ASX Announcement

29 April 2020

ASX Code: VKA

Quarterly Report for the period ended 31 March 2020

During the quarter ended 31 March 2020, 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.

The High Court (Commercial Division) has presently suspended hearings due to the COVID-19 pandemic.

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

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

During the quarter ended 31 March 2020 weather conditions had improved at the Tumentu Gold Project and Aircore Drilling as part of the program was completed. 35 holes were drilled totalling 1234.0m to an average depth of 34m.

On 9 April 2020, the Company released the drilling results for the program. The Board is considering the results and will consider the recommendation of the consultant geologist in regard to future work on the prospect.

3. Butre Gold Project (Ghana, VKA 100%)

During the quarter, the Company received confirmation the Minerals Commission of Ghana had granted the prospecting licence for Butre. Butre is located in the Ahanta West region of Ghana. No on-ground work was undertaken on the project during the quarter.

4. 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. In the period to 31 December 2019, the Company's lawyers in Mongolia submitted a request for compensation to MRPAM.

Subsequent to the end of the quarter to 31 March 2020, the First Instance Administrative Court of the Capital City resolved to open an administrative case against MRPAM and Government.

5. 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.

6. Corporate

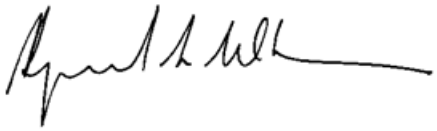
The Company has a strong cash position of $1.752 million as at 31 March 2020.

As set out in section 6 of the attached Appendix 5B, the Company made payments to related parties of the entity of $75,000 in the quarter ending 31 March 2020. This amount was made up of only Director fees for the relevant period.

Other than the matters set out above, no other matter or circumstance has arisen since 31 December 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 March 2020

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%
Butre	Ahanta West	Prospecting license	RAL	100%

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

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.

Appendix 5B

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Name of entity	
VIKING MINES LIMITED	
ABN	Quarter ended ("current quarter")
38 126 200 280	**31 March 2020**

Consolidated statement of cash flows		**Current quarter $A'000**	**Year to date (9 months) $A'000**
1.	**Cash flows from operating activities**		
1.1	Receipts from customers		
1.2	Payments for		
	(a) exploration & evaluation (if expensed)	(37)	(87)
	(b) development		
	(c) production		
	(d) staff costs	(75)	(224)
	(e) administration and corporate costs	(3)	(135)
1.3	Dividends received (see note 3)		
1.4	Interest received	5	21
1.5	Interest and other costs of finance paid		
1.6	Income taxes paid		
1.7	Government grants and tax incentives		
1.8	Other (provide details if material)		
1.9	**Net cash from / (used in) operating activities**	**(110)**	**(425)**

2.	**Cash flows from investing activities**		
2.1	Payments to acquire:		
	(a) entities		
	(b) tenements		
	(c) property, plant and equipment		
	(d) exploration & evaluation (if capitalised)	(211)	(442)
	(e) investments		
	(f) other non-current assets		

Consolidated statement of cash flows		Current quarter $A'000	Year to date (9 months) $A'000
2.2	Proceeds from the disposal of: (a) entities (b) tenements (c) property, plant and equipment (d) investments (e) other non-current assets		
2.3	Cash flows from loans to other entities		
2.4	Dividends received (see note 3)		
2.5	Other (provide details if material)		
2.6	**Net cash from / (used in) investing activities**	**(211)**	**(442)**

3.	**Cash flows from financing activities**		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)		
3.2	Proceeds from issue of convertible debt securities		
3.3	Proceeds from exercise of options		
3.4	Transaction costs related to issues of equity securities or convertible debt securities		
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	1,847	2,388
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(110)	(425)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(211)	(442)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	-	-

Consolidated statement of cash flows		Current quarter $A'000	Year to date (9 months) $A'000
4.5	Effect of movement in exchange rates on cash held	226	231
4.6	**Cash and cash equivalents at end of period**	**1,752**	**1,752**

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	1,752	1,847
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)**	**1,752**	**1,847**

6.	Payments to related parties of the entity and their associates	Current quarter $A'000
6.1	Aggregate amount of payments to related parties and their associates included in item 1	75
6.2	Aggregate amount of payments to related parties and their associates included in item 2	-

Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments

7.	**Financing facilities** *Note: the term "facility' includes all forms of financing arrangements available to the entity.* *Add notes as necessary for an understanding of the sources of finance available to the entity.*	**Total facility amount at quarter end $A'000**	**Amount drawn at quarter end $A'000**
7.1	Loan facilities	-	-
7.2	Credit standby arrangements	-	-
7.3	Other (please specify)	-	-
7.4	**Total financing facilities**	-	-

7.5	**Unused financing facilities available at quarter end**	-
7.6	Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.	

8.	**Estimated cash available for future operating activities**	**$A'000**
8.1	Net cash from / (used in) operating activities (Item 1.9)	(110)
8.2	Capitalised exploration & evaluation (Item 2.1(d))	(211)
8.3	Total relevant outgoings (Item 8.1 + Item 8.2)	**(321)**
8.4	Cash and cash equivalents at quarter end (Item 4.6)	1,752
8.5	Unused finance facilities available at quarter end (Item 7.5)	-
8.6	Total available funding (Item 8.4 + Item 8.5)	**1,752**
8.7	**Estimated quarters of funding available (Item 8.6 divided by Item 8.3)**	**5**

8.8 If Item 8.7 is less than 2 quarters, please provide answers to the following questions:

1. Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?

Answer: n/a

2. Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?

Answer: n/a

3. Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?

Answer: n/a

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.

Date: 29 April 2020

Authorised by: By the board
(Name of body or officer authorising release – see note 4)

Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.

2. If this quarterly cash flow 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 cash flow 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.

4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [*name of board committee – eg Audit and Risk Committee*]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".

5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.