ASX Announcement

21 March 2014

ASX Code: VKA

RECOMMENDED TAKEOVER BID FOR AUMINCO MINES BY VIKING ASHANTI

Further to Viking Ashanti's announcement of 6th December 2013, regarding a proposed transaction with Auminco Mines Limited (**Auminco**), Viking Ashanti is pleased to confirm that it will proceed with an off market takeover offer (**Offer**) for all of the issued share capital of Auminco.

In the absence of a superior offer, the Offer is recommended unanimously by the board of Auminco and each board member of Auminco intends to accept the Offer in respect of their own shareholding.

Under the terms of the Offer, accepting Auminco shareholders will receive 61.2 Viking Shares and 20.4 Viking Options for every 100 Auminco Shares held. Based on the last traded price of Viking shares at the close of business on 21 March 2014, the Offer represents an implied value of approximately $0.025 cents per Auminco Share.

In addition to the Offer, Viking has entered into a Deed of Acquisition and Release (**Debt Agreement**) with Auminco and entities that have collectively advanced Auminco approximately $1.75 million (plus accrued interest of $215,802) as both secured loans and convertible notes (**Debt**).

Subject to Viking achieving at least 90% of all Auminco Shares under the Offer, Viking has agreed to acquire the Debt in exchange for the issue of 35,246,742 Viking Shares and 11,748,913 Viking Options to the relevant lenders.

The total consideration to be paid by Viking to obtain 100% of Auminco and the Debt is:

- 81 million Viking shares;
- 27 million unlisted Viking options exercisable at $0.09 on or before 30 April 2017; and
- 3 million unlisted Viking options exercisable at $0.20 on or before 15 November 2016 to be issued to an Auminco optionholder under a private transaction.

A successful Offer will result in shareholders of Viking and Auminco shareholders owning approximately 58% and 42% respectively of Viking on an undiluted basis.

The Offer is subject to certain Offer Conditions which include:

- that the acquisition of the Auminco shares pursuant to the Offer is approved by the shareholders of Viking for the purposes of ASX listing rule 11.1.2;
- the issue of Viking shares and options under the Debt Agreement is approved by the shareholders of Viking;
- that Viking receives shareholder approval for and successfully conducts a separate capital raising of a minimum $3,000,000 and a maximum of approximately $5,600,000;
- that by the end of the Offer, Viking has a relevant interest in at least 90% of the issued share capital of Auminco;
- no material adverse change and no prescribed occurrences in relation to Auminco;
- no change in control rights and no regulatory actions; and
- no material acquisitions, disposals or the like.

Viking may choose to waive any of the Offer Conditions.

As previously announced, Viking has received ASX confirmation that it can complete the Auminco transaction in accordance with ASX listing rule 11.1.2.

Viking will issue a Bidders Statement to Auminco shareholders within 14 days of this announcement. In addition Viking will shortly issue a Notice of General Meeting for Viking shareholders containing the resolutions to be put to shareholders required to effect the transaction and other related matters.

The transaction is a transformational one for Viking, which if successful, will result in the acquisition of a suite of high quality, strategically located coal projects in Mongolia. The Berkh Uul Project in Northern Mongolia will be developed through to production as rapidly as possible. Successful production at Berkh Uul would provide significant cash flows to develop the remainder of the combined group's portfolio as well seek out further production and near term production opportunities. By acquiring Auminco, Viking will achieve its strategic objective of owning near term production assets to drive increased shareholder value. Recent changes to the Mongolian foreign investment regulatory regime suggest this is an opportunistic time for an entry level investment in this resource rich country.

For further information in relation to this takeover offer please contact either the Chairman of Viking, Jack Gardner, on 08 6313 5151 or Viking's corporate adviser, Matthew Howison at Emerald Partners, on 02 9251 5065.

ENDS

Peter McMickan
Managing Director

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

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Peter McMickan	Managing Director
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AUMINCO MINES COMPANY INFORMATION

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