ASX Announcement

24 April 2014

ASX Code: VKA

Quarterly Report to 31 March 2014

During the three months to 31 March, 2014, Perth-based Viking Ashanti completed due diligence on unlisted Sydney based emerging coal producer, Auminco Mines Limited (Auminco) and subsequently announced on 21 March, 2014, that it would proceed with an off market takeover of Auminco. The Company expects to complete the merger within the next month. A JORC (2012) resource estimate was completed by Auminco during the quarter on its Berk Uul bituminous coal project in Mongolia. 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. Each Board member of Auminco has accepted the Offer in respect of their own shareholding.

Under the terms of the Offer, accepting Auminco shareholders will receive 61.2 Viking Ordinary Shares and 20.4 Viking Options for every 100 Auminco Shares held.

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.

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 Ordinary Shares and 11,748,913 Viking Options to the relevant lenders. These shares and options are part of the agreement which will see Viking acquire 100% of the Auminco shares and options by the issue of:

- 81,000,000 Viking Ashanti ordinary shares;
- 27,000,000 million Viking Ashanti options exercisable at $0.09 on or before 30 April 2017; and
- 3,000,000 unlisted Viking Ashanti options exercisable at $0.20 on or before 15 November 2016.

On 8 April, Viking advised the ASX that it had 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. Auminco's responding Target's Statement was also issued on 8 April.

A capital raising of $3 million to $5.6 million is planned for the consolidated Company in May 2014 to fund operations, with the minimum expected to complete internal Mongolian coal-focussed production feasibility studies and to enable development decisions.

As at the date of this report, Viking had received acceptances from Auminco shareholders totalling 75.26% of Auminco. Notwithstanding the quick and positive response from the majority of Auminco shareholders it is Viking's intention to extend the takeover offer period during which Auminco shareholders may accept the offer by 14 days, to Friday 23 May 2014.

1.1 Merger Highlights

Auminco is a Sydney-based emerging coal producer with two high quality strategically located coal projects in Mongolia (Figure 2).

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, base metals and gold projects in Mongolia and Australia.

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 exploration permit is valid to 2015. A Mongolian consultant has been engaged to carry out a study to satisfy Government requirements on environmental, social, technical and commercial considerations, with a Mining Lease application to follow on completion of this study.

The deposit consists of shallow, consistent coal seams of high quality bituminous coal amenable to low strip ratio 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.

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 for Auminco 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) (Table 2).

The information in this March 2014 Quarterly 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.

1.3 Khonkhor Zag Coal project – Mongolia (Auminco 100%)

Khonkor Zag is an anthracitic coal project located 1,400km southwest of Ulaanbaatar in Western Mongolia. It is strategically located within 40km of China's Burgastai border port with an existing haul road adjoining the tenement.

The current mining licence was granted to Auminco's subsidiary in April, 2013, for a period of 30 years.

A total of 42 drill holes over 1.2 strike km have been completed on the tenement, with further drilling planned to increase the deposit size for a JORC resource estimate. This drilling, combined with historical mining on the outcropping coal seams, indicates clear potential for open pit mining.

Excellent scope exists to develop a premium coal project close to Chinese markets.

2. Exploration

2.1 Akoase Gold Project – Ghana, West Africa (VKA 100%)

No field activity was undertaken at Akoase in the quarter. The Company continues to examine options for progressing the 790,000 oz Akoase East gold deposit.

2.2 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.

3. 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.

Peter McMickan
Managing Director

For further information contact:
Peter McMickan
Managing Director
Viking Ashanti Ltd
pmcmickan@vikingashanti.com
mobile: 0401 476 266

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 Ashanti 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: Viking Ashanti Gold Project Locations, Southern Ghana

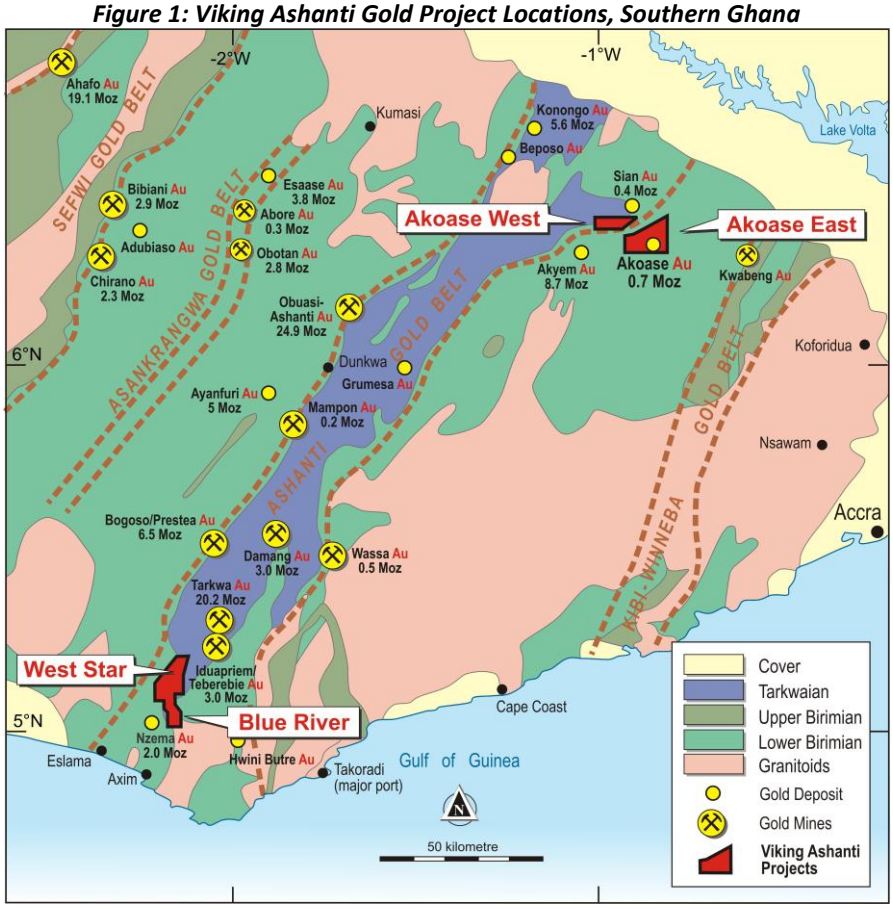

Figure 2: Auminco Mines Coal Project Locations, Mongolia

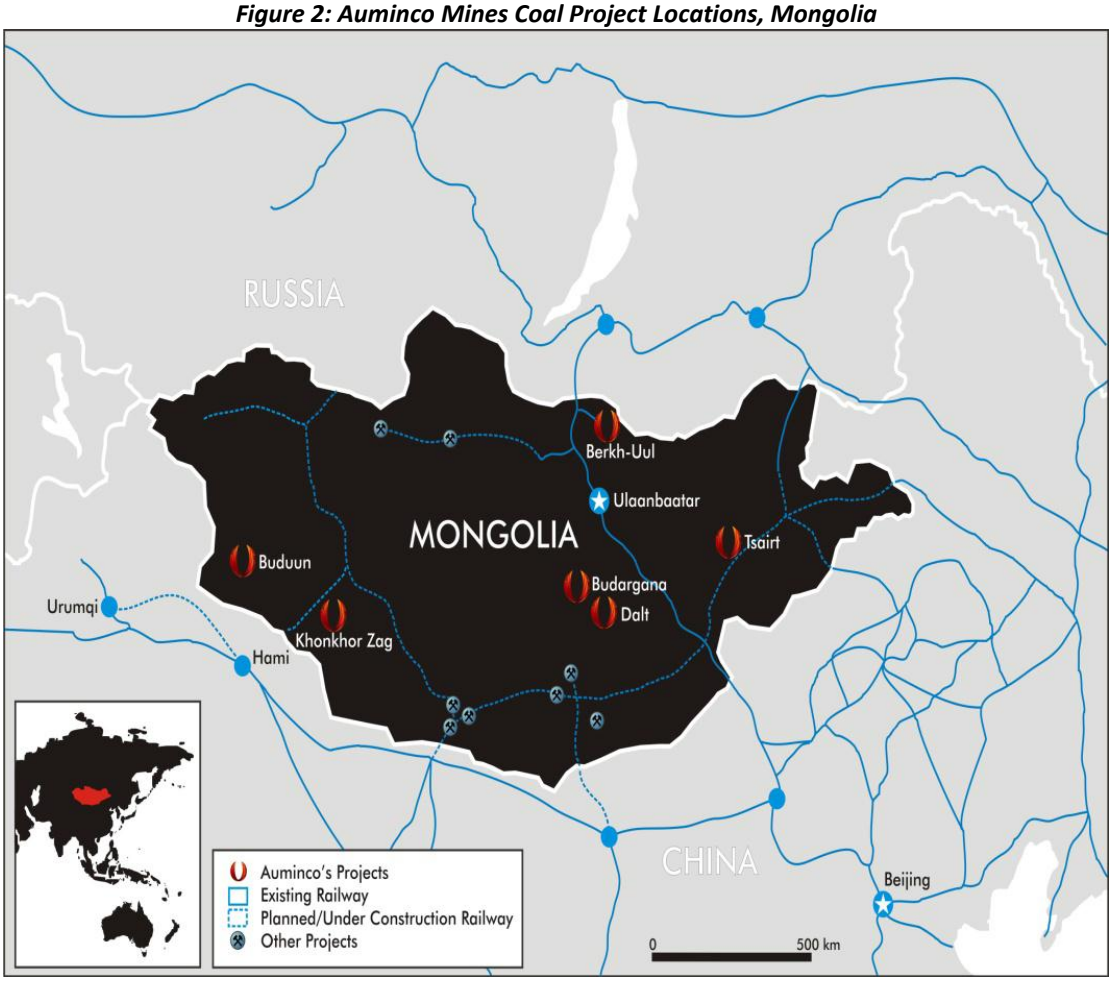

Table 1: Berkh Uul Indicated and Inferred Resource Estimate (February 2014)

Berkh Uul JORC (2012) Coal Resource (million tonnes in situ)					
Resource type	**Seam**	**Measured**	**Indicated**	**Inferred**	**Total**
Open Cut	1	_	4.4	3.5	7.9
	2	_	2.6	0.3	3.0
	OC subtotal	_	7.0	3.9	10.9
Underground	1	_	8.2	8.3	16.5
	2	_	6.2	4.8	10.9
	UG subtotal	_	14.4	13.1	27.4
Grand Total		**_**	**21.4**	**16.9**	**38.3**

Sum of columns may not equal the total due to rounding

Table 2: **Berkh Uul JORC (2012) Coal Resource Quality**

Berkh Uul JORC (2012) Coal Resource Quality										
Resource type	**category**	**Seam**	**TM (%)**	**IM (%)**	**Ash (% adb)**	**VM (% adb)**	**FC (% adb)**	**TS (% adb)**	**CV (kcal/kg adb)**	**Rdis**
Open Cut	Ind	1	20.8	13.5	14.4	32.6	39.5	0.34	5373	1.35
		2	21.0	13.7	9.8	34.9	41.6	0.35	5693	1.31
		subtotal	20.9	13.6	12.7	33.4	40.3	0.34	5493	1.33
	Inf	1	18.9	12.0	20.1	30.9	37.1	0.37	5011	1.39
		2	20.9	13.8	10.0	34.5	41.7	0.37	5684	1.32
		subtotal	19.1	12.1	19.2	31.2	37.5	0.37	5066	1.38
	OC subtotal		20.3	13.1	15.0	32.6	39.3	0.35	5342	1.35
Underground	Ind	1	18.9	12.2	18.8	31.3	37.8	0.34	5110	1.38
		2	20.9	13.7	10.3	33.9	42.0	0.42	5681	1.32
		subtotal	19.7	12.8	15.2	32.4	39.6	0.37	5355	1.35
	Inf	1	18.7	12.0	19.6	31.0	37.4	0.35	5050	1.39
		2	21	13.8	10.6	33.8	41.8	0.43	5657	1.32
		subtotal	19.6	12.6	16.3	32.0	39.0	0.38	5272	1.36
	UG subtotal		19.6	12.7	15.7	32.2	39.3	0.38	5313	1.36
Grand Total			**19.8**	**12.8**	**15.5**	**32.3**	**39.3**	**0.37**	**5323**	**1.35**

Sum of columns may not equal the total due to rounding

Note: Air Dried Basis(adb); TM- total Moisture; IM-Inherent Moisture; VM-Volatile Matter; FC – Fixed Carbon; TS- Total Sulphur; CV- Calorific Value; Rdis- in situ Relative Density.

Appendix 1
Tenements Held at 31 March 2014

Viking Ashanti 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

VIKING ASHANTI COMPANY INFORMATION

Directors

Jack Gardner	Non-Executive Chairman
Peter McMickan	Managing Director
Trygve Kroepelien	Non-Executive Director

Company Secretary
Michael Langoulant

Shareholder Enquiries

Company	Peter McMickan
Telephone:	+618 6313 5151
Facsimile:	+618 9324 2977
Email:	info@vikingashanti.com
Website:	www.vikingashanti.com

Corporate Advisor	Emerald Partners Limited
	Matthew Howison
Telephone:	+61 414 505 919
Facsimile:	+61 2 9251 5067
Email:	m.howison@emeraldpartners.com.au

AUMINCO MINES COMPANY INFORMATION

Contact	Andrew Whitten, Chairman
Telephone:	+61 2 9929 5122
Facsimile:	+61 2 9283 1970
Email:	awhitten@auminco.com.au

Corporate Adviser	Inteq Limited
	Kim Jacobs
Telephone:	+61 2 9229 2700
Facsimile:	+61 2 9229 2727
Email:	kjacobs@inteq.com.au

Rule 5.3

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 ASHANTI LIMITED

ABN	Quarter ended ("current quarter")
126 200 280	31 March 2014

Consolidated statement of cash flows

	Cash flows related to operating activities	Current quarter $A'000	Year to date (9 months) $A'000
1.1	Receipts from product sales and related debtors		
1.2	Payments for (a) exploration & evaluation	(61)	(209)
	(b) development		
	(c) production		
	(d) administration	(134)	(375)
1.3	Dividends received		
1.4	Interest and other items of a similar nature received	1	3
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	(194)	(581)
	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	(450)	(450)
1.11	Loans repaid by other entities		
1.12	Other (provide details if material)		
	Net investing cash flows	(450)	(448)
1.13	Total operating and investing cash flows (carried forward)	(644)	(1,029)

+ See chapter 19 for defined terms.

1.13	Total operating and investing cash flows (brought forward)	(644)	(1,029)
	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	50	250
1.17	Repayment of borrowings		
1.18	Dividends paid		
1.19	Other - capital raising costs		
	Other – proceeds received for shares to be issued	(79)	(79)
	Net financing cash flows	(29)	960
	Net increase (decrease) in cash held	(673)	(69)
1.20	Cash at beginning of quarter/year to date	848	244
1.21	Exchange rate adjustments to item 1.20		
1.22	**Cash at end of quarter**	**175**	**175**

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	250	250
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	8	523
5.2	Deposits at call	167	325
5.3	Bank overdraft		
5.4	Other (provide details)		
	Total: cash at end of quarter (item 1.22)	175	848

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.

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** *(description)*				
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** (*description)*				
7.6	Changes during quarter (a) Increases through issues (b) Decreases				
7.7	**Options** *(description and conversion factor)*	22,683,913	-	*Exercise price* $0.18	*Expiry date* 31/08/2014
7.8	Issued during quarter				
7.9	Exercised during quarter				
7.10	Expired during quarter				
7.11	**Debentures** *(totals only)*				
7.12	**Unsecured notes** *(totals only)*				

+ 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:  Date: 24 April 2014

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 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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