



Viking Mines Limited
(formerly Viking Ashanti Limited)

ABN 38 126 200 280

Annual report
for the year ended 30 June 2014

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CORPORATE INFORMATION

Directors

Executive Chairman: John (Jack) Gardner
Managing Director: Peter McMickan
Non-Executive Director: Trygve Kroepelien

Company secretary

Michael Langoulant

Registered office

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West Perth WA 6005

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Share registry

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Level 2, 45 St Georges Terrace
Perth WA 6000

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Solicitor

Jackson MacDonald
Level 25, 140 St Georges Terrace
Perth WA 6000

Auditor

Rothsay Chartered Accountants
Level 1, Lincoln Building
4 Ventnor Avenue
West Perth WA 6005

Stock Exchange Listing

Australian Securities Exchange (ASX code: VKA)

OPERATIONS REPORT

Highlights

- **Takeover of emerging coal producer Auminco Mines Limited proceeding**
- **Four Memoranda of Understanding for potential coal off-take signed, and new Indicated and Inferred 38.2Mt JORC (2012) resource estimate for Auminco's Berkh Uul bituminous coal project in Mongolia**
- **12% increase announced to Inferred JORC (2012) mineral resource estimate to 20.6 Mt @ 1.2 g/t Au for 790,000 ounces of contained gold for the Akoase East gold project in Ghana**

Auminco Merger

During the year Viking completed a number of reviews of projects and companies which were considered complimentary to the Company's strategic objectives, culminating in Viking launching a recommended takeover bid for all the shares in the unlisted Sydney-based emerging coal producer, Auminco Mines Limited (Auminco). Viking issued its Bidder's Statement in April 2014 and, as at the date of this report, Viking had received acceptances from Auminco shareholders totalling 97.69% of Auminco. Viking has since the year end declared its takeover bid unconditional with the takeover offer period to end on 24 September 2014.

The takeover will see Viking acquire 100% of the Auminco shares and options by the issue of:

- 81,000,000 Viking Mines shares;
- 27,000,000 million unlisted Viking Mines options exercisable at A\$0.12 for a term of 30 months from merger completion; and
- 3,000,000 unlisted Viking Mines options exercisable at A\$0.20 on or before 15 November 2016.

In August 2014 the Company issued a prospectus to raise up to \$3.04 million by the issue of up to 80 million shares at an issue price of \$0.038, together with a free option exercisable at \$0.09 at any time before 30 April 2017, for every 4 shares subscribed for. On 25 August 2014 the Company announced that the minimum subscription level of \$2.09 million had been raised under this prospectus.

The proposed post-merger Board will comprise four members with existing Viking Mines Directors, Mr Jack Gardner and Mr Peter McMickan remaining as Chairman and Executive Director respectively. Auminco's Mr Andrew Whitten will join the Board as Non-Executive Deputy Chairman while Mr Matt Morgan will become Managing Director. Mr Bayar Tsagdaa will act as an alternate for Mr Andrew Whitten.

The Viking Mines Board believes that the consolidated company will provide improved shareholder value to both Viking Mines and Auminco through:

- addition of a portfolio of highly prospective coal projects, particularly the Berkh Uul bituminous coal project, that provide the opportunity for near-term project development, mining and cash flow;
- diversity across two country jurisdictions and multiple commodities, allowing for exploration activity and potential news flow on a year round basis;
- improved access to funding;
- strengthened share register;
- greater market liquidity, and a
- broad range of complementary skill sets at Board and management level.

On completion, this will be a transforming transaction for Viking Mines 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 with substantial exploration upside.

Auminco Projects

Auminco is a Sydney based coal developer with two high quality strategically located coal projects in Mongolia (Figure 1).

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 and base metals projects in Mongolia.

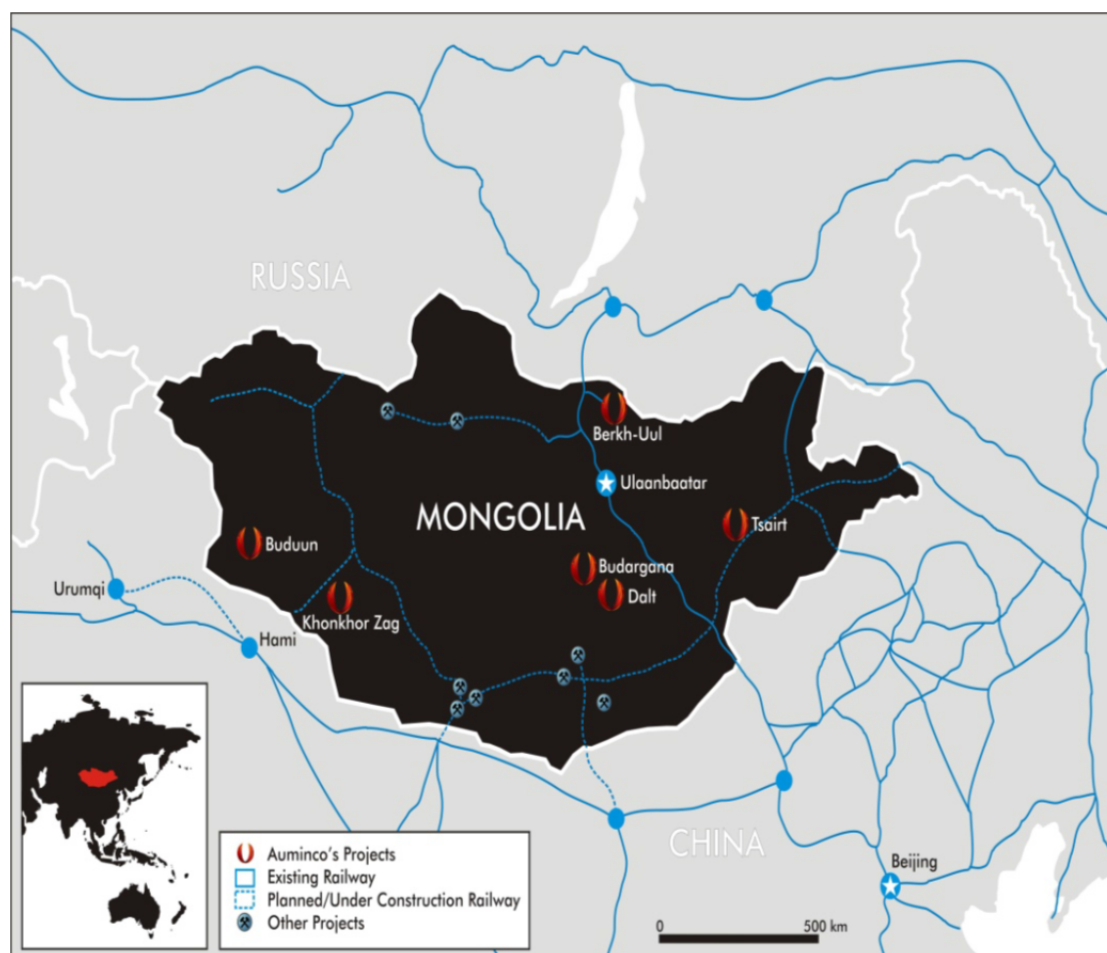


Figure 1: Auminco Mines Project Locations, Mongolia

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 deposit consists of shallow, consistent coal seams of high quality bituminous coal amenable to 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. This has been evidenced by the signing of four non-binding MOU's with the following entities:

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- Darkhan Thermal Power Plant - a major supplier of electricity to Mongolia's second largest city, the commercial and industrial centre of Darkhan, and the northern region of Mongolia. This plant is being upgraded with coal consumption to increase from approximately 400,000t per year to approximately 600,000t per year
- Erdenet Power Plant - a major supplier of electricity to the Erdenet copper mine, located 180km west of Darkhan City. The plant consumes approximately 250,000t of coal per year
- Darkhan Metallurgical Plant - located close to Darkhan City, it is expanding its current 100,000 tpa steel milling capacity. This expansion is due for completion in 2015.
- Khutul Cement and Lime Plant, Mongolia's largest cement manufacturer, located approximately 60km west of Darkhan City, has plans to expand its coal consumption from the current 250,000 t per year to around 400,000t to 500,000 t per year to meet growing domestic demand for its cement products.

The MOU's, signed with Auminco's Mongolian subsidiary BRX LLC state these entities intent to enter into future purchase agreements for Berkh Uul project coal, and establishes testing of a bulk sample as a basis for technical evaluation of the coal.

A new Indicated and Inferred coal resource estimate, classified in accordance with the JORC (2012) Code, for the Berkh Uul coal project was completed during the year. 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 (Table 1). 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).

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
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
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.

The principal author of the Berkh Uul resource estimate and associated report is Mr Brendan Stats, who is a professional geologist with over 10 years' experience in mining and mineral resource estimation. Mr Stats is a Senior Geologist of RungePincockMinarco Pty Ltd and a Member of the Australasian Institute of Mining and Metallurgy member number 311313.

Mr Stats is responsible for the Berkh Uul resource estimation and has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and for the activity to report a mineral resource, to qualify as a Competent Person as defined in the *Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore reserves, The JORC Code, 2012 edition*.

Under the JORC Code (2012), Clause 9, and ASX Listing Rules 5.6, 5.22 and 5.24, consent has been sought and obtained from all Competent Persons listed above for any initial public release of information related to this resource estimate and associated report.

The information in this 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.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.

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 (Figure 1) 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 low cost, high margin premium coal project close to Chinese markets.

Viking Projects

The Viking Mines mineral licences are located in southern Ghana, West Africa (Figure 2) in one of the most strongly gold endowed and tightly held geological provinces in the world, the Ashanti Gold Belt. Numerous multi-million ounce gold deposits are located within and on the margins of the Ashanti Gold Belt, including two of the largest gold deposits in the world, Obuasi and Tarkwa.

Viking holds more than 224 sq km of ground in two project areas; Akoase and West Star/Blue River. The most advanced prospect, Akoase East hosts a significant near surface JORC (2012) classified Inferred resource of 790,000 oz of gold (Table 3).

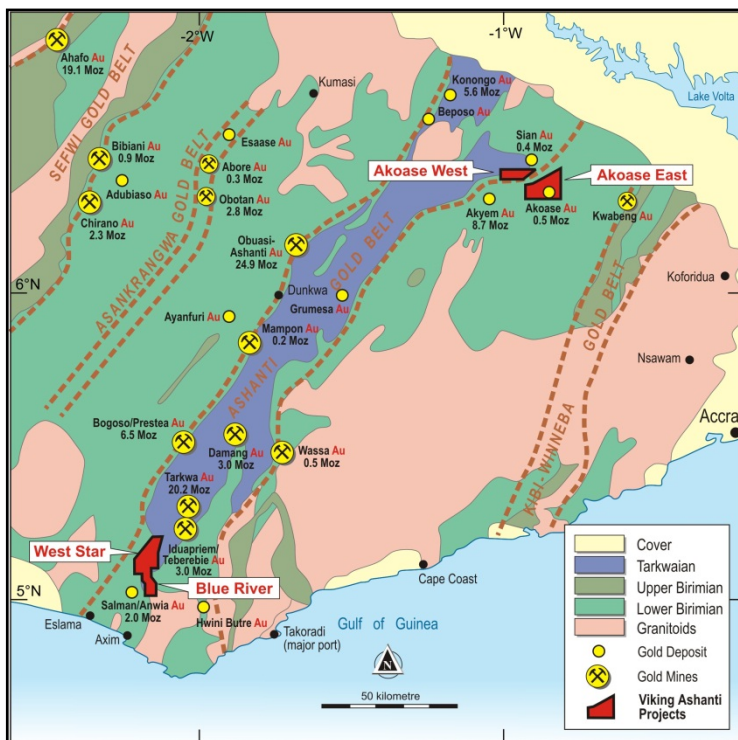


Figure 2: Project Locations in Southern Ghana

Akoase Gold Project – Ghana (Viking 100%)

The Akoase project is located approximately 125km north-northwest of Accra in southern Ghana (Figure 2), with sealed road access within 5km and grid power within 10km of the project area.

The Akoase prospecting licences are 100% owned by Viking Mines and cover 97km² in the northern part of the Ashanti gold belt. A number of major gold mines and projects are located within this belt, including Newmont’s 8.7 million ounce Akyem gold project which is approximately 25km southwest of the Akoase project area.

Akoase East

An updated Inferred mineral resource estimate, classified in accordance with the JORC (2012) Code, of 20.6 Mt @ 1.2 g/t Au for 790,000 ounces of contained gold, at a 0.5 g/t Au cut-off was completed for the Akoase East deposit during the year (Figure 3).

The updated resource estimate was completed by internationally recognized consultancy GHD Pty Ltd in Brisbane, and represents a 12% increase in contained ounces compared to the previous March 2012 reported Inferred resource of 704,000 ounces, also at a 0.5 g/t Au cut-off.

The updated resource model has extended the resource 700 metres to the northeast, outlining multiple sub-parallel zones of mineralization over a strike length of 3.5km, from surface to an average depth of 130 metres. The Akoase East deposit remains open at depth, and along strike to the northeast.

The resource model has also confirmed that higher grade mineralization is best developed in the area of Akoase East's Alimac prospect, where the thickest and highest grade drill intercepts have previously been reported.

The new resource estimate is based on geological, drilling and assay information up to the end of August 2013. It includes approximately 10,000 metres of historical Reverse Circulation (RC) drilling data, plus data from approximately 10,000 metres of RC and 3,000 metres of diamond drilling completed by Viking over the past four years.

The Akoase East resource is reported at various cut-off grades, and by weathering type in the Mineral Resources Statement below in Table 3.

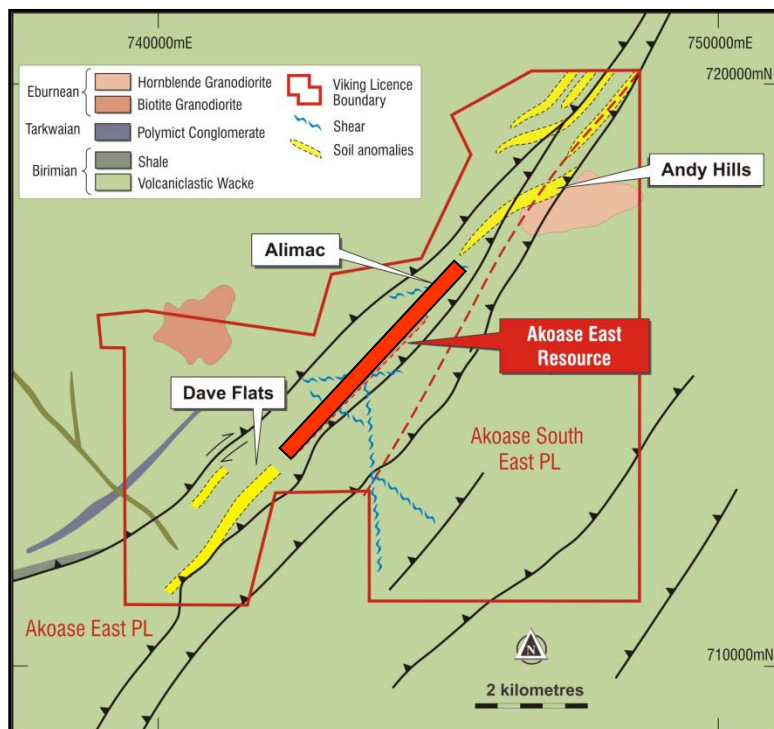


Figure 3: Akoase East Geology

West Star/Blue River Joint Venture Project - Ghana (Viking 100% hard rock rights)

The West Star/Blue River project is located approximately 185km west of Accra (Figure 1), with sealed road access within 5km and grid power within 10km of the project area. No field activity was undertaken during the year.

The West Star and Blue River properties are subject to joint venture agreements with local Ghanaian companies, where Viking has earned 100% of the rights to all hard rock gold mineralization. The joint venture partners retain rights to the alluvial gold mineralisation on the licences.

The licences are located in the southern part of the Ashanti gold belt and cover an area of 127km². Our licences adjoin Endeavour Mining's 2 million ounce Nzema gold mine, which is approximately 7km southwest of the West Star/Blue River project (Figure 4).

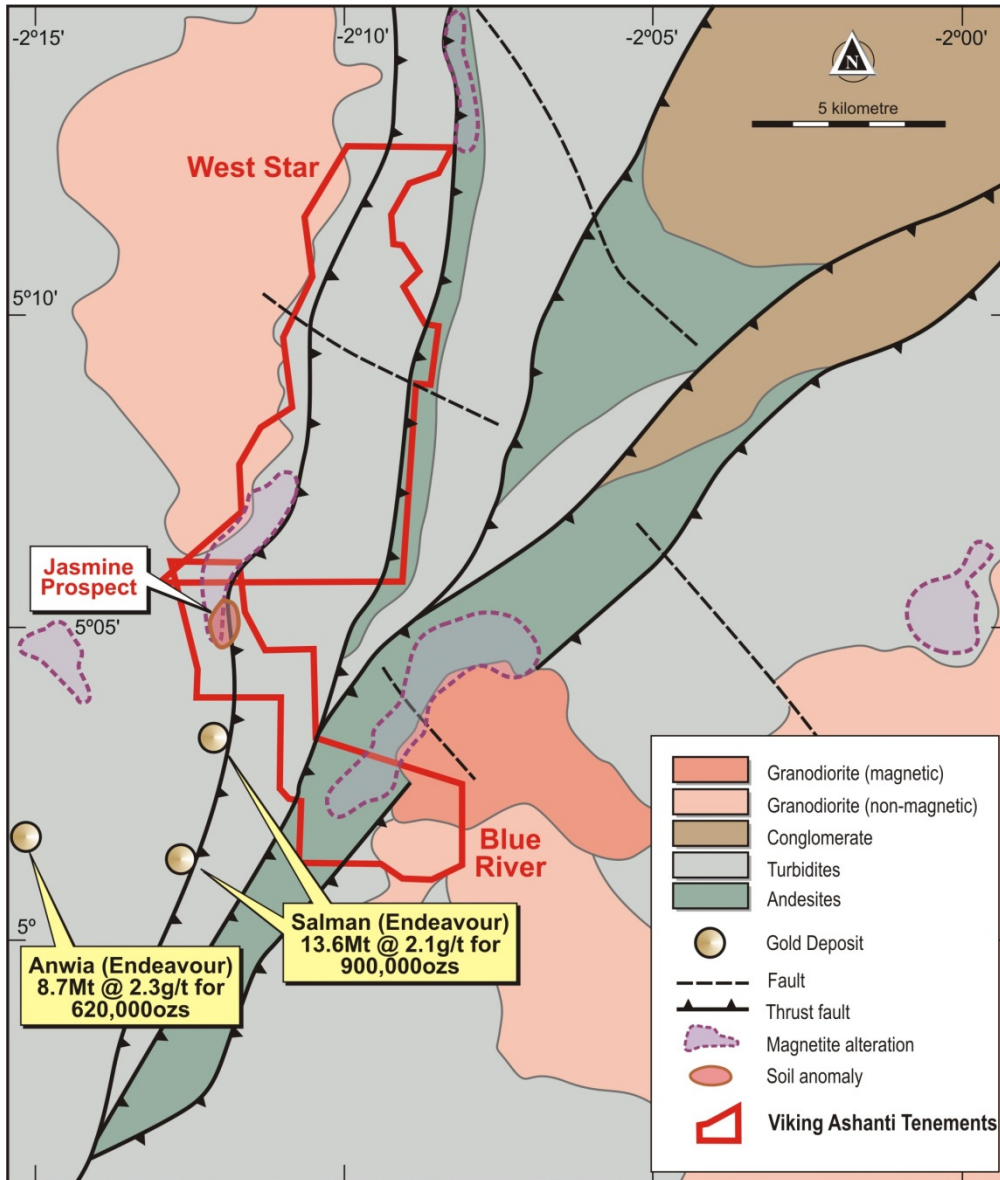


Figure 4: West Star/Blue River Geology

Corporate

On 20 December 2013 the Company announced that it had placed 22,537,645 ordinary shares at A\$0.035 to raise \$788,818, before costs.

During 2014-2015 the Company plans to complete the Auminco merger, progress the Akoase gold project, to actively pursuing operational and corporate opportunities which are complementary to the existing asset portfolio, and continue to pursue an active program of investor and broker presentations in Australia.

Mineral Resources Statement

The Mineral Resources statement for the Company, as at 30 June 2014 is summarized below:

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Akoase Gold Project, southern Ghana, Viking 100% ownership

The Akoase East resource has been independently estimated by internationally recognized and qualified resource consultancy GHD Pty Ltd in accordance with the JORC (2012) Code.

Table 3: Akoase East Inferred Resource Estimate (September 2013)

TOTAL			
Cut off (g/t Au)	Million tonnes	Au g/t	Oz Au (x 1,000)
0.4	21.6	1.2	800
0.5	20.6	1.2	790
0.75	16.9	1.3	710
1.0	12.0	1.5	570
BY WEATHERING TYPE			
Oxide			
Cut off (g/t Au)	Million tonnes	Au g/t	Oz Au (x 1,000)
0.4	5.9	1.2	220
0.5	5.7	1.2	217
0.75	4.6	1.3	194
1.0	3.2	1.5	156
Fresh			
Cut off (g/t Au)	Million tonnes	Au g/t	Oz Au (x 1,000)
0.4	15.6	1.2	581
0.5	14.8	1.2	570
0.75	12.3	1.3	518
1.0	8.7	1.5	417

Ordinary Kriging whole block estimates using 25mE x 25mN x 10mRL parent block dimensions. Reported using gold (Au) lower cut-off grades (preferred cut-off is 0.5 g/t Au). Using rounded figures in accordance with the Australian JORC Code (2012) guidance on Mineral Resource Reporting.

The previous JORC (2004) classified Inferred mineral resource estimate for the Akoase East deposit was completed in March 2012 and was 18.0 Mt @ 1.2 g/t Au for 704,000 ounces of contained gold, at a 0.5 g/t Au cut-off.

The principal author of the Akoase East resource estimate and associated report is Mr Doug Corley, who is a professional geologist with over 20 years' experience in mining and mineral resource estimation. Mr Corley is a Principal Resource Geologist of GHD Pty Ltd and a Member of the Australian Institute of Geoscientists (AIG) and is a Registered Professional Geoscientist (R.P.Ge.), accredited in the field of mining, registration number 10,109.

Mr Corley is responsible for the Akoase East resource estimation and has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and for the activity to report a mineral resource, to qualify as a Competent Person as defined in the *Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore reserves, The JORC Code, 2012 edition*.

Ms Lenore Jepsen is a professional geologist with over 15 years' experience in the field of mining and database validation. Ms Jepsen is a member of the AIG and the Australasian Institute of Mining and Metallurgy (Aus IMM). Ms Jepsen is an employee of Maxwell Geoservices and is responsible and Competent Person for the Akoase East drillhole database (including collar, assay, down-hole survey and QA/QC validation) information.

Under the JORC Code (2012), Clause 9, and ASX Listing Rules 5.6, 5.22 and 5.24, consent has been sought and obtained from all Competent Persons listed above for any initial public release of information related to this resource estimate and associated report.

The information in this report concerning the Akoase East Mineral Resource 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.



Peter McMickan
Managing Director

Competent Persons Statement: The information in this Public Report that relates to Exploration Results of Viking Mines Limited 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 the Akoase East gold resource of Viking Mines Limited is based on information compiled by Mr Doug Corley, who is a Member of the Australian Institute of Geoscientists. Mr Stats is a full time employee of GHD Pty Ltd. Mr Corley 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 Corley consents to the inclusion in this presentation 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 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.

The information in this Public Report that relates to the Berkh Uul Coal Resource and Exploration Target of Auminco Mines Limited is based on information compiled by Mr Brendan Stats, who is a Member of the Australasian Institute of Mining and Metallurgy. Mr Stats is a full time employee of RungePincockMinarco Ltd. Mr Stats 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 Stats 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.

DIRECTORS' REPORT

Your Directors present their annual financial report on the consolidated entity (referred to hereafter as the "Group") consisting of Viking Mines Limited (the "Company" or "Parent") and the entities it controlled at the end of, or during, the financial year ended 30 June 2014. In order to comply with the Corporations Act, the Directors report as follows:

Directors

The following persons were Directors of the Company during the whole of the financial period and up to the date of this report:

John William (Jack) Gardner (Non-Executive Chairman)

Jack Gardner was appointed a Director on 27th July 2007. He graduated with Bachelor of Engineering from the University of Melbourne in 1962 and has a Master of Business degree from Curtin University. He is a Fellow of The Institution of Engineers Australia.

Mr Gardner has a long and distinguished career in servicing the mining industry in Australia as well as in West Africa. As a Director and General Manager of Minproc Engineers he was responsible for design and construction of gold and base metal plants. He established Minproc in Ghana where the company became that country's leading mining project engineers.

In Ghana he also headed Ghana Manganese Company (GMC) as Executive Chairman after negotiating the purchase of its projects from the Government of Ghana. Privately owned, GMC grew from 300,000 tpa to 1.7 million tpa of manganese carbonate shipments, until it was acquired for cash.

Mr Gardner has been a Director of Mincor Resources Limited since its inception and 1996 ASX listing. Mincor today is an ASX Top 300 company. It operates underground nickel sulphide mines in Western Australia.

Mr Gardner was also associated with Guinor from 1993, overseeing a number of expansions of the Lero heap leach project, and was pivotal in the development of the 350,000 oz pa LEFA Corridor Project. Guinor was acquired by Crew Gold Corporation Inc.

Peter McMickan (Managing Director)

Peter McMickan was appointed a Director on 27th July 2007. He graduated with an Honors Degree in Geology from the University of Melbourne, Australia in 1977 and has post-graduate qualifications in Mineral Economics from Macquarie University and is a Member of the Australasian Institute of Mining and Metallurgy.

His professional career has spanned 30 years worldwide with a number of major, well respected international exploration and mining companies including Newmont, Pancontinental Mining, BP Minerals, Kalgoorlie Consolidated Gold Mines and Homestake. He is a highly regarded geologist and manager, with a proven track record of business and technical success throughout his career.

His recent experience covers corporate, senior management and technical supervision of mining, development and exploration projects throughout Australia, Africa and Europe. He managed the mine geology, exploration and successful resource development of Guinor's Lero gold project in Guinea, West Africa. During his four years with the company, the company's exploration spend increased to US\$1 million per month, which sustained the existing heap leach operation and resulted in expansion of the resource to over 4Moz of gold in the space of two years. This expanded resource base underpinned a major re-development of the Lero project to a 6Mtpa CIP/CIL operation producing 350,000 ounces of gold per year.

Trygve Kroepelien (Non-Executive Director)

Trygve Kroepelien was appointed a Director on 27th July 2007. He is a graduate of Dartmouth College, N.H., USA (BA) and Tuck School of Business Administration, N.H, USA (MBA).

Mr Kroepelien has a wealth of successful experience throughout West Africa, particularly in Guinea, Ghana, Burkina Faso and Mauritania. For the past 30 years he has been active in the private sector, promoting mineral resource projects in West Africa. Mr Kroepelien has continued to play an active role in the development of West African mineral resources He is also closely associated with the development of bauxite in Guinea.

Mr Newlands was a non-executive director from the beginning of the financial year until his resignation on 27 December 2013.

Interests in the shares and options of the Company and related bodies corporate

The following relevant interests in shares and options of the Company or a related body corporate were held by the directors and their associates as at the date of this report.

Directors	Number of options over ordinary shares	Number of fully paid ordinary shares
John Gardner	2,876,065	10,487,643
Peter McMickan	2,805,368	3,046,837
Trygve Kroepelien	1,300,000	3,874,000

Company Secretary

Michael Langoulant

Mr Langoulant is a Chartered Accountant with over 20 years' experience in corporate administration and fundraising for public companies. Mr Langoulant had ten years with large international accounting firms, and has acted as chief financial officer, company secretary and non-executive director for a number of publicly listed companies. Mr Langoulant established his own corporate services consultancy firm in 1994.

Principal activity

The principal activity of the Group during the financial period was investment in mineral exploration projects.

Dividends

No dividend has been paid or declared since the start of the financial period and the Directors do not recommend the payment of a dividend in respect of the financial period.

Review of operations

Information on the operations of the Group is set out in the review of Operations Report on pages 4 to 12 of this Annual Report.

Significant changes in the state of affairs

Apart from the proposed takeover of Auminco Limited as outlined in the Operations Report there have been no significant changes in the state of affairs of the Group to the date of this report.

Matters subsequent to the end of the financial period

There has not been any matter or circumstance that has arisen after balance date that has significantly affected, or may significantly affect, the operations of the Group, the results of those operations, or the state of affairs of the Group in future financial periods.

Likely developments and expected results

Additional comments on expected results of certain operations of the Group are included in the review of operations and activities.

Environmental legislation

The Group is subject to significant environmental legal regulations in respect to its exploration and evaluation activities in Ghana. There have been no known breaches of these regulations and principles.

Indemnification and insurance of Directors and officers

During the financial period the Company has paid premiums in respect of a contract insuring all Directors and officers of the Company and its controlled entities against liabilities incurred as Directors or officers to the extent permitted by the *Corporations Act 2001*. Due to a confidentiality clause in the contract the amount of the premium has not been disclosed.

Meetings of Directors

During the financial period there were 9 formal Directors' meetings. All other matters that required formal Board resolutions were dealt with via written circular resolutions. In addition, the Directors met on an informal basis at regular intervals during the financial period to discuss the Group's affairs.

The number of meetings of the Company's board of Directors attended by each director were:

Viking Mines Limited
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	<i>Directors' meetings held</i>	<i>Directors' meetings attended</i>	<i>Audit Committee meeting held</i>	<i>Audit Committee meeting held</i>
J Gardner	9	9	2	2
P McMickan	9	9	*	*
T Kroepelien	9	9	2	2
M Newlands	6	5	2	2

* Not an audit committee member

Shares under option

Outstanding share options at the date of this report are as follows:

Grant Date	Date of expiry	Exercise price	Number of options
24 August 2012	31 August 2014	\$0.18	12,683,913
26 November 2012	31 August 2014	\$0.18	10,000,000

No option holder has any right under the options to participate in any other share issue of the Company or any other controlled entity.

Shares issued on the exercise of options

There have been no shares issued upon the exercise of options.

DIRECTORS' REPORT

Remuneration Report

This report outlines the remuneration arrangements in place for the key management personnel of Viking Mines Limited (the "Company") for the financial year ended 30 June 2014. The information provided in this remuneration report in relation to the current financial year has been audited as required by Section 308(3C) of the Corporations Act 2001.

The remuneration report details the remuneration arrangements for key management personnel ("KMP") who are defined as those persons having authority and responsibility for planning, directing and controlling the major activities of the Company and the Group, directly or indirectly, including any Director (whether executive or otherwise) of the Company, and includes all executives of the Company and the Group

Key Management Personnel

(i) Directors

J Gardner (Chairman)

P McMickan (Managing Director)

T Kroepelien (Non-Executive Director)

M Newland (Non-Executive Director)

(ii) Other executives

M Langoulant (Company Secretary)

Details of Directors' and executives' remuneration are set out under the following main headings:

- A Principles used to determine the nature and amount of remuneration
- B Details of remuneration
- C Employment contracts/Consultancy agreements
- D Share-based compensation

A Principles used to determine the nature and amount of remuneration

The objective of the Company's executive reward framework is to ensure reward for performance is competitive and appropriate for the results delivered. The framework aims to align executive reward with the creation of value for shareholders. The key criteria for good reward governance practices adopted by the Board are:

- competitiveness and reasonableness
- acceptability to shareholders
- performance incentives
- transparency
- capital management

The framework provides a mix of fixed salary, consultancy agreement based remuneration, and share based incentives.

The broad remuneration policy for determining the nature and amount of emoluments of Board members and senior executives of the Company is governed by the full Board. Although there is no separate remuneration committee the Board's aim is to ensure the remuneration packages properly reflect Directors and executives duties and responsibilities. The Board assesses the appropriateness of the nature and amount of emoluments of such officers on a periodic basis by reference to relevant employment market conditions with the overall objective of ensuring maximum stakeholder benefit from the retention and motivation of a high quality Board and executive team.

The current remuneration policy adopted is that no element of any director/executive package be directly related to the Company's financial performance. Indeed there are no elements of any Director or executive remuneration that are dependent upon the satisfaction of any specific condition. The overall remuneration policy framework however is structured in an endeavour to advance/create shareholder wealth.

Non-executive Directors

Fees and payments to non-executive Directors reflect the demands which are made on, and the responsibilities of, the Directors. Non-executive Directors' fees and payments are reviewed annually by the Board and are intended to be in line with the market.

Remuneration Report (cont)

Directors' fees

One of the Directors is an executive with the remainder being non-executive. Each non-executive Director receives a separate fixed fee for their services as directors. The current non-executive Director fee is set at \$75,000 per annum for the Chairman and \$50,000 per annum per non-executive director. However in reflection of the Company's cash position and the equity markets director fees were reduced by 30% as from October 2012. In addition as from 1 September 2013 director fees have been reduced to 45% of the original contract amounts.

Retirement allowances for Directors

Apart from superannuation payments paid on salaries, there are no retirement allowances for Directors.

Executive pay

The executive pay and reward framework has the following components:

- base pay and benefits such as superannuation
- long-term incentives through participation in employee equity issues

Base pay

All executives are either full time employees or consultants that are paid on an agreed basis that have been formalised in consultancy agreements.

Benefits

Apart from superannuation paid on executive salaries there are no additional benefits paid to executives.

Short-term incentives

There are no current short term incentive remuneration arrangements.

Employee/Consultant options

To ensure that the Company has appropriate mechanisms in place to continue to attract and retain the services of suitable directors and employees, the Company has issued options to key personnel.

There have been no employee option issues during the financial period however, 6,000,000 employee options exercisable at \$0.18 and expiring 31 August 2014 were issued in the year ended 30 June 2013.

B Details of remuneration

Amounts of remuneration

Details of the remuneration of the Directors and key management personnel (as defined in AASB 124 *Related Party Disclosures*) of the Company and the Group for the year ended 30 June 2014 are set out in the following tables. There are no elements of remuneration that are directly related to performance.

The key management personnel of the Group are the Directors of the Company and those executives that have authority and responsibility for planning, directing and controlling the activities of the Group.

Viking Mines Limited
ABN 38 126 200 280

Remuneration of key management personnel

Year ended 30 June 2014	Primary benefits		Post-employment benefits	Share-based payment	TOTAL
	Salary and/or consulting fees	Directors' fees	Super-annuation	Equity option issues	
Name	\$	\$	\$	\$	\$
Director					
J Gardner	-	26,250	2,363	-	28,613
P McMickan	112,508	-	14,190	-	126,698
T Kroepelien	-	17,500	-	-	17,500
M Newlands*	-	17,500	-	-	17,500
Key management personnel					
M Langoulant**	-	-	-	-	-
Year ended 30 June 2013					
Director					
J Gardner	-	63,750	5,737	16,080	85,567
P McMickan	220,875	-	18,871	26,800	266,546
T Kroepelien	-	42,500	-	10,720	53,220
M Newlands	-	42,500	-	10,720	53,220
Key management personnel					
M Langoulant*	-	-	-	-	-

* Mr Newlands resigned as a director in December 2013.

** Fees for bookkeeping, accounting and corporate administration services of \$61,800 (2013:\$ 51,600) were paid to a company of which he is a Director and shareholder.

C Employment contracts/Consultancy agreements

On appointment to the Board, all non-executive Directors enter into a service agreement with the Company in the form of a letter of appointment. A formal employment contract with the Managing Director expired in May 2013.

D Share-based compensation

Options

Options are granted to employees and consultants as determined by the Board. There have been no options issued during the last financial year.

DIRECTORS' REPORT

Auditor independence and non-audit services

Section 307C of the *Corporations Act 2001* requires our auditors, Rothsay Chartered Accountants, to provide the Directors of the Company with an Independence Declaration in relation to the audit of the annual report. This Independence Declaration is set out on the next page and forms part of this Directors' report for the year ended 30 June 2014.

Non-audit services

The Company may decide to employ the auditor on assignments additional to their statutory audit duties where the auditor's expertise and experience with the Company and/or the consolidated entity are important. The Company has considered the position and is satisfied that the provision of the non-audit services is compatible with the general standard of independence for auditors imposed by the *Corporations Act 2001*. The auditor has not provided any material non-audit services meaning that auditor independence was not compromised.

Proceedings on behalf of Company

No person has applied to the Court under section 237 of the *Corporations Act 2001* for leave to bring proceedings on behalf of the Company, or to intervene in any proceedings to which the Company is a party, for the purpose of taking responsibility on behalf of the Company for all or part of those proceedings.

No proceedings have been brought or intervened in on behalf of the Company with leave of the Court under section 237 of the *Corporations Act 2001*.

This report is made in accordance with a resolution of the Directors.

A handwritten signature in blue ink, appearing to read 'Jack Gardner', is written over a faint, illegible stamp or watermark.

Jack Gardner
Chairman
Perth, Western Australia
10 September 2014

*R*OTHSA Y

Level 1, Lincoln House, 4 Ventnor Avenue, West Perth WA 6005
P.O. Box 8716, Perth Business Centre WA 6849
Phone (08) 9486 7094 www.rothsayresources.com.au

The Directors
Viking Mines Ltd
Suite 2, Level 1
47 Havelock St
West Perth WA 6005

Dear Sirs

In accordance with Section 307C of the Corporations Act 2001 (the "Act") I hereby declare that to the best of my knowledge and belief there have been:

- i) no contraventions of the auditor independence requirements of the Act in relation to the audit review of the 30 June 2014 financial statements; and
- ii) no contraventions of any applicable code of professional conduct in relation to the audit.



Graham Swan (Lead auditor)

Rothsay

Dated 10th September 2014



Chartered Accountants

CORPORATE GOVERNANCE STATEMENT

Viking Mines Limited (the “Company”) considers the adoption of appropriate systems of control and accountability as the basis for the administration of corporate governance. Some of these policies and procedures are summarised in this report. Commensurate with the spirit of the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations 2nd edition (“**Principles**” and/or “**Recommendations**”) the Company has followed each Recommendation where the Board has considered the recommendation to be an appropriate benchmark for corporate governance practices, taking into account factors such as the size of the Company and the Board, resources available and activities of the Company. Where, after due consideration, the Company's corporate governance practices depart from the Recommendations, the Board has offered full disclosure of the nature of, and reason for, the adoption of its own practice.

Further information about the Company's corporate governance practices, policies and charters are set out on the Company's website at www.vikingashanti.com. In accordance with the Principles and Recommendations, information published on the Company's website includes charters (for the Board and its sub-committees), codes of conduct and other policies and procedures relating to the Board and its responsibilities.

Disclosure – Principles & Recommendations

The Company reports below on how it has followed (or otherwise departed from) each of the Principles & Recommendations during the 2013/2014 financial year (“**Reporting Period**”).

Board

Roles and responsibilities of the Board and Senior Executives (Recommendations: 1.1, 1.3)

The Company has established the functions reserved to the Board, and those delegated to senior executives and has set out these functions in its Board Charter.

The Board is collectively responsible for promoting the success of the Company through its key functions of overseeing the management of the Company, providing overall corporate governance of the Company, monitoring the financial performance of the Company, engaging appropriate management commensurate with the Company's structure and objectives, involvement in the development of corporate strategy and performance objectives, and reviewing, ratifying and monitoring systems of risk management and internal control, codes of conduct and legal compliance.

Senior executives are responsible for supporting the Managing Director and assisting the Managing Director in implementing the running of the general operations and financial business of the Company in accordance with the delegated authority of the Board. Senior executives are responsible for reporting all matters which fall within the Company's materiality thresholds at first instance to the Managing Director or, if the matter concerns the Managing Director, directly to the Chair or the lead independent director, as appropriate.

Skills, experience, expertise and period of office of each Director (Recommendation: 2.6)

A profile of each Director setting out their skills, experience, expertise and period of office is set out in the Directors' Report.

The mix of skills and diversity for which the Board is looking to achieve in membership of the Board are: ability to provide guidance on the development of the Company's assets; independence; understanding of exploration; capital markets; geological; finance; and mining engineering experience.

Director independence (Recommendations: 2.1, 2.2, 2.3, 2.6)

For the Reporting Period the Board did not have a majority of directors who were independent.

The Company has not complied with this Recommendation. The Board now has two non-independent Directors and only one independent Director. Given the size and scope of the Company's operations, the Board considers that it has the relevant experience in the exploration and mining industry and is appropriately structured to discharge its duties in a

manner that is in the best interests of the Company and its shareholders from both a long-term strategic and operational perspective.

The Board considers the independence of directors having regard to its Policy on Assessing the Independence of Directors, which provides that when determining the independent status of a director the Board should consider whether the director:

- is a substantial shareholder of the Company or an officer, of, or otherwise associated directly with, a substantial shareholder of the Company;
- is employed, or has previously been employed in an executive capacity by a Group company and there has not been a period of at least 3 years between ceasing such employment and serving on the Board;
- has within the last 3 years been a principal of a material professional adviser or a material consultant to the Group;
- has a material contractual relationship with the Company or other group member other than as a director;
- is a material supplier or customer of the Group, or an officer of or otherwise associated directly or indirectly with a material supplier or customer.

The Board has agreed on the following guidelines for assessing the materiality of matters:

- Balance sheet items are material if they have a value of more than 5% of pro-forma net asset.
- Profit and loss items are material if they will have an impact on the current year operating result of 5% or more.
- Items are also material if they impact on the reputation of the Company, involve a breach of legislation, are outside the ordinary course of business, could affect the Company's rights to its assets, if accumulated would trigger the quantitative tests, involve a contingent liability that would have a probable effect of 5% or more on balance sheet or profit and loss items, or will have an effect on operations which is likely to result in an increase or decrease in net income or dividend distribution of more than 5%.

The independent Directors of the Company are Mr Tryve Kroepelian and Mr Mark Newlands (until his retirement), neither of which is the Chair. Whilst the Company recognises the benefit of having an independent Director as Chair, the Board was of the view that Mr Jack Gardner continues to be the most appropriate person for the position of Chair.

The Chief Executive Officer is Peter McMickan who is not also Chair of the Board.

Independent professional advice **(Recommendation: 2.6)**

To assist Directors with independent judgement, it is the Board's policy that if a Director considers it necessary to obtain independent professional advice to properly discharge the responsibility of their office as a Director then, provided the Director first obtains approval from the Chair for incurring such expense, the Company will pay the reasonable expenses associated with obtaining such advice.

Selection and (Re)Appointment of Directors **(Recommendation: 2.6)**

In determining candidates for the Board, the Nomination Committee (or equivalent) follows a prescribed process whereby it evaluates the mix of skills, experience and expertise of the existing Board. In particular, the Nomination Committee (or equivalent) is to identify the particular skills that will best increase the Board's effectiveness. Consideration is also given to the balance of independent directors. Potential candidates are identified and, if relevant, the Nomination Committee (or equivalent) recommends an appropriate candidate for appointment to the Board. Any appointment made by the Board is subject to ratification by shareholders at the next general meeting.

Each Director other than the Managing Director, must not hold office (without re-election) past the third annual general meeting of the Company following the Director's appointment or three years following that Director's last election or appointment (whichever is the longer). However, a Director appointed to fill a casual vacancy or as an addition to the Board must not hold office (without re-election) past the next annual general meeting of the Company. At each annual general meeting a minimum of one Director or one third of the total number of Directors must resign. A Director who retires at an annual general meeting is eligible for re-election at that meeting. Re-appointment of Directors is not automatic.

Board committees **Nomination Committee** **(Recommendations: 2.4, 2.6)**

The Board has not established a separate Nomination Committee. The Board believes that there would be no efficiencies gained by establishing a separate Nomination Committee. Accordingly, the Board performs the role of the Nomination Committee. Items that are usually required to be discussed by a Nomination Committee are marked as separate agenda items at Board meetings when required. When the Board convenes as the Nomination Committee it carries out those functions which are delegated to it in the Company's Nomination Committee Charter. The Board deals with any conflicts of interest that may occur when convening in the capacity of the Nomination Committee by ensuring that the Director with conflicting interests is not party to the relevant discussions.

The full Board did not officially convene as a Nomination Committee during the Reporting Period, however nomination-related discussions occurred from time to time during the year as required.

Audit Committee

(Recommendations: 4.1, 4.2, 4.3, 4.4)

The Board has established an Audit Committee however the composition of the Audit Committee does not comply with the Recommendations as the Chairman of the Committee is also the Chairman of the Company.

At present, the Board considers the Chairman, Mr Jack Gardner to be the most appropriate person to Chair the Audit Committee given his financial experience. Notwithstanding this departure from the Recommendations the Board considers the composition of the Audit Committee will be sufficient to enable the Audit Committee to properly discharge its duties.

The Board has stated its audit and compliance responsibilities in the Board Charter.

Remuneration Committee

(Recommendations: 8.1, 8.2, 8.3, 8.4)

The Board has not established a Remuneration Committee.

The Board considers that no efficiencies or other benefits would be gained by establishing a separate Remuneration Committee. The Company's constitution provides that the remuneration of non-executive Directors will not be more than the aggregate fixed sum determined by general meeting. Remuneration matters, usually considered by a Remuneration Committee, were considered at during a number of Board meetings during the year..

Details of remuneration, including the Company's policy on remuneration, are contained in the "Remuneration Report" which forms of part of the Directors' Report. The Company's policy is to remunerate non-executive Directors at market rates (for comparable companies) for time, commitment and responsibilities. Fees for non-executive Directors are not linked to the performance of the Company. Given the Company's stage of development and the financial restriction placed on it, the Company may consider it appropriate to issue unlisted options to non-executive Directors, subject to obtaining the relevant approvals. The grant of options is designed to attract and retain suitability qualified non-executive Directors.

Performance evaluation

Senior executives

(Recommendations: 1.2, 1.3)

The Managing Director is responsible for evaluating the performance of senior executives. The performance evaluation of senior executives is undertaken by meetings held with each senior executive and the Managing Director on an informal basis at least once a year.

There was no departure from this policy during the year.

Board, its committees and individual Directors

(Recommendations: 2.5, 2.6)

The Chair is responsible for evaluating the performance of the Board and, when deemed appropriate, Board committees and individual Directors. Evaluations of the Board and its committees are undertaken by way of round-table discussions, and individual Directors by one on one interviews.

There was no departure from this policy during the year.

Ethical and responsible decision making

Code of Conduct

(Recommendations: 3.1, 3.5)

The Company has established a Code of Conduct as to the practices necessary to maintain confidence in the Company's integrity, the practices necessary to take into account its legal obligations and the reasonable expectations of its stakeholders and the responsibility and accountability of individuals for reporting and investigating reports of unethical practices.

Diversity

(Recommendations: 3.2, 3.3, 3.4, 3.5)

The Company has established a Diversity Policy, which includes requirements for the Board to establish measurable objectives for achieving gender diversity and for the Board to assess annually both the objectives and progress towards achieving them.

Given the small size of the Company, the Board has not set measurable objectives for achieving gender diversity. However, the Company's Board does take into account the gender, age, ethnicity and cultural background of potential Board members, executives and employees.

At the date of this report the Company has only 1 male employee and no female Board members.

A summary of the Company's Diversity Policy is disclosed on the Company's website.

Continuous Disclosure

(Recommendations: 5.1, 5.2)

The Company has established written policies and procedures designed to ensure compliance with ASX Listing Rule disclosure requirements and accountability at a senior executive level for that compliance.

Shareholder Communication

(Recommendations: 6.1, 6.2)

The Company has designed a communications policy for promoting effective communication with shareholders and encouraging shareholder participation at general meetings.

Risk Management

(Recommendations: 7.1, 7.2, 7.3, 7.4)

The Board has adopted a Risk Management Policy, which sets out the Company's risk profile. Under the policy, the Board is responsible for approving the Company's policies on risk oversight and management and satisfying itself that management has developed and implemented a sound system of risk management and internal control.

Under the policy, the Board delegates day-to-day management of risk to the Managing Director, who is responsible for identifying, assessing, monitoring and managing risks. The Managing Director is also responsible for updating the Company's material business risks to reflect any material changes, with the approval of the Board.

In fulfilling the duties of risk management, the Managing Director may have unrestricted access to Company employees, contractors and records and may obtain independent expert advice on any matter they believe appropriate, with the prior approval of the Board.

In addition, the following risk management measures have been adopted by the Board to manage the Company's material business risks:

- the Board has established authority limits for management, which, if proposed to be exceeded, requires prior Board approval; and
- the Board has adopted a compliance procedure for the purpose of ensuring compliance with the Company's continuous disclosure obligations.

During the Reporting Period, the Company formalised its approach to risk management by documenting all material business risks in a risk register and allocation of ownership for material business risks to the Managing Director and management of individual material business risks to senior management and individuals within the organisation. The risk register is regularly reviewed by the Board and management. All risks identified in the risk register will be reviewed and assessed by management and the Board at least annually. Risk is a standing discussion item at scheduled Board meetings.

The key categories of risk of the Company, as reported on by management, include:

- the ability to raise fresh equity capital to maintain minimal operations;
- cash management;
- financial reporting;
- ASX reporting compliance;
- project ownership retention;
- executive travel safety;
- retention of key employees;
- environmental compliance;
- foreign exchange risk; and
- sovereign risk.

The Board has required management to design, implement and maintain risk management and internal control systems to manage the Company's material business risks. The Board also requires management to report to it confirming that those risks are being managed effectively. The Board has received a report from management as to the effectiveness of the Company's management of its material business risks for the Reporting Period.

The Managing Director and the CFO equivalent have provided a declaration to the Board in accordance with section 295A of the Corporations Act and have assured the Board that such declaration is founded on a sound system of risk management and internal control and that the system is operating effectively in all material respects in relation to financial reporting risks.

Viking Mines Limited
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STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2014

	Note	Consolidated 2014 \$	2013 \$
Other income	2	<u>20,752</u>	18,498
Other expenses	2	<u>(759,309)</u> <u>(738,557)</u>	(5,045,637) (5,027,139)
Loss before income tax expense	2	<u>(738,557)</u>	(5,027,139)
Income tax expense	3	<u>-</u>	-
Loss after income tax expense		<u>(738,557)</u>	(5,027,139)
Net loss for the year		<u>(738,557)</u>	(5,027,139)
Other comprehensive income			
Exchange differences on translation of foreign operations		(91,119)	21,472
Income tax relating to components of other comprehensive income		<u>-</u>	-
Other comprehensive income, net of tax		<u>(91,119)</u>	21,472
Total comprehensive loss for the year		<u>(829,676)</u>	(5,005,667)
Loss attributable to:			
Owners of the Company		(730,370)	(4,924,804)
Non-Controlling Interest		<u>(8,187)</u>	(102,335)
		<u>(738,557)</u>	(5,027,139)
Total comprehensive loss attributable to:			
Owners of the Company		(821,489)	(4,903,332)
Non-Controlling Interest		<u>(8,187)</u>	(102,335)
		<u>(829,676)</u>	(5,005,667)
Basic loss per share (cents per share)	4	Cents (0.7)	Cents (6.0)

The above statement of comprehensive income should be read in conjunction with the accompanying notes.

Viking Mines Limited
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STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2014

	Note	Consolidated 2014 \$	2013 \$
Current Assets			
Cash and cash equivalents	6	33,014	244,264
Trade and other receivables	7	29,627	11,402
Total Current Assets		62,641	255,665
Non-Current Assets			
Plant and equipment	8	3,516	14,537
Exploration project acquisition costs	9	3,000,000	3,000,000
Receivable	7	500,253	-
Total Non-Current Assets		3,503,769	3,014,537
Total Assets		3,566,410	3,270,202
Current Liabilities			
Trade and other payables	10	257,914	120,492
Borrowings	11	300,000	-
Provisions		-	21,474
Total Current Liabilities		557,914	141,966
Total Liabilities		557,914	141,966
Net Assets		3,008,496	3,128,237
Equity			
Issued capital	12	16,852,732	16,142,797
Reserves	13	350,874	441,993
Accumulated losses		(13,453,885)	(12,723,515)
Outside equity interest		(741,225)	(733,038)
Total Equity		3,008,496	3,128,237

The above statement of financial position should be read in conjunction with the accompanying notes.

Viking Mines Limited
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STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2014

	Issued capital	Accumulated losses	Share based payments reserve	Foreign currency translation reserve	Outside Equity Interest	Total equity
Consolidated	\$	\$	\$	\$	\$	\$
Balance at 1 July 2012	14,547,939	(7,798,711)	136,800	176,521	(630,703)	6,431,846
Loss for the period	-	(5,027,139)	-	-	-	(5,027,139)
Other comprehensive income	-	-	-	21,472	-	21,472
Total comprehensive loss for the year	-	(5,027,139)	-	21,472	-	(5,005,667)
Outside equity interest in loss	-	102,335	-	-	(102,335)	-
Shares issues, net of capital raising costs	1,594,858	-	-	-	-	1,594,858
Share based compensation	-	-	107,200	-	-	107,200
Balance at 30 June 2013	16,142,797	(12,723,515)	244,000	197,993	(733,038)	3,128,237
Balance at 1 July 2013	16,142,797	(12,723,515)	244,000	197,993	(733,038)	3,128,237
Loss for the period	-	(738,557)	-	-	-	(738,557)
Other comprehensive income	-	-	-	(91,119)	-	(91,119)
Total comprehensive loss for the year	-	(738,557)	-	(91,119)	-	(829,676)
Outside equity interest in loss	-	8,187	-	-	(8,187)	-
Shares issues, net of capital raising costs	709,935	-	-	-	-	709,935
Balance at 30 June 2014	16,852,732	(13,453,885)	244,000	106,874	(741,225)	3,008,496

The above statement of changes in equity should be read in conjunction with the accompanying notes.

Viking Mines Limited
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STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2014

		Consolidated	
		Inflows/ (Outflows) 2014	Inflows/ (Outflows) 2013
	Note	\$	\$
Cash flows from operating activities			
Payments to suppliers and employees		(617,310)	(751,728)
Interest received		3,453	18,498
Net cash outflow from operating activities	21(a)	(613,857)	(733,230)
Cash flows from investing activities			
Loan to others		(500,253)	-
Payments for exploration and evaluation		(126,446)	(1,171,096)
Proceeds from sale of plant		17,299	
Net cash outflow from investing activities		(609,400)	(1,171,096)
Cash flows from financing activities			
Proceeds from the issue of shares/options		788,817	1,683,391
Borrowings		300,000	-
Capital raising costs		(78,882)	(67,094)
Net cash inflow from financing activities		1,009,935	1,616,297
Net increase/(decrease) in cash held		(210,662)	(288,029)
Effect of exchange rate fluctuations on cash		(589)	814
Cash at the beginning of reporting period		244,265	532,294
Cash at the end of the reporting period	6	33,014	244,265

The above statement of cash flows should be read in conjunction with the accompanying notes.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2014**

Note 1: Statement of significant accounting policies

(a) Basis of preparation

The financial report is a general-purpose financial report, which has been prepared in accordance with the requirements of the *Corporations Act 2001*, Accounting Standards and Interpretations and complies with other requirements of the law. The financial report has also been prepared on a historical cost basis. The Company is registered and domiciled in Australia.

Going Concern

The Company and its controlled entities as at 30 June (the Group) do not generate sufficient cash flows from their operating activities to finance these activities. Thus the continuing viability of the Group and its ability to continue as a going concern and meet its debts and commitments as they fall due are dependent upon the Group being successful in completing a capital raising and/or asset sale/joint venture agreement in the next 12 months. The directors have mitigated this risk by reducing its corporate overheads and postponing expenditure on the Group's projects where possible.

As a result of these matters, there is a material uncertainty that may cast significant doubt on whether the Group will continue as a going concern and, therefore, whether it will realise its assets and settle its liabilities and commitments in the normal course of business and at the amounts stated in the financial report. However, the directors believe that the Group will be successful in the above matters and, accordingly, have prepared the financial report on a going concern basis.

(b) Adoption of new and revised standards

Changes in accounting policies on initial application of Accounting Standards

In the year ended 30 June 2014, the Group has reviewed all of the new and revised Standards and Interpretations issued by the AASB that are relevant to its operations and effective for the current annual reporting period. It has been determined by the Group that there is no impact, material or otherwise, of the new and revised Standards and Interpretations on its business and, therefore, no change is necessary to Group accounting policies.

The Group has also reviewed all new Standards and Interpretations that have been issued but are not yet effective for the year ended 30 June 2014. As a result of this review the Directors have determined that there is no impact, material or otherwise, of the new and revised Standards and Interpretations on its business and, therefore, no change necessary to Group accounting policies.

(c) Statement of compliance

The financial report was authorised by the Board of directors for issue on 10 September 2014.

The financial report complies with Australian Accounting Standards, which include Australian equivalents to International Financial Reporting Standards (AIFRS). Compliance with AIFRS ensures that the financial report, comprising the financial statements and notes thereto, complies with International Financial Reporting Standards (IFRS).

(d) Basis of consolidation

The consolidated financial statements comprise the financial statements of Viking Mines Limited and its controlled entities as at 30 June (the Group).

The financial statements of the controlled entities are prepared for the same reporting period as the Parent, using consistent accounting policies.

In preparing the consolidated financial statements, all intercompany balances and transactions, income and expenses and profit and losses resulting from intra-group transactions have been eliminated in full. Controlled entities are fully consolidated from the date on which control is transferred to the Group and cease to be consolidated from the date on which control is transferred out of the Group. Control exists where the Company has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

(e) Significant accounting judgements estimates and assumptions

The carrying amounts of certain assets and liabilities are often determined based on estimates and assumptions of future events. The key estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of certain assets and liabilities within the next annual reporting period are:

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2014**

Note 1: Statement of significant accounting policies (continued)

Deferred exploration expenditure:

The Group's main activity is exploration and evaluation for minerals. The nature of exploration activities are such that it requires interpretation of complex and difficult geological models in order to make an assessment of the size, shape, depth and quality of resources and their anticipated recoveries. The economic, geological and technical factors used to estimate mining viability may change from period to period. In addition exploration activities by their nature are inherently uncertain. Changes in all these factors can impact exploration asset carrying values.

Share-based payment transactions:

The Group measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined by using a Black and Scholes model.

(f) Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognised:

(i) Interest income

Interest revenue is recognised on a time proportionate basis that takes into account the effective yield on the financial asset.

(g) Cash and cash equivalents

Cash comprises cash at bank and in hand. Cash equivalents are short term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. Temporary bank overdrafts are included in cash at bank and in hand. Permanent bank overdrafts are shown within borrowings in current liabilities in the balance sheet.

For the purposes of the statement of cash flows, cash and cash equivalents consist of cash and cash equivalents as defined above, net of outstanding bank overdrafts.

(h) Income tax

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the balance sheet date.

Deferred income tax is provided on all temporary differences at the balance date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred income tax liabilities are recognised for all taxable temporary differences except:

- when the deferred income tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and that, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; or
- when the taxable temporary difference is associated with investments in controlled entities, associates or interests in joint ventures, and the timing of the reversal of the temporary difference can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred income tax assets are recognised for all deductible temporary differences, carry-forward of unused tax assets and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and the carry-forward of unused tax credits and unused tax losses can be utilised, except:

- when the deferred income tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; or
- when the deductible temporary difference is associated with investments in controlled entities, associates or interests in joint ventures, in which case a deferred tax asset is only recognised to the extent that it is probable that the temporary difference will reverse in the foreseeable future and taxable profit will be available against which the temporary difference can be utilised.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2014**

Note 1: Statement of significant accounting policies (continued)

The carrying amount of deferred income tax assets is reviewed at each balance date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilised.

Unrecognised deferred income tax assets are reassessed at each balance date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the financial period when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the balance date.

Income taxes relating to items recognised directly in equity are recognised in equity and not in profit or loss.

Deferred tax assets and deferred tax liabilities are offset only if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred tax assets and liabilities relate to the same taxable entity and the same taxation authority.

(i) Other taxes

Revenues, expenses and assets are recognised net of the amount of GST except:

- when the GST incurred on a purchase of goods and services is not recoverable from the taxation authority, in which case the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and
- receivables and payables, which are stated with the amount of GST included.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the balance sheet.

Cash flows are included in the statement of cash flows on a gross basis and the GST component of cash flows arising from investing and financing activities, which is recoverable from, or payable to, the taxation authority, are classified as operating cash flows.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the taxation authority.

(j) Plant and equipment

Plant and equipment is stated at cost less accumulated depreciation and any accumulated impairment losses.

Depreciation is calculated on a straight-line basis over the estimated useful life of the assets as follows:

Office equipment – 20%

Plant and equipment – 20% - 40%

The assets' residual values, useful lives and amortisation methods are reviewed, and adjusted if appropriate, at each financial period end.

(k) Impairment of assets

The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, the Group makes an estimate of the asset's recoverable amount. An asset's recoverable amount is the higher of its fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets and the asset's value in use cannot be estimated to be close to its fair value. In such cases the asset is tested for impairment as part of the cash-generating unit to which it belongs. When the carrying amount of an asset or cash-generating unit exceeds its recoverable amount, the asset or cash-generating unit is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Impairment losses relating to continuing operations are recognised in those expense categories consistent with the function of the impaired asset unless the asset is carried at re-valued amount (in which case the impairment loss is treated as a revaluation decrease).

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2014**

Note 1: Statement of significant accounting policies (continued)

An assessment is also made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the recoverable amount is estimated. A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case the carrying amount of the asset is increased to its recoverable amount. That increased amount cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior financial periods. Such reversal is recognised in profit or loss unless the asset is carried at revalued amount, in which case the reversal is treated as a revaluation increase. After such a reversal the depreciation charge is adjusted in future periods to allocate the asset's revised carrying amount, less any residual value, on a systematic basis over its remaining useful life.

(l) Trade and other payables

Trade payables and other payables are carried at amortised costs and represent liabilities for goods and services provided to the Group prior to the end of the financial period that are unpaid and arise when the Group becomes obliged to make future payments in respect of the purchase of these goods and services.

(m) Provisions

Where applicable, provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

When the Group expects some or all of a provision to be reimbursed, for example under an insurance contract, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is presented in the statement of comprehensive income net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects the risks specific to the liability.

When discounting is used, the increase in the provision due to the passage of time is recognised as a borrowing cost.

(n) Employee leave benefits

Wages, salaries, annual leave and sick leave

Liabilities for wages and salaries, including non-monetary benefits, annual leave and accumulating sick leave expected to be settled within 12 months of the reporting date are recognised in other payables in respect of employees' services up to the reporting date. They are measured at the amounts expected to be paid when the liabilities are settled. Liabilities for non-accumulating sick leave are recognised when the leave is taken and are measured at the rates paid or payable.

(o) Share-based payment transactions

Equity settled transactions:

The Group provides benefits to employees and consultants of the Group in the form of share-based payments, whereby employees render services in exchange for shares or rights over shares (equity-settled transactions).

The cost of these equity-settled transactions with employees and consultants is measured by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined by using the Black and Scholes model.

The cost of equity-settled transactions is recognised, together with a corresponding increase in equity, over the period in which any performance and/or service conditions are fulfilled, ending on the date on which the relevant employees become fully entitled to the award (the vesting period).

The cumulative expense recognised for equity-settled transactions at each reporting date until vesting date reflects (i) the extent to which the vesting period has expired, and

(ii) the Group's best estimate of the number of equity instruments that will ultimately vest. No adjustment is made for the likelihood of market performance conditions being met as the effect of these conditions is included in the determination of fair value at grant date. The statement of comprehensive income charge or credit for a period represents the movement in cumulative expense recognised as at the beginning and end of that period.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2014**

Note 1: Statement of significant accounting policies (continued)

(p) Issued capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

(q) Earnings per share

Basic earnings per share is calculated as net profit attributable to members of the parent, adjusted to exclude any costs of servicing equity (other than dividends) and preference share dividends, divided by the weighted average number of ordinary shares.

Diluted earnings per share is calculated as net profit attributable to members of the parent, adjusted for:

- costs of servicing equity (other than dividends) and preference share dividends;
- the after tax effect of dividends and interest associated with dilutive potential ordinary shares that have been recognised as expenses; and
- other non-discretionary changes in revenues or expenses during the period that would result from the dilution of potential ordinary shares, divided by the weighted average number of ordinary shares and dilutive potential ordinary shares.

(r) Exploration and evaluation expenditure

Exploration costs are expensed as incurred. Acquisition costs are accumulated in respect of each separate area of interest. Acquisition costs are carried forward where right of tenure of the area of interest is current and they are expected to be recouped through the sale or successful development and exploitation of the area of interest or, where exploration and evaluation activities in the area of interest have not yet reached a stage that permits reasonable assessment of the existence of economically recoverable reserves. When an area of interest is abandoned or the Directors' decide that it is not commercial, any accumulated acquisition costs in respect of that area are written off in the financial period and accumulated acquisition costs written off to the extent that they will not be recovered in the future. Amortisation is not charged on acquisition costs carried forward in respect of areas of interest in the development phase until production commences.

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2014**

	Consolidated 2014	2013
	\$	\$
Note 2: Revenue and expenses		
(a) Revenue from continuing operations		
<i>Other revenue</i>		
Interest received	3,453	18,498
Profit on sale of plant	17,299	-
(b) Expenses		
Loss from ordinary activities before income tax expense includes the following specific expenses:		
Depreciation	11,021	22,622
Takeover transaction costs	285,444	-
Direct exploration and project evaluation	126,445	966,602
Impairment of exploration project acquisition costs	-	3,373,110
Auditors' fees	16,500	33,225
Employee costs	108,228	266,321
Consultants	135,102	157,076
Investor relations	16,779	4,671
Note 3: Income tax		
Income tax expense recognised in income statement		
<i>Current income tax</i>		
Current income tax payable	-	-
Income tax expense/(benefit) reported in statement of comprehensive income	-	-
Reconciliation to income tax expense on accounting loss		
Accounting loss before tax	(730,370)	(4,924,804)
Tax expense (revenue) at the statutory income tax rate of 30%	(219,111)	(1,477,441)
Sundry non-deductible expenses	164,573	1,048,382
Unrealised tax losses not recognised	54,538	429,059
Income tax expense	-	-

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2014

Note 3: Income tax (cont)

	Consolidated	
	2014	2013
	\$	\$
Unrecognised deferred tax balances		
Deferred tax assets:		
Share issue costs	29,896	58,243
Tax revenue losses	2,347,732	1,843,807
	<u>2,377,628</u>	<u>1,902,050</u>
Deferred tax liabilities:	-	-
Net unrecognised deferred tax assets	<u>2,377,628</u>	<u>1,902,050</u>

Note 4: Earnings per share

Total basic loss per share (cents)	<u>(0.7)</u>	<u>(6.0)</u>
The loss and weighted average number of ordinary shares used in the calculation of basic loss per share is as follows:		
Net loss for the period	<u>(730,370)</u>	<u>(4,924,804)</u>
The weighted average number of ordinary shares	<u>101,388,529</u>	<u>81,598,024</u>

The diluted loss per share is not reflected as the result is anti-dilutive.

Note 5: Segment information

The Group has adopted AASB 8 *Operating Segments* which requires operating segments to be identified on the basis of internal reports about components of the Group that are reviewed by the chief operating decision-maker in order to allocate resources to the segment and to assess its performance.

The Board of Viking Mines Limited reviews internal reports prepared as consolidated financial statements and strategic decisions of the Group are determined upon analysis of these internal reports. During the period the Group operated predominately in one business and geographical segment, being the resources sector in Ghana. Accordingly under the management approach outlined only one operating sector has been identified and no further disclosures are required in the notes to the consolidated financial statements.

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2014**

Note 6: Cash and cash equivalents

	Consolidated 2014	2013
	\$	\$
Cash at bank and on hand	33,014	244,264
Short term deposits	-	-
	33,014	244,264

(a) Reconciliation to Statement of Cash Flows

The above figures agree to cash at the end of the financial period as shown in the Statement of Cash Flows.

(b) Cash at bank

These are interest bearing accounts at a weighted average interest rate of 0.5% (2013: 2.8%).

(c) Cash balances not available for use

There are no cash balances not available for use (2013: nil).

Note 7: Trade and other receivables

Current receivables		
GST	29,412	11,187
Other receivables	215	215
	29,617	
Non-current receivables		
Loan to Auminco Limited*	500,253	-

* This loan is unsecured and repayable on demand. Auminco Limited is subject to a takeover offer by Viking (refer note 20) which Viking has declared as unconditional. The loans funds have been utilised to repay various Auminco creditors and to advance Auminco's coal assets. Upon completion of the takeover this loan will be eliminated as a consolidation adjustment.

Note 8: Plant and equipment

Consolidated	2014	2013
	Total	Total
	\$	\$
Opening balance	14,537	37,085
Movement in foreign exchange	(2,660)	74
Depreciation charge	(8,361)	(22,622)
Closing net book value	3,516	14,537
Cost or fair value	16,575	81,777
Accumulated depreciation	(13,059)	(67,240)
Net carrying amount	3,516	14,537

The depreciation rates were as follows for 2014 and 2013:
Plant and equipment 20-40%

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2014

Note 9: Exploration project acquisition costs

	Consolidated 2014	2013
	\$	\$
Opening balance	3,000,000	6,373,110
Impairment charge	-	(3,373,110)
Acquisition costs in respect of areas of interest in the exploration phase	3,000,000	3,000,000

The recoupment of exploration project acquisition costs carried forward is dependent upon the recoupment of costs through successful development and commercial exploitation, or alternatively by sale of the respective areas.

In the reporting period ended 30 June 2013 there was a significant sustained drop in the price of gold. This led to a decline in the current perceived value of gold projects, irrespective of the existence of a gold resource. In recognition of this world-wide market re-rating of the value of gold projects the Board considered recent sales of projects similar to Viking's, the average "attributed value" of in-ground gold resources in west Africa and a range of other market related matters to determine the carrying fair value for the Company's exploration project acquisition costs. After considering all these factors the Board determined that an impairment charge of \$3.37 million was appropriate.

The Board has reviewed the carrying value of its Ghanaian gold projects and considers that no impairment charge is required in the reporting period ended 30 June 2014.

Note 10: Trade and other payables

Trade payables *	67,708	120,492
Other payables	190,206	-
	257,914	120,492

* Trade payables are non-interest bearing and are normally paid on 30 day terms.

Note 11: Borrowings

	300,000	-
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During the year the Company obtained a short term loan facility at 10% pa from a director that is repayable at call

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2014

Consolidated	
2014	2013
\$	\$

Note 12: Issued capital

(a) Ordinary shares issued

112,688,225 (2013: 90,150,580) ordinary shares	16,852,732	16,142,797
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Holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at shareholders' meetings. In the event of winding up of the parent entity, ordinary shareholders rank after all creditors and are fully entitled to any proceeds on liquidation.

(b) Movements in ordinary share capital:

Date	Details	Number of shares	Issue Price \$	\$
1 July 2012	Balance at the beginning of the year	69,166,667		14,547,939
26 August 2012	Placement	12,683,913	0.10	1,268,391
15 April 2013	Placement	8,300,000	0.05	415,000
	Share issue costs	-	-	(88,533)
		<u>90,150,580</u>		<u>16,142,797</u>
30 June 2013				
1 July 2013	Balance at the beginning of the year	90,150,580		16,142,797
31 December 2013	Placement	22,537,645	0.035	788,818
	Share issue costs	-		(78,883)
		<u>112,688,225</u>		<u>16,852,732</u>
30 June 2014				

(c) Share options

	Number of options	2014	2013
Options exercisable at \$0.18 on or before 31 August 2014	22,698,913	22,683,913	

(d) Movements in share options

Options to acquire ordinary fully paid shares at \$0.18 on or before 31 August 2014:			
Beginning of the financial year	22,683,913	-	
Options issued during year	-	22,683,913	
	<u>22,683,913</u>	<u>22,683,913</u>	
Balance at end of financial year	22,683,913	22,683,913	

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2014

Note 13: Reserves

	Consolidated 2014 \$	2013 \$
Share compensation reserve	244,000	244,000
Foreign currency translation reserve	106,874	197,993
	350,874	441,993

- (a) Share compensation reserve
The share compensation reserve is used to record the value of equity benefits provided to consultants and directors as part of their remuneration. Refer Note 14.
- (b) Foreign currency translation reserve
The foreign currency translation reserve represents foreign exchange movements on the translation of financial statements for controlled entities from the functional currency into the presentation currency of Australian dollars.

Note 14: Share based payments

Share based payments consists of unlisted options issued to directors and consultants. The expense is recognised in the Statement of Comprehensive Income and Statement of Changes in Equity. The following share-based payment arrangements were in place during the current and prior periods:

	Number	Grant date	Expiry Date	Exercise price \$	Fair value at grant date
Unlisted employee options – 31 Aug 2014	10,000,000	26/11/2012	31/08/2014	\$0.18	\$0.011

Fair value of options granted

The fair value of the equity-settled share options granted to directors has been estimated as at the date of grant using the Black and Scholes model taking into account the terms and conditions upon which the options were granted.

The following table lists the inputs to the Black and Scholes model used:

	Unlisted 31 August 2014
Dividend yield %	Nil
Expected volatility %	80%
Risk-free interest rate %	3.00%
Life of option	21 months
Exercise price	\$0.18
Grant date share price	\$0.08

The expected life of the options is based on historical data and is not necessarily indicative of exercise patterns that may occur. The expected volatility reflects the assumption that the historical volatility is indicative of future trends, which may also not necessarily be the actual outcome. No other features of options granted were incorporated into the measurement of fair value.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2014**

Note 15: Financial instruments

(a) Capital risk management

Prudent capital risk management implies maintaining sufficient cash and marketable securities to ensure continuity of tenure to exploration assets and to be able to conduct the Group's business in an orderly and professional manner. The Board monitors its future capital requirements on a regular basis and will when appropriate consider the need for raising additional equity capital or to farm-out exploration projects as a means of preserving capital.

(b) Categories of financial instruments

The Group's principal financial instruments comprise of cash and short-term deposits.

The main purpose of these financial instruments is to raise finance for the Group's operations. The Group has various other financial assets and liabilities such as receivables and trade payables, which arise directly from its operations. It is, and has been throughout the period under review, the Group's policy that no trading in financial instruments shall be undertaken.

(c) Financial risk management objectives

The Group is exposed to market risk (including, interest rate risk and equity price risk), credit risk and liquidity risk.

The main risks arising from the Group's financial instruments are interest rate risk and credit risk. The Board reviews and agrees policies for managing each of these risks and they are summarised below.

(d) Market risk

There has been no change to the Group's exposure to market risks or the manner in which it manages and measures the risk from the previous period.

(i) Interest rate risk management

All cash balances attract a floating rate of interest. Excess funds that are not required in the short term are placed on deposit for a period of no more than 6 months. The Group's exposure to interest rate risk and the effective interest rate by maturity periods is set out below.

Interest rate sensitivity analysis

As the Group has no interest bearing borrowings its exposure to interest rate movements is limited to the amount of interest income it can potentially earn on surplus cash deposits.

At 30 June 2014, if interest rates had changed by +/- 50 basis points and all other variables were held constant, the Group's after tax loss would have been \$4,000 (2013: \$4,000) lower/higher as a result of higher/lower interest income on cash and cash equivalents.

(e) Credit risk management

Credit risk relates to the risk that counterparties will default on their contractual obligations resulting in financial loss to the Group. The Group has adopted a policy of only dealing with credit worthy counterparties and obtaining sufficient collateral or other security where appropriate, as a means of mitigating the risk of financial loss from any defaults.

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2014**

Note 15: Financial instruments (cont)

(f) Liquidity risk management

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities to ensure continuity of tenure to exploration assets and to be able to conduct the Group's business in an orderly and professional manner. Cash deposits are only held with major financial institutions.

2014	Weighted Average Interest Rate	Less than 1 month	1-3 months	3 months – 1 year	5 + years	Total
Financial assets						
Cash and cash equivalents	0.5%	33,014	-	-	-	33,014
Trade and other receivables		529,880	-	-	-	529,880
		562,894	-	-	-	562,894
Financial liabilities						
Trade and other payables		257,914	-	-	-	257,914
		257,914	-	-	-	257,914
		304,980	-	-	-	304,980
2013						
Financial assets						
Cash and cash equivalents	2.8%	244,264	-	-	-	244,264
Trade and other receivables		11,402	-	-	-	11,402
		255,666	-	-	-	255,666
Financial liabilities						
Trade and other payables		120,492	-	-	-	120,492
		120,492	-	-	-	120,492
		135,174	-	-	-	135,174

Note 16: Commitments and contingencies

Exploration expenditure commitments

Minimum exploration expenditure commitments do not apply in Ghana and the Government does not impose a minimum spend per licence. The exploration expenditure commitment is based on a work program system, whereby at the time for each renewal of a licence, the Company provides an outline of work planned and expected expenditure.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2014**

Note 17: Key management personnel disclosures

(a) Directors

At the date of this report the directors of the Company are:

JW Gardner – *Executive Chairman*

P McMickan – *Managing director*

T Kroepelien – *Non executive director*

There were no changes of the key management personnel after the reporting date and the date the financial report was authorised for issue.

(b) Key management personnel

M Langoulant – *Company secretary*

(c) Key management personnel compensation

	Consolidated	
	2014	2013
	\$	\$
Short-Term	173,758	421,225
Post-employment	16,553	24,608
Share based payments expense	-	75,040
	190,311	520,873

Detailed remuneration disclosures of directors and key management personnel are contained on pages 18 to 20 of this report.

(d) Option holdings of key management personnel

Details of options provided as remuneration, together with the terms and conditions of the shares and options can be found in section D of the remuneration report.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2014

Note 17: Key management personnel disclosures (cont)

(d) Option holdings of key management personnel (cont)

Details of options provided as remuneration, together with the terms and conditions of the shares and options can be found in section D of the remuneration report. The following options were granted to directors subject to continuity of employment vesting conditions.

2014	Balance at the beginning of the financial period	Granted during the financial period	Expired during the financial period	Balance at the end of the financial period	Vested and exercisable at the end of the financial period
Name					
Director					
J Gardner	1,500,000	-	-	1,500,000	1,500,000
P McMickan	2,500,000	-	-	2,500,000	2,500,000
T Kroepelien	1,000,000	-	-	1,000,000	1,000,000
Other key management personnel					
M Langoulant	1,000,000	-	-	1,000,000	1,000,000

2013	Balance at the beginning of the financial period	Granted during the financial period	Expired during the financial period	Balance at the end of the financial period	Vested and exercisable at the end of the financial period
Name					
Director					
J Gardner	1,500,000	1,500,000	(1,500,000)	1,500,000	1,500,000
P McMickan	2,500,000	2,500,000	(2,500,000)	2,500,000	2,500,000
T Kroepelien	1,000,000	1,000,000	(1,000,000)	1,000,000	1,000,000
M Newlands*	1,000,000	1,000,000	(1,000,000)	1,000,000	1,000,000
Other key management personnel					
M Langoulant	-	1,000,000	-	1,000,000	1,000,000

* Resigned in December 2013.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2014

(e) Equity holdings of key management personnel

The number of shares in the Company held during the financial period by each director of the Company and key management personnel of the Group, including their personally related parties, are set out below

2014	Balance at start of	Movement during	Balance at the end of
Director - Ordinary shares	year	the year	the financial year
J Gardner	7,527,594	2,960,049	10,487,643
P McMickan	3,026,837	20,000	3,046,837
T Kroepelien	4,060,000	(186,000)**	3,874,000
<i>Key management personnel</i>			
M Langoulant	475,000	400,000	875,000
2013			
Director - Ordinary shares			
J Gardner	5,454,258	2,073,336	7,527,594
P McMickan	2,721,469	305,368	3,026,837
T Kroepelien	3,760,000	300,000	4,060,000
M Newlands*	200,000	50,000	250,000
<i>Key management personnel</i>			
M Langoulant	475,000	-	475,000

* Resigned in December 2013.

** Not a sale of shares but a change related to a mature child no longer deemed a related party holding.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2014

Note 18: Related party disclosure

The ultimate parent entity in the wholly-owned group and the ultimate Australian parent entity is Viking Mines Limited. The consolidated financial statements include the financial statements of Viking Mines Limited and the controlled entities listed in the following table:

Name of entity	Country of incorporation	Class of shares	Equity holding 2014 %	2013 %
Associated Goldfields Pty Ltd	Australia	Ordinary	100	100
Ghana Mining Investments Pty Ltd	Australia	Ordinary	100	100
Kiwi International Resources Pty Ltd	Australia	Ordinary	100	100
Abores Mining Company Ltd	Ghana	Ordinary	90	90
Obenemase Gold Mines Ltd	Ghana	Ordinary	90	90
Resolute Amansie Ltd	Ghana	Ordinary	90	90
Kiwi Goldfields Ltd	Ghana	Ordinary	100	100

The only transactions between Viking Mines Limited and its controlled entities during this financial year consisted of loans between Viking Mines Limited and its controlled entities.

Related parties

The following table provides details of advances to related parties and outstanding balances at balance date.

	Parent entity 2014 \$	2013 \$
Resolute Amansie Ltd – opening balance	8,285,990	6,412,430
Advances made and foreign exchange movements	(125,511)	1,873,560
Resolute Amansie Ltd – closing balance	8,160,479	8,285,990

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2014

Note 19: Parent Entity Disclosures

Financial position

	30 June 2014	30 June 2013
	\$	\$
Assets		
Current assets	529,880	244,722
Non-current assets	3,003,516	3,004,493
Total assets	3,533,396	3,249,215
Liabilities		
Current liabilities	545,828	120,978
Non-Current liabilities	-	-
Total liabilities	545,828	120,978
Equity		
Issued capital	16,852,732	16,142,797
Retained earnings	(14,109,164)	(13,258,560)
Reserves	244,000	244,000
Total equity	2,987,568	3,128,237

Financial performance

	30 June 2014	30 June 2013
	\$	\$
Loss for the year	(656,682)	(5,005,667)
Other comprehensive income	-	-
Total comprehensive profit /(loss)	(656,682)	(5,005,667)

Note 20: Events after the balance sheet date

There has not been any matter or circumstance that has arisen after balance date that has significantly affected, or may significantly affect, the operations of the Group, the results of those operations, or the state of affairs of the Group in future financial periods other than:

- On 18 August 2014 the Company lodged a prospectus to raise up to \$3.04 million by the issue of up to 80 million shares at an issue price of \$0.038, together with a one for four free option exercisable at \$0.09 at any time before 30 April 2017. On 25 August 2014 the Company announced that the minimum subscription level of \$2.09 million had been raised under this prospectus.
- On 26 August 2014 the Company announced that its takeover offer for all the shares in Auminco was unconditional. As at the date of this report Viking has received acceptances from 97.93% of Auminco shareholders. Auminco shareholders have until 24 September 2014 to accept the Viking offer, after which Viking intends to compulsorily acquire the remaining balance. At this point the \$500,000 loan advanced by Viking to Auminco will be eliminated as a consolidation adjustment.

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2014**

Note 21: Reconciliation of loss after income tax to net cash outflow from operating activities

	Consolidated 2014	2013
	\$	\$
<i>a) Reconciliation of loss from ordinary activities after income tax to net cash outflow from operating activities</i>		
Net loss for the year	(730,370)	(4,924,804)
Outside equity interest in loss	(8,187)	(102,335)
Depreciation	8,361	22,622
Foreign exchange movements	(90,530)	21,398
Share based payments	-	85,760
Exploration and evaluation	126,445	966,602
Impairment of project acquisition costs	-	3,373,110
Proceeds from sale of PPE	(17,299)	-
(Increase) / decrease in trade and other receivables	(18,225)	10,727
Increase / (decrease) in trade payables and provisions	115,948	(186,310)
Net cash outflow from operating activities	(613,857)	(733,230)

b) Non-cash financing and investing activities

There were nil non-cash financing and investing activities.

Note 21: Auditors' remuneration

The auditors of the Group are Rothsay Chartered Accountants.

	Consolidated 2014	2013
	\$	\$
Assurance services		
Rothsay Chartered Accountants:		
Audit and review of financial statements	16,500	22,500
Other firms		
Audit and review of financial statements	-	10,997
Total remuneration for audit services	16,500	33,497
Other services		
Rothsay Chartered Accountants:	-	-
Other firms:	-	-
Total remuneration for other services	-	-
Total auditors' remuneration	16,500	33,497

DIRECTORS' DECLARATION

1. In the opinion of the directors:
 - a. the accompanying financial statements and notes are in accordance with the Corporations Act 2001 including:
 - i. giving a true and fair view of the consolidated entity's financial position as at 30 June 2014 and of its performance for the financial year then ended; and
 - ii. complying with Accounting Standards and Corporations Regulations 2001; and
 - b. there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.
 - c. the financial statements and notes thereto are in accordance with International Financial Reporting Standards issued by the International Accounting Standards Board.
2. This declaration has been made after receiving the declarations required to be made to the directors in accordance with Section 295A of the Corporations Act 2001 for the year ended 30 June 2014.

This declaration is signed in accordance with a resolution of the Board of Directors.

A handwritten signature in blue ink, appearing to read 'Jack Gardner', with a small cross-like mark above it.

Jack Gardner
Chairman

Perth, Western Australia
10 September 2014



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INDEPENDENT AUDIT REPORT TO THE MEMBERS OF VIKING MINES LIMITED

Report on the financial report

We have audited the accompanying financial report of Viking Mines Limited “(the Company)” which comprises the balance sheet as at 30 June 2014 and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year ended on that date, a summary of significant accounting policies, other explanatory notes and the directors’ declaration of the consolidated entity comprising the company and the entities it controlled at the year’s end or from time to time during the year.

Directors’ Responsibility for the Financial Report

The Directors of the Company are responsible for the preparation and true and fair presentation of the financial report in accordance with the Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Act 2001*. This includes responsibility for the maintenance of adequate accounting records and internal controls that are designed to prevent and detect fraud and error, and for the accounting policies and accounting estimates inherent in the financial report. The Directors are also responsible for the remuneration disclosures contained in the directors’ report.

Auditor’s Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. These Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance as to whether the financial report is free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on our judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, we consider internal controls relevant to the entity’s preparation and fair presentation of the financial report in order to design audit procedures that are appropriate to the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity’s internal controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors as well as evaluating the overall presentation of the financial report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Independence

We are independent of the Company, and have met the independence requirements of Australian professional ethical requirements and the *Corporations Act 2001*.



Chartered Accountants



Audit opinion

In our opinion the financial report of Viking Mines Limited is in accordance with the *Corporations Act 2001*, including:

- a) (i) giving a true and fair view of the consolidated entity's financial position as at 30 June 2014 and of their performance for the year ended on that date; and
(ii) complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Regulations 2001*; and
- b) the consolidated financial report also complies with International Financial Reporting Standards as issued by the International Accounting Standards Board.

Report on the remuneration report

We have audited the remuneration report included in the directors' report for the year ended 30 June 2014. The directors of the Company are responsible for the preparation and presentation of the remuneration report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the remuneration report, based on our audit conducted in accordance with Australian Auditing Standards.

Audit opinion

In our opinion the remuneration report of Viking Mines Limited for the year ended 30 June 2014 complies with section 300A of the *Corporations Act 2001*.

Rothsay

Graham R Swan
Partner

Dated 10th September 2014



Chartered Accountants

ADDITIONAL INFORMATION

The shareholder information set out below was applicable as at 31 August 2014.

A. Distribution of equity securities

Analysis of numbers of equity security holders by size of holding:

		<i>Class of equity security</i>			
		<i>Ordinary shares</i>			
1	–	1,000			12
1,001	–	10,000			114
10,001	–	100,000			187
100,001	–	1,000,000			84
1,000,001		and over			15
					412

There were 130 holders of less than a marketable parcel of ordinary shares.

B. Equity security holders

Twenty largest quoted equity security holders – ordinary shares

Name	No. held	% of issued shares
RESOLUTE MINING LTD	31,607,143	28.05
JAYTU PTY LT (JOHN WILLIAM GARDNER SUPERANNUATION)	10,477,643	9.30
ASLAN EQUITIES PTY LTD <ASLAN EQUITIES A/C>	5,714,286	5.07
MANSON GROUP PTY LIMITED <MANSON GROUP SUPER FUND A/C>	5,026,867	4.46
HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	4,441,441	3.94
MR TRYGVE KROEPELIEN	3,874,000	3.44
JP MORGAN NOMINEES AUSTRALIA LIMITED <CASH INCOME A/C>	3,315,245	2.94
MR PETER JAMES MCMICKAN & MRS CAROLYN VERA MCMICKAN (MCMICKAN FAMILY S/FUND A/C)	2,250,000	2.00
MR STANLEY ROBERT SIMMONS & MRS THERESE SIMMONS (SIMMONS FAMILY S/F A/C)	2,144,502	1.90
CORPORATE ADMIN RESOURCES PTY LTD	1,553,303	1.38
MR RODNEY ADLER <THE RA DIVERSIFIED INVESTMENT>	1,428,571	1.27
GOLDEN TIGER INVESTMENTS PTY LTD	1,428,571	1.27
MACQUARIE BANK LTD<METALS & ENERGY CAP DIVISION>	1,277,672	1.13
AFTRON PTY LIMITED	1,150,000	1.02
DYLIDE PTY LTD	1,000,000	0.89
SLADE TECHNOLOGIES PTY LTD <EMBREY FAMILY S/FUND A/C>	917,500	0.81
MR PETER WATSON & MR DAVID WATSON <WATSON SUPER FUND A/C>	900,000	0.80
VEBLEN GROUP PTY LIMITED (JCL A/C)	850,000	0.75
666 PTY LTD <THE 666 INVESTMENT A/C>	739,499	0.66
MS CAROLYN MCMICKAN	720,000	0.64
	80,816,243	71.72

ADDITIONAL INFORMATION

C. Substantial shareholders

Substantial shareholders in the Company are set out below:

	Number Held	Percentage
Ordinary shares		
Resolute Group Ltd	28,750,000	28.05
Jaytu Pty Ltd ATF (John William Gardner Superannuation)	10,477,643	9.30

D. Voting rights

The voting rights attaching to each class of equity securities are set out below:

Ordinary shares

On a show of hands every member present at a meeting in person or by proxy shall have one vote and upon a poll each share shall have one vote.

E. Tenement schedule

Licence name	Location	Licence type	Licence Holder/ JV Partners	Viking Mines 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