ASX Announcement

31 January 2020

ASX Code: VKA

Quarterly Report for the period ended 31 December 2019

During the quarter ended 31 December 2019, Viking Mines Ltd (**Viking** or the **Company**) was actively focussed on progressing work at the Tumentu Gold Project and continuing the proceedings against the purchaser and guarantors of the Akoase Gold Project.

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

In June 2015 the Company executed a sale contract for the Akoase Gold Project for an overall transaction value of USD$10 million, of which USD$8 million was to be paid in cash.

Viking has previously been paid USD$5 million in sales proceeds. The remaining USD$3 million was due by 31 December 2017 with a grace period until 31 January 2018. At the date of this announcement, the USD$3 million has not been received by the Company.

Current Akoase sale proceeds summary:

- USD$5 million – paid to date;
- USD$3 million – this amount was due to be paid by 31 December 2017. At the date of this announcement, the USD$3 million has not been received by the Company; and
- a further USD$2 million via royalties from production.

As announced to the market on 22 October 2018, the Company's lawyers in Ghana have filed and served proceedings against Akoase Resources Limited, BXC Company Ghana Limited and Cheng Yi. Since that time, the matter has been proceeding through the court process in the High Court (Commercial Division) in Ghana.

As announced on 24 January 2020, the Company's lawyers in Ghana have advised that the litigation against Akoase Resources Limited, BXC Company Ghana Limited and Cheng Yi is scheduled to be heard in the High Court of Ghana on 12 February 2020 for Interlocutory steps.

The Company will continue to provide updates as this matter progresses.

2. Tumentu Gold Project (Ghana, VKA 100%)

During the quarter ended 31 December 2019, the drilling program at Tumentu was delayed due to excessive rain in the region. Subsequent to the end of the quarter, as announced on 14 January 2020, weather conditions had improved in the region and the drilling program commenced. Aircore Drilling as part of the current program at Tumentu is now complete. 35 holes were drilled totalling 1234.0m to an average depth of 34m. The Company is sending samples for further testing and will update the market when results are received. A total of 900 Aircore and Reverse Circulation samples from the Tumentu prospect were submitted to the laboratory.

The Company expects that the assays will be updated and merged onto a central database in the coming Quarter. Once the assay results are received, a technical report on the exploration activities will be prepared.

Subsequent to the Quarter end, the Company has received confirmation the Minerals Commission of Ghana have granted the prospecting licence for Butre. Butre is located in the Ahanta West region of Ghana.

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

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

Viking continues to seek resolution relating to changes to boundaries of protected areas affecting the Berkh Uul prospecting license, introduced under Long Name Law in 2010. The Company has commenced action against the Mineral Resources and Petroleum Authority of Mongolia in this regard (**MRPAM**). The Company has received a written judgement from the Supreme Court in relation to this matter, which upheld the decision of the First Instance Administrative Court which rejected the claims of the Company. The Company's lawyers in Mongolia are in the process of submitting a request for compensation to MRPAM.

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

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

In accordance with and consistent with the Board's objectives, the Company has continued to engage with prospective buyers in relation to the Mongolian assets.

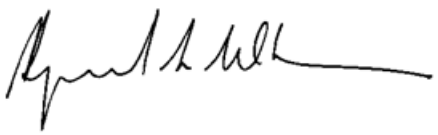
5. Corporate

The Company has a strong cash position of $1.847 million as at 31 December 2019.

Other than the matters set out above, no other matter or circumstance has arisen since 30 June 2019 that has significantly affected, or may significantly affect the consolidated entity's operations, the results of those operations, or the consolidated entity's state of affairs in future financial years.

The Board believes Viking is in a strong and unique position to identify and evaluate opportunities in the mining sector.

The Company continues its review of mineral project farm-in/acquisition opportunities with the objective of acquiring mature exploration assets with potential to deliver long-term sustainable cash flow.



Ray Whitten
Executive Chairman

The provision of this announcement to ASX has been authorised by the board of directors of the Company.

Tenements Held at
31 December 2019

Ghana*

License name	Location	License type	License Holder/ JV Partners*	Viking Mines Ownership
Akoase West	Southern Ghana	Prospecting license	RAL	100%(reducing to zero% upon sale completion)
Akoase East	Southern Ghana	Prospecting license	RAL	100%(reducing to zero% upon sale completion)
Akoase South-East	Southern Ghana	Prospecting license	RAL	100%(reducing to zero% upon sale completion)
Tumentu	Southern Ghana	Prospecting license	RAL	100%

RAL = Resolute Amansie Ltd is a 100% owned subsidiary of Viking Mines Ltd
* A prospecting licence was granted for Butre post 31 December 2019

Mongolia

License name	Location	License type	License Holder/JV Partners*	Viking Mines ownership
Berkh Uul	Selenge province, Mongolia	Exploration license	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

Introduced 01/07/96 Origin Appendix 8 Amended 01/07/97, 01/07/98, 30/09/01, 01/06/10, 17/12/10, 01/05/13, 01/09/16

Name of entity	
VIKING MINES LIMITED	
ABN	**Quarter ended ("current quarter")**
38 126 200 280	**31 December 2019**

Consolidated statement of cash flows		**Current quarter $A'000**	**Year to date (6 months) $A'000**
1.	**Cash flows from operating activities**		
1.1	Receipts from customers		
1.2	Payments for		
	(a) exploration & evaluation	(13)	(50)
	(b) development		
	(c) production		
	(d) staff costs	(74)	(149)
	(e) administration and corporate costs	(41)	(132)
1.3	Dividends received (see note 3)		
1.4	Interest received	6	16
1.5	Interest and other costs of finance paid		
1.6	Income taxes paid		
1.7	Research and development refunds		
1.8	Other		
1.9	**Net cash from / (used in) operating activities**	**(122)**	**(315)**

2.	**Cash flows from investing activities**		
2.1	Payments to acquire:		
	(a) property, plant and equipment	(77)	(231)
	(b) tenements (see item 10)		
	(c) investments		
	(d) other non-current assets		

Consolidated statement of cash flows		**Current quarter $A'000**	**Year to date (6 months) $A'000**
2.2	Proceeds from the disposal of:		
	(a) property, plant and equipment		
	(b) tenements (see item 10)		
	(c) investments		
	(d) other non-current assets		
2.3	Cash flows from loans to other entities		
2.4	Dividends received (see note 3)		
2.5	Other		
2.6	**Net cash from / (used in) investing activities**	**(77)**	**(231)**

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	2,116	2,388
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(122)	(315)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(77)	(231)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	-	-
4.5	Effect of movement in exchange rates on cash held	(70)	5
4.6	**Cash and cash equivalents at end of period**	**1,847**	**1,847**

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter $A'000	Previous quarter $A'000
5.1	Bank balances	1,847	2,116
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
5.5	**Cash and cash equivalents at end of quarter (should equal item 4.6 above)**	**1,847**	**2,116**

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	74
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

Remuneration and fees paid to Directors and their associates.

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.

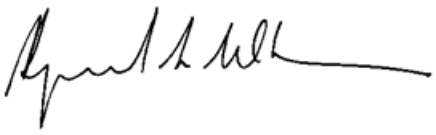
9.	**Estimated cash outflows for next quarter**	**$A'000**
9.1	Exploration and evaluation	218
9.2	Development	-
9.3	Production	-
9.4	Staff costs	75
9.5	Administration and corporate costs	25
9.6	Other	-
9.7	**Total estimated cash outflows**	**318**

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				
10.2	Interests in mining tenements and petroleum tenements acquired or increased				

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: 31 January 2020
Chairman

Print name: Ray Whitten

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.