berkh Uul have been signed with local industrial end-users.

On 17 March, 2014, Viking announced a new Indicated and Inferred coal resource estimate, classified in accordance with the JORC (2012) Code, for the Berkh Uul coal project. The resource estimate was completed by consultancy group, RungePincockMinarco Ltd, and totals 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 Berkh Uul Mineral Resource 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.vikingmines.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.

Figure 1: Viking Mines Project Locations, Mongolia

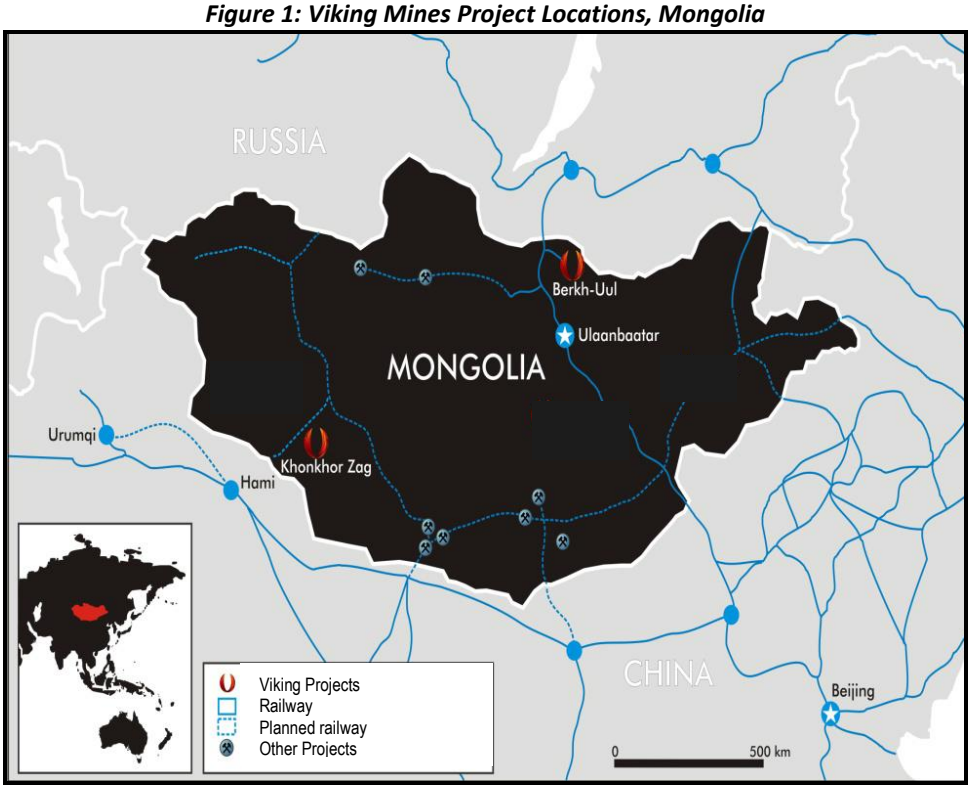
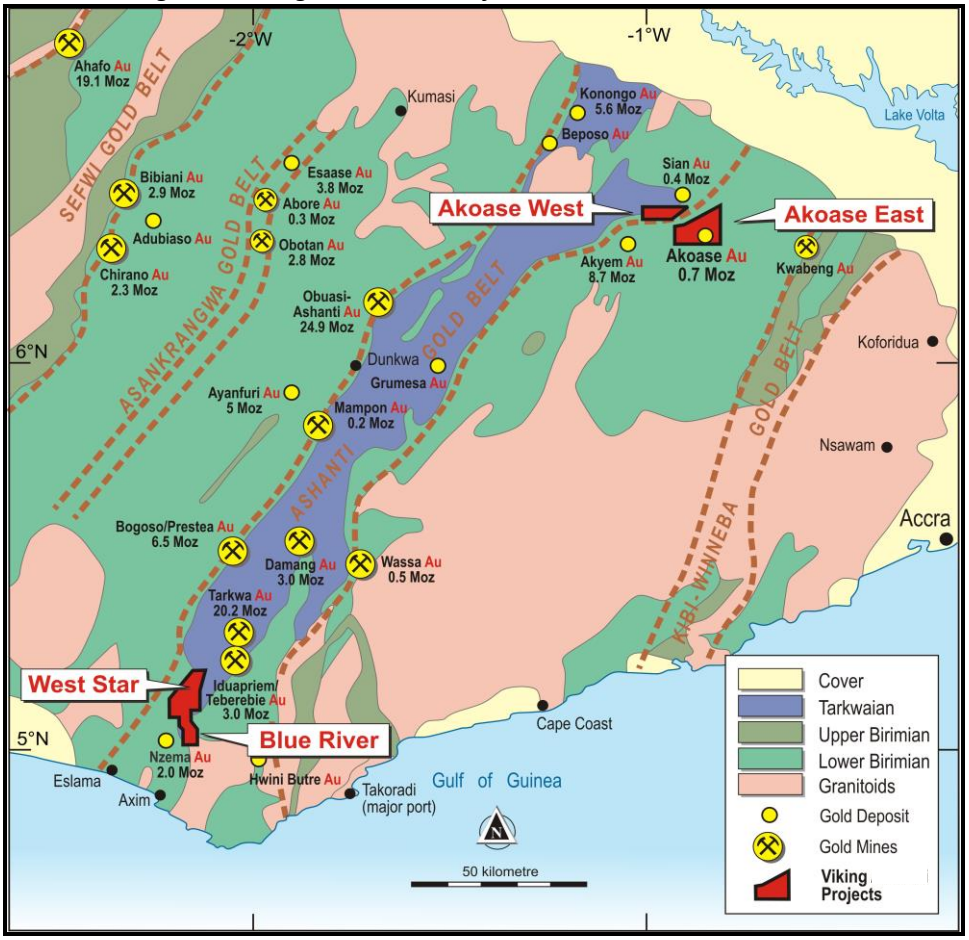


Figure 2: Viking Mines Gold Project Locations, Southern Ghana



Appendix 1
Tenements Held at 30 September 2016

Ghana

Licence name	Location	Licence type	Licence Holder/ JV Partners*	Viking Mines Ownership
Akoase West	southern Ghana	Prospecting licence	RAL	100%(reducing to zero% upon sale completion)
Akoase East	southern Ghana	Prospecting licence	RAL	100%(reducing to zero% upon sale completion)
Akoase South-East	southern Ghana	Prospecting licence	RAL	100%(reducing to zero% upon sale completion)
West Star*	southern Ghana	Mining lease	WMCL/RAL	100% hardrock

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

WMCL = West Star Mining Company Ltd, a joint venture partner in the West Star gold project

* subject to rescindment/renewal dispute with Minerals Commission

Mongolia

Licence name	Location	Licence type	Licence Holder/JV Partners*	Viking Mines ownership
Berkh Uul	Selenge province, Mongolia	Exploration licence	BRX LLC	100%
Khonkhor Zag	Govi Altai province, Mongolia	Mining lease	Salkhit Altai LLC	100%

* BRX LLC, and Salkhit Altai LLC are 100% owned subsidiaries of Viking Mines Ltd.

Rule 5.5

Appendix 5B

Mining exploration entity and oil and gas exploration entity quarterly report

Name of entity

VIKING MINES LIMITED

ABN	**Quarter ended ("current quarter")**
38 126 200 280	September 2016

Consolidated statement of cash flows		**Current quarter $A'000**	**Year to date (3 months) $A'000**
1.	**Cash flows from operating activities**		
1.1	Receipts from customers		
1.2	Payments for		
	(a) exploration & evaluation	(90)	(90)
	(b) development		
	(c) production		
	(d) staff costs	(37)	(37)
	(e) administration and corporate costs	(128)	(128)
1.3	Dividends received		
1.4	Interest received	4	4
1.5	Interest and other costs of finance paid		
1.6	Income taxes paid		
1.7	Research and development refunds		
1.8	Other (provide details if material)		
1.9	**Net cash from / (used in) operating activities**	**(251)**	**(251)**

2.	**Cash flows from investing activities**		
2.1	Payments to acquire:		
	(a) property, plant and equipment		
	(b) tenements (see item 10)		
	(c) investments		

Consolidated statement of cash flows		**Current quarter $A'000**	**Year to date (3 months) $A'000**
	(d) other non-current assets		
2.2	Proceeds from the disposal of:		
	(a) property, plant and equipment		
	(b) tenements (see item 10)	(158)	(158)
	(c) investments		
	(d) other non-current assets		
2.3	Cash flows from loans to other entities		
2.4	Dividends received		
2.5	Other (provide details if material)		
2.6	**Net cash from / (used in) investing activities**	**(158)**	**(158)**

3.	**Cash flows from financing activities**		
3.1	Proceeds from issues of shares		
3.2	Proceeds from issue of convertible notes		
3.3	Proceeds from exercise of share options		
3.4	Transaction costs related to issues of shares, convertible notes or options		
3.5	Proceeds from borrowings		
3.6	Repayment of borrowings		
3.7	Transaction costs related to loans and borrowings		
3.8	Dividends paid		
3.9	Other (provide details if material)		
3.10	**Net cash from / (used in) financing activities**	**-**	**-**

4.	**Net increase / (decrease) in cash and cash equivalents for the period**		
4.1	Cash and cash equivalents at beginning of period	1,306	1,306
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(251)	(251)

Consolidated statement of cash flows		**Current quarter $A'000**	**Year to date (3 months) $A'000**
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(158)	(158)
4.4	Net cash from / (used in) financing activities (item 3.10 above)		
4.5	Effect of movement in exchange rates on cash held	(46)	(46)
4.6	**Cash and cash equivalents at end of period**	**851**	**851**

5.	**Reconciliation of cash and cash equivalents** at the end of the quarter to the related items in the accounts	**Current quarter $A'000**	**Previous quarter $A'000**
5.1	Bank balances	390	581
5.2	Call deposits	461	725
5.3	Bank overdrafts		
5.4	Other (provide details)		
5.5	**Cash and cash equivalents at end of quarter**	**851**	**1,306**

6.	**Payments to directors of the entity and their associates**	**Current quarter $A'000**
6.1	Aggregate amount of payments to these parties included in item 1.2	37
6.2	Aggregate amount of cash flow from loans to these parties included in item 2.3	

6.3 Include below any explanation necessary to understand the transactions included in items 6.1 and 6.2

7.	Payments to related entities of the entity and their associates	Current quarter $A'000
7.1	Aggregate amount of payments to these parties included in item 1.2	
7.2	Aggregate amount of cash flow from loans to these parties included in item 2.3	

7.3 Include below any explanation necessary to understand the transactions included in items 7.1 and 7.2

8.	Financing facilities available *Add notes as necessary for an understanding of the position*	Total facility amount at quarter end $A'000	Amount drawn at quarter end $A'000
8.1	Loan facilities		
8.2	Credit standby arrangements		
8.3	Other (please specify)		

8.4 Include below a description of each facility above, including the lender, interest rate and whether it is secured or unsecured. If any additional facilities have been entered into or are proposed to be entered into after quarter end, include details of those facilities as well.

9.	Estimated cash outflows for next quarter	$A'000
9.1	Exploration and evaluation	100
9.2	Development	
9.3	Production	
9.4	Staff costs	30
9.5	Administration and corporate costs	70
9.6	Other (provide details if material)	
9.7	**Total estimated cash outflows**	**200**

10.	Changes in tenements (items 2.1(b) and 2.2(b) above)	Tenement reference and location	Nature of interest	Interest at beginning of quarter	Interest at end of quarter
10.1	Interests in mining tenements and petroleum tenements lapsed, relinquished or reduced	Blue River	Hard rock joint venture interest in mining licence and prospecting licence	100%	0%
10.2	Interests in mining tenements and petroleum tenements acquired or increased	West Star	Prospecting Licence application	0%	100%

Compliance statement

1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.

2 This statement gives a true and fair view of the matters disclosed.

Sign here:  Date: 25 October 2016

Company secretary

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 that wishes to disclose additional information is encouraged to do so, in a note or notes included in or attached to this report.
2. If this quarterly report has been prepared in accordance with Australian Accounting Standards, 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. If this quarterly report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.