



Viking Mines Limited

ABN 38 126 200 280

Annual report
for the year ended 30 June 2015

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CORPORATE INFORMATION

Directors

Executive Chairman: John (Jack) Gardner
Executive Director: Peter McMickan
Non-Executive Director: Raymond Whitten

Company secretary

Michael Langoulant

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Solicitor

Jackson MacDonald
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Auditor

Rothsay Chartered Accountants
Level 1, Lincoln Building
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Stock Exchange Listing

Australian Securities Exchange (ASX code: VKA; VKAO)

OPERATIONS REPORT

Highlights

- Successful completion of 100% acquisition of Auminco Mines Ltd, adding two advanced Mongolian coal projects to the Company's portfolio.
- Four Memoranda of Understandings (MOU's) now signed with Mongolian government entities for potential coal supply from the Berkh Uul coal project.
- First drilling program at Berkh Uul confirms the thickness and quality of coal seams as indicated in historic drilling, and extends the deposit 1.5km south of previous drilling. Coal intersected at shallow depths of less than 80 metres in 17 of the 18 holes drilled.
- US\$10 million Sale Agreement executed for the Akoase gold project in Ghana.
- Placement raised \$2,177,000 (before costs).

Auminco Takeover

In September 2014 the Company completed its acquisition of 100% of Auminco Mines Ltd (Auminco) which holds 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 2 km of the 4 km strike explored by drilling.



Figure 1: Viking Mines Project Locations, Mongolia

Mongolia Projects

Berkh Uul Coal Project (Viking 100%)

Berkh Uul is located 400 km north of Ulaanbaatar in northern Mongolia within the Orkhon-Selegee coal district and within 20km of the Russian border (Figure 2). 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. Discussions had confirmed 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 another non-binding Memorandum of Understanding (MOU) with the Khutul Cement and Lime Plant during the year. Four MOU's have now been signed with the following government entities:

- 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 2016.
- 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 Viking's Mongolian subsidiary BRX LLC state the government 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.

Viking's first drilling program at the Berkh Uul coal project was successfully completed in December 2014 and results received prior to the onset of the winter field season recess. The drilling program, designed to infill and extend the existing drill coverage, commenced in the north-east of the licence area where there is pre-existing drilling within the confines of the current 38.3Mt resource. The drilling progressed to the south, targeting extensions to the deposit to add to the current resource. A total of 1,064.5 metres were drilled in 18 holes.

The drilling tested the near surface (top 60m) shallow west dipping eastern limb of a broad south plunging synclinal structure, in which two main coal seams (Seams 1 and 2) are located. Holes were drilled using PCD open hole precollars, with PQ size diamond core tails through the coal bearing zones, on a nominal 500m line spacing.

Note that the sampling of drill core was selective in that no inter-seam waste was sampled or analysed, with a minimum coal sampling interval of 0.2m and maximum of 2m down hole.

Overall results typically show:

- ash content <14%
- total moisture <15%
- sulphur <0.7%, and
- CV's in the range 6,000-7,000 kcal/kg on an air dried basis.

Of particular interest are holes BU-14-14 and 15, drilled 500 metres south of the limit of previous drilling, which intersected 7m and 9m true thickness respectively of coal at a depth of less than 80m. These are the thickest intersections of coal recorded thus far in drilling on the project.

This first drilling program at the Berkh Uul project by Viking has confirmed both the thickness and quality of the coal seams as indicated in historic drilling, and has extended the deposit 1.5km to the south of previous drilling. Coal was intersected at shallow depth of less than 80 metres in 17 of the 18 holes drilled, and further work is clearly justified to advance the project towards development.

As part of the requirement for a mining lease approval, a Baseline Environmental Survey for the Berkh Uul area was completed by Ulaanbaatar based Sustainable Environmental Consulting LLC during the reporting period. The baseline survey involved collection of information on regional and local environmental aspects including air quality, water studies, flora and fauna biodiversity, landscape, noise and dust, plus social aspects including land utilization, socio-economic conditions, cultural heritage and a survey of local inhabitants. Engagement of specialist consultants to address other aspects of the mining lease approval process is currently being implemented.

The Mongolian Government has been in the process of reviewing and amending the Law on Prohibiting Mineral Exploration and Extraction near Water Sources, Protected Areas and Forests (commonly referred to as the “Long Name Law”). The Company has been advised by the Ministry of Tourism, Green Development and Environment that approximately 53% of the Berkh Uul prospecting licence falls within a headwaters of rivers zone and is subject to a determination under the Long Name Law.

This government determination impacts upon the Company’s current coal resource and Viking continues to engage in discussions on this matter with the Mineral Resource Authority of Mongolia (MRAM) and the Ministry of Tourism, Green Development and Environment.

The Berkh Uul deposit has a JORC (2012) coal resource of 38.3 Mt. Of this, 21.4Mt is classified as Indicated and 16.9Mt classified as Inferred. The coal is bituminous in rank (ASTM classification) with average in situ quality as follows: Total Moisture 19.8%, Calorific Value 5,323 kcal/kg (air dried basis, adb), Ash 15.5% (adb), and Total Sulphur 0.37% (adb).

The Berkh Uul resource is reported in the Mineral Resources Statement below in Tables 1 and 2.

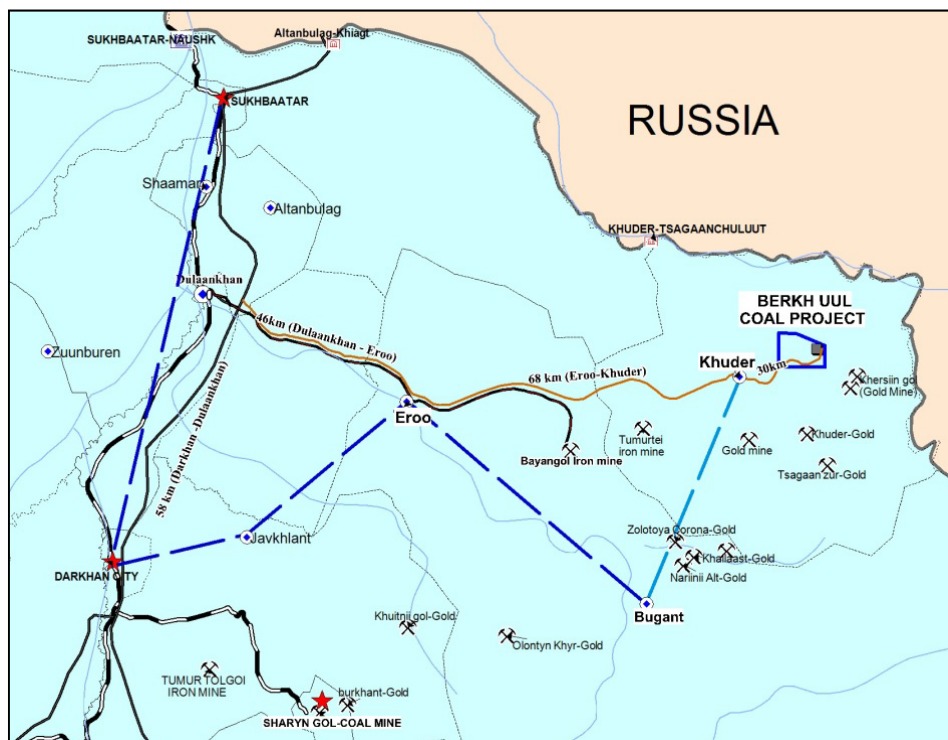


Figure 2: Location of Berkh Uul Coal Project in Northern Mongolia

Khonkhor Zag Coal Project (Viking 100%)

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

The current mining licence was granted in April, 2013, for a period of 30 years.

A total of 42 historical drill holes over 2 strike km have been completed on the tenement. This drilling, combined with historical mining on the outcropping coal seams, indicates clear potential for open pit mining.

The Company was advised in June 2015 by the Ministry of Tourism, Green Development and Environment that the Khonkhor Zag Environmental Impact Assessment, prepared by Mongolian environmental consultants Sustainable Environmental Consulting LLC has been approved. This, combined with the Khonkhor Zag Feasibility Study report which has previously been approved by the Mining Ministry, provides a clear pathway for any future mining, coal production and export at Khonkhor Zag.

Excellent scope exists to develop Khonkhor Zag as a low cost, high margin premium coal project close to Chinese markets.

Ghana Projects

The Viking Mines mineral licences are located in southern Ghana, West Africa (Figure 3) 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.



Figure 3: Viking Mines Gold Project Locations, Southern Ghana

Akoase Gold Project (Viking 100%, reducing to 0% upon sale completion)

The Akoase project is located approximately 125km north-northwest of Accra in southern Ghana (Figure 3), with sealed road access within 5km and grid power within 10km of the project area.

The Akoase prospecting licences are located in the northern part of the Ashanti gold belt. A number of major gold mines and projects lie within this belt, including Newmont's 8.7 million ounce Akyem gold project which is approximately 25km southwest of the Akoase project area.

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In June 2015 the Company announced that it has executed a sale contract for the Akoase Gold Project for an overall transaction value of US\$10 million cash. The purchaser is the Chinese party that controls Akroma Gold Limited, the owner of the Sian gold project located 12kms from Akoase. Sian has historically reported an NI 43-101 Indicated and Inferred resource of 396,000 ounces.

The acquisition of Akoase will consolidate the ownership of the Sian and Akoase gold resources providing critical mass for the ultimate development of a producing mine.

The US\$10 million sales consideration to Viking comprises:

- US\$ 290,000 cash – paid to date,
- US\$ 1,710,000 now due and payable,
- US\$ 6,000,000 to be paid in cash within 5 days after all conditions precedent have been satisfied. The principal conditions relate to Viking obtaining the requisite Ghanaian Minerals Commission and government approvals; and the purchaser's final due diligence which must be completed by 21 November 2015, and
- US\$ 2,000,000 to be paid in cash as a royalty from future gold production.

The purchaser has missed a payment deadline given its difficulties in obtaining Chinese central government approvals to export the necessary funds to complete the purchase. Late payment penalties apply and will be recovered by Viking when the transaction eventually settles. Notwithstanding this both the purchaser and Viking continue with the handover of exploration data and field geological due diligence exploration activities.

Prior to entering into this sale agreement Viking completed a soil sampling program in November 2014 in the north western area of the Akoase West tenement as a follow up program to test numerous >50ppb and >200ppb pre-existing gold in soil anomalies.

The results have confirmed two broader parallel gold in soil anomalies of 2.5 km and 1.4 km strike length and >50ppb Au, interpreted to be related to a major NE-SW fault structure and/or granite contact.

The infill soil sampling program has advanced the exploration potential of the Akoase West licence by confirming two zones of gold anomalism which represent valid drill targets for further exploration. The gold tenor and strike length of the anomalies are significant, and comparable to other gold anomalies Viking has drill tested on the Akoase project.

An 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 in September 2013.

The resource model has 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 (Figure 4). Multiple sub-parallel zones of mineralization have been outlined 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 Akoase East resource is reported at various cut-off grades, and by weathering type in the Mineral Resources Statement below in Table 2.

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

The West Star/Blue River project is located approximately 185km west of Accra (Figure 3), 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 adjoin Endeavour Mining's 2 million ounce Nzema gold mine, which is approximately 7km southwest of the West Star/Blue River project.

Preparatory work has commenced for a planned reconnaissance drill program testing a strong gold in soil anomaly located adjacent to the Salman shear zone in the northern part of the West Star licence. The Company is aiming to drill this anomaly during the 2015/16 field season.

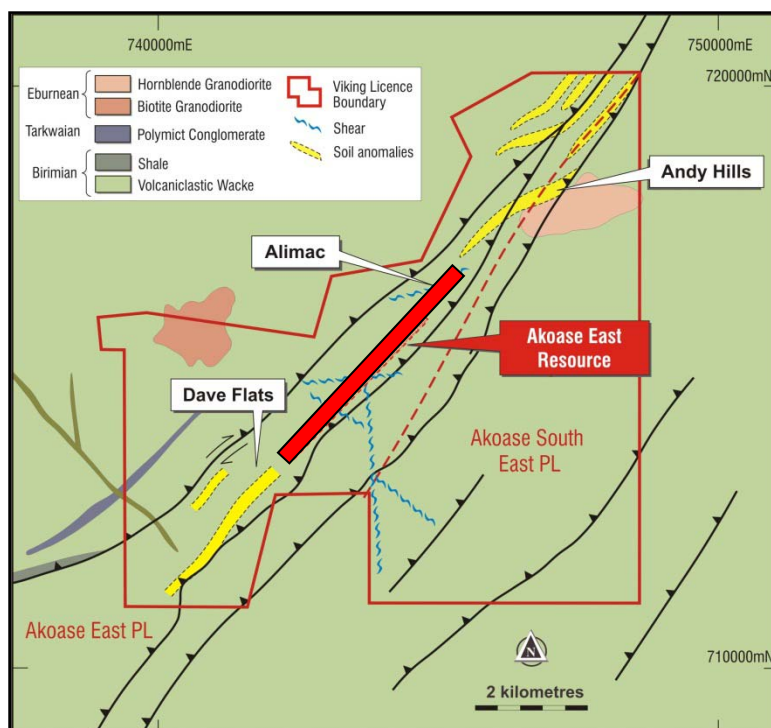


Figure 4: Akoase East Geology

Corporate

Between September and December 2014 the Company completed the takeover of Auminco by issuing 81,000,072 ordinary shares and 27,000,081 April 2017 options obtaining 100% of the issued capital and long term debt of Auminco.

In addition in October 2014 the Company completed a prospectus offering raising \$2.177 million by the issue of 57,285,849 ordinary shares and 17,771,471 April 2017 options, at an issue price of \$0.038 per share.

The Company now has 250,974,285 shares (ASX:VKA) on issue with a further 44,771,552 April 2017 quoted options (ASX:VKAO) on issue.

Mineral Resources Statement

The Mineral Resources statement for the Company, as at 30 June 2015 is summarized below:

Berkh Uul Coal Project, northern Mongolia, Viking 100% ownership

An Indicated and Inferred coal resource estimate, classified in accordance with the JORC (2012) Code, for the Berkh Uul coal project was completed in March 2014. The resource estimate was completed for Auminco Mines Ltd by internationally recognized and qualified 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).

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Table 1: Berkh Uul JORC (2012) Indicated and Inferred Resource Estimate (February 2014)

Berkh Uul JORC (2012) Coal Resource Tonnage (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

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

Sum of columns may not equal the total due to rounding

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

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 Ltd and a Member of the Australasian Institute of Mining and Metallurgy member number 311313.

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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*. Mr Stats has consented to the public release of information related to this resource estimate in this Annual Report.

The information in this Report concerning the Berkh Uul Mineral Resource of Viking Mines Ltd 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, other than disclosed elsewhere in this report, 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, other than disclosed elsewhere in this report. 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.

Akoase Gold Project, southern Ghana, Viking ownership 100%, reducing to 0% upon sale completion

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. An Inferred mineral resource estimate 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 in September 2013 (Table 2).

The Akoase East 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 between 2010 and 2013.

Table 2: Akoase East JORC (2012) 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 MMG Ltd (formerly GHD Pty Ltd) and a Member of the Australian Institute of Geoscientists (AIG) and is a Registered Professional Geoscientist (R.P.Geo.), 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*. Mr Corley has consented to the public release of information related to this resource estimate in this Annual Report.

The information in this report concerning the Akoase East Mineral Resource of Viking Mines Ltd 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
Executive Director

Competent Persons Statement: The information in this Public Report that relates to gold Exploration Results, Mineral Resources or Ore Reserves is based on information compiled by Mr Peter McMickan, who is a Member of the Australasian Institute of Mining and Metallurgy. Mr McMickan is a full time employee of Viking 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 coal Exploration Results, Mineral Resources or Ore Reserves is based on information compiled by Mr David Lorge, who is a Member of the Society of Mining, Metallurgy, and Exploration Inc. (SME) and a Fellow of the Society of Economic Geologists (SEG). Mr Lorge is a full time employee of RSC Consultants. Mr Lorge 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 Lorge consents to the inclusion in the report 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 Mines 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 Mines 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 2015. 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 (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 (Executive 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 34 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.

Raymond Whitten (Non-Executive Director & Deputy Chairman)

Raymond Whitten was appointed a director on 29 October 2014. Mr Whitten holds a Bachelor of Arts and Bachelor of Laws from the University of Sydney, a Masters of Laws from the University of Technology, Sydney, is an accredited specialist in business law and a Notary Public. He is an admitted solicitor with over 40 years' experience having previously acted as President of the City of Sydney Law Society and has served as a Director of many private and public companies.

He is currently Chairman of Whittens & McKeough, a boutique Sydney law firm specialising in mergers and acquisitions and corporate law, and Deputy Chairman of the NSW Safety, Return to Work and Support Board (a board formed under statute to determine the general policies and direction for the following agencies: Workcover NSW, Motor Accidents Authority NSW and Lifetime Care and Support Authority NSW). The Board is also responsible for determining the investment policies of a number of funds, which include those of the Workers' Compensation (Dust Diseases) Fund.

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Trygve Kroepelien was a non-executive director from the beginning of the financial year until his resignation on 29 October 2014. Apart from Mr Kroepelien none of the other directors are considered independent directors.

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 fully paid ordinary shares	Number of options over ordinary shares
John Gardner	22,507,643	3,000,000
Raymond Whitten	42,095,782	12,244,503
Peter McMickan	4,046,837	250,000

Company Secretary

Michael Langoulant

Mr Langoulant is a Chartered Accountant with over 25 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 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 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 7 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.

DIRECTORS' REPORT

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

	<i>Directors' meetings held</i>	<i>Directors' meetings attended</i>
J Gardner	7	7
R Whitten	6	6
P McMickan	7	7
T Kroepelien	1	1

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
October – December 2014	30 April 2017	\$0.09	44,771,552
December 2014	15 November 2016	\$0.20	3,000,000

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

During the current financial year there were 139 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 2015. 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)
R Whitten (Non-executive Deputy Chairman)
P McMickan (Executive Director)
T Kroepelien (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

Two of the Directors are executives 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 \$25,000 per annum per non-executive director.

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.

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 2015 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 2015

Name	<i>Salary and/or fees</i> \$	<i>Post- employment – Superannuation</i> \$	<i>Share-based payment</i> <i>Option issues</i> \$	<i>TOTAL</i> \$
Director				
J Gardner	50,000	-	-	50,000
R Whitten	25,000	-	-	25,000
P McMickan	134,553	21,338	-	155,891
T Kroepelien*	-	-	-	-
Key management personnel				
M Langoulant**	-	-	-	-

Year ended
30 June 2014

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**	-	-	-	-

* Mr Kroepelien resigned as a director in October 2014.

** Fees for bookkeeping, accounting and corporate administration services of \$82,000 (2014:\$ 61,800) were paid to a company of which he is a Director and shareholder.

*** Mr Newlands resigned as a director in December 2013.

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.

D Share-based compensation

Options

Options are granted to employees and consultants as determined by the Board. There have been no options issued to key management personnel 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 2015.

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.



Jack Gardner
Executive Chairman
Perth, Western Australia

27 August 2015

*R*OTHSAY

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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 2015 financial statements; and
- ii) no contraventions of any applicable code of professional conduct in relation to the audit.



Rolf Garda (Lead auditor)

Rothsay

Dated

27 August 2015



Chartered Accountants

Viking Mines Limited
ABN 38 126 200 280

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2015**

	Note	Consolidated 2015 \$	2014 \$
Other income	2	352,615	20,752
Other expenses	2	(2,445,616)	(759,309)
		<u>(2,093,001)</u>	<u>(738,557)</u>
Loss before income tax expense	2	(2,093,001)	(738,557)
Income tax expense	3	-	-
Loss after income tax expense		<u>(2,093,001)</u>	<u>(738,557)</u>
Net loss for the year		<u>(2,093,001)</u>	<u>(738,557)</u>
Other comprehensive income			
Exchange differences on translation of foreign operations		(74,963)	(91,119)
Income tax relating to components of other comprehensive income		-	-
Other comprehensive income, net of tax		<u>(74,963)</u>	<u>(91,119)</u>
Total comprehensive loss for the year		<u>(2,167,964)</u>	<u>(829,676)</u>
Loss attributable to:			
Owners of the Company		(2,093,001)	(730,370)
Non-Controlling Interest		-	(8,187)
		<u>(2,093,001)</u>	<u>(738,557)</u>
Total comprehensive loss attributable to:			
Owners of the Company		(2,167,964)	(821,489)
Non-Controlling Interest		-	(8,187)
		<u>(2,167,964)</u>	<u>(829,676)</u>
Basic loss per share (cents per share)	4	(1.0)	(0.7)

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

Viking Mines Limited
ABN 38 126 200 280

STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2015

	Note	Consolidated 2015 \$	2014 \$
Current Assets			
Cash and cash equivalents	6	297,006	33,014
Trade and other receivables	7	39,387	29,627
Total Current Assets		336,393	62,641
Non-Current Assets			
Plant and equipment	8	1,723	3,516
Exploration project acquisition costs	9	5,500,000	3,000,000
Receivable	7	-	500,253
Total Non-Current Assets		5,501,723	3,503,769
Total Assets		5,838,116	3,566,410
Current Liabilities			
Trade and other payables	10	384,619	257,914
Borrowings	11	120,000	300,000
Total Current Liabilities		504,619	557,914
Total Liabilities		504,619	557,914
Net Assets		5,333,497	3,008,496
Equity			
Issued capital	12	21,345,697	16,852,732
Reserves	13	275,911	350,874
Accumulated losses		(15,546,886)	(13,453,885)
Outside equity interest		(741,225)	(741,225)
Total Equity		5,333,497	3,008,496

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

Viking Mines Limited
ABN 38 126 200 280

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2015

	Issued capital	Accumulated losses	Share based payments reserve	Foreign currency translation reserve	Outside Equity Interest	Total equity
Consolidated	\$	\$	\$	\$	\$	\$
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
Balance at 1 July 2014	16,852,732	(13,453,885)	244,000	106,874	(741,225)	3,008,496
Loss for the period	-	(2,093,001)	-	-	-	(2,093,001)
Other comprehensive income	-	-	-	(74,963)	-	(74,963)
Total comprehensive loss for the year	-	(2,093,001)	-	(74,963)	-	(2,167,964)
Shares issues, net of capital raising costs	4,492,965	-	-	-	-	4,492,965
Balance at 30 June 2015	21,345,697	(15,546,886)	244,000	31,911	(741,225)	5,333,497

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

Viking Mines Limited
ABN 38 126 200 280

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2015

	Note	Consolidated	
		Inflows/ (Outflows) 2015 \$	Inflows/ (Outflows) 2014 \$
Cash flows from operating activities			
Payments to suppliers and employees		(719,855)	(617,310)
Interest received		2,117	3,453
Interest expense		(23,464)	-
Net cash outflow from operating activities	21(a)	(741,202)	(613,857)
Cash flows from investing activities			
Loan to others		-	(500,253)
Payments for exploration and evaluation		(561,410)	(126,446)
Proceeds from sale of financial assets		14,691	-
Proceeds from sale of mining properties		348,232	-
Proceeds from sale of plant		2,241	17,299
Net cash outflow from investing activities		(196,246)	(609,400)
Cash flows from financing activities			
Proceeds from the issue of shares/options		1,468,437	788,817
Borrowings		120,000	300,000
Capital raising costs		(81,730)	(78,882)
Repayment of borrowings		(300,000)	-
Net cash inflow from financing activities		1,206,707	1,009,935
Net increase/(decrease) in cash held		269,257	(210,662)
Effect of exchange rate fluctuations on cash		(5,265)	(589)
Cash at the beginning of reporting period		33,014	244,265
Cash at the end of the reporting period	6	297,006	33,014

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 2015**

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 2015, 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 2015. 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 27 August 2015.

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 2015**

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 2015**

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 2015**

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 2015**

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 2015

	Consolidated	
	2015	2014
	\$	\$
Note 2: Revenue and expenses		
(a) Revenue from continuing operations		
<i>Other revenue</i>		
Interest received	2,117	3,453
Profit on sale of financial assets	2,266	-
Profit on sale of plant	-	17,299
Proceeds on sale of mining properties	348,232	-
(b) Expenses		
Loss from ordinary activities before income tax expense includes the following specific expenses:		
Auditors' fees	49,109	16,500
Consultants	279,000	135,102
Depreciation	4,831	11,021
Direct exploration and project evaluation	561,410	126,445
Employee costs	220,485	108,228
Foreign exchange loss	5,265	589
Impairment of exploration project acquisition costs	1,313,957	-
Interest expense	23,464	-
Loss on sale of plant	14,301	-
Takeover transaction costs	(285,444)	285,444
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	(2,093,001)	(730,370)
Tax expense (revenue) at the statutory income tax rate of 30%	(627,900)	(219,111)
Sundry non-deductible expenses	100,370	164,573
Unrealised tax losses not recognised	527,530	54,538
Income tax expense	-	-

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2015

Note 3: Income tax (cont)

	Consolidated	
	2015	2014
	\$	\$
Unrecognised deferred tax balances		
Deferred tax assets:		
Share issue costs	41,124	29,896
Tax revenue losses	<u>2,845,530</u>	<u>2,347,732</u>
	2,886,654	2,377,628
Deferred tax liabilities:		
	-	-
Net unrecognised deferred tax assets	<u>2,886,654</u>	<u>2,377,628</u>

Note 4: Earnings per share

Total basic loss per share (cents)	<u>(1.0)</u>	<u>(0.7)</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>(2,093,001)</u>	<u>(730,370)</u>
The weighted average number of ordinary shares	<u>203,422,882</u>	<u>101,388,529</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. For management purposes, the Board of Directors of the Company has been defined as the Chief Operating Decision Maker.

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 two geographical segments, being the resources sector in Ghana and Mongolia. 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 2015**

Note 6: Cash and cash equivalents

	Consolidated 2015	2014
	\$	\$
Cash at bank and on hand	14,388	33,014
Short term deposits	282,618	-
	297,006	33,014

(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 0.0% (2014: 0.5%).

(c) Cash balances not available for use

Total cash balances not available for use are \$28,585 (2014: nil).

Note 7: Trade and other receivables

Current receivables		
GST	33,235	29,412
Other receivables	4,902	215
	38,137	29,617
Non-current receivables		
Loan to Auminco Mines Limited*	-	500,253

* This loan was unsecured and repayable on demand. As Auminco Mines Limited is now a 100% subsidiary these loans are eliminated as a consolidation adjustment.

Note 8: Plant and equipment

	2015	2014
	Total	Total
	\$	\$
Opening balance	3,516	14,537
Acquired on takeover	22,077	-
Movement in foreign exchange	-	(2,660)
Sold/scrapped during year	(19,039)	-
Depreciation charge	(4,831)	(8,361)
	1,723	3,516
Closing net book value		
Cost or fair value	6,116	16,575
Accumulated depreciation	(4,393)	(13,059)
	1,723	3,516
Net carrying amount		

The depreciation rates were as follows for 2015 and 2014:
Plant and equipment 20-40%

Viking Mines Limited
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2015

Note 9: Exploration project acquisition costs

	Consolidated 2015 \$	2014 \$
Opening balance	3,000,000	3,000,000
Acquired via takeover	3,813,957	-
Impairment charge	(1,313,957)	-
Acquisition costs in respect of areas of interest in the exploration phase	5,500,000	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.

During the year the Company completed a takeover of 100% of the issued capital of Auminco Mines Limited for a total consideration, including transaction costs, of \$3,699,827. As part of this acquisition \$3,813,957 was allocated to the Auminco Mines coal tenements in Mongolia. The remaining amount of consideration was allocated to other assets and liabilities assumed as part of the acquisition. This acquisition was considered to be an asset acquisition rather than a business combination.

The acquisition is not deemed to be a business combination under AASB 3 Business Combinations as the assets and liabilities acquired are not considered to represent a business.

An impairment charge has been raised in the period to reflect both the recent Mongolian government determination regarding the application of the Long Name Law upon the Berkh Uul coal project, plus the subsequent relinquishment of certain Mongolian project areas acquired via the Auminco Mines takeover.

Note 10: Trade and other payables

Trade payables *	360,369	67,708
Other payables	24,250	190,206
	384,619	257,914

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

Note 11: Borrowings

	120,000	300,000
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During the 2014 year the Company obtained from a director a short term at call loan facility. This facility was repaid in full during the year. During the current financial year new short term at call facilities totalling \$150,000 were obtained from two directors, of which \$120,000 had been drawn against as at year end.

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2015**

Consolidated 2015 \$	2014 \$
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Note 12: Issued capital

(a) Ordinary shares issued

250,974,285 (2014: 112,688,225) ordinary shares	21,345,697	16,852,732
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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 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)
30 June 2014		112,688,225		16,852,732
24 Sept 2014	Option exercise	139	0.18	25
24 Sept 2014	Prospectus issue	31,412,269	0.038	1,193,666
27 Oct 2014	Takeover issue	45,753,330	0.037	1,692,873
27 Oct 2014	Prospectus issue	23,873,580	0.038	907,196
18 Dec 2014	Auminco debt acquisition	35,246,742	0.02	704,935
18 Dec 2014	Director placement	2,000,000	0.038	76,000
	Share issue costs	-		(81,730)
30 June 2015		250,974,285		21,345,697

(c) Share options

	Number of options 2015	2014
Options exercisable at \$0.18 on or before 31 August 2014	-	22,698,913
Options exercisable at \$0.09 on or before 30 April 2017	44,771,552	-
Options exercisable at \$0.20 on or before 15 November 2016	3,000,000	-

(d) Movements in share options

Options exercisable at \$0.18 on or before 31 August 2014:		
Opening balance	22,698,913	22,698,913
Exercised	(139)	-
Expired	(22,698,774)	-
Closing balance	-	22,698,913

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2015

Note 12: Issued capital (cont)

(c) Share options

	Number of options	
	2015	2014
Options exercisable at \$0.09 on or before 30 April 2017		
Opening balance	-	-
Issued	44,771,552	-
Closing balance	44,771,552	-
Options exercisable at \$0.20 on or before 15 November 2016		
Opening balance	-	-
Issued	3,000,000	-
Closing balance	3,000,000	-

Note 13: Reserves

	Consolidated	
	2015	2014
	\$	\$
Share compensation reserve	244,000	244,000
Foreign currency translation reserve	31,911	106,874
	275,911	350,874

(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.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2015

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 2015**

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 2015, 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 \$2,000 (2014: \$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 2015**

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.

2015	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%	297,006	-	-	-	297,006
Trade and other receivables		38,137	-	-	-	38,137
		335,144	-	-	-	335,144
Financial liabilities						
Trade and other payables		384,619	-	-	-	384,619
Borrowings		-	-	120,000	-	120,000
		384,619	-	120,000	-	504,619
		(49,475)	-	(120,000)	-	(169,475)
2014						
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
Borrowings		-	-	300,000	-	300,000
		257,914	-	300,000	-	557,914
		304,980	-	(300,000)	-	4,980

Note 16: Commitments and contingencies

Exploration expenditure commitments

Minimum exploration expenditure commitments do not apply in either Ghana or Mongolia as those governments do 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 2015

Note 17: Key management personnel disclosures

(a) Directors

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

JW Gardner – *Executive Chairman*

R Whitten – *Non-executive Deputy Chairman*

P McMickan – *Executive director*

(b) Key management personnel

M Langoulant – *Company secretary*

(c) Key management personnel compensation

	Consolidated	
	2015	2014
	\$	\$
Short-Term	209,553	173,758
Post-employment	10,931	16,553
	<hr/>	<hr/>
	220,484	190,311
	<hr/>	<hr/>

Detailed remuneration disclosures of directors and key management personnel are contained on pages 16 to 18 of this report.

(d) Share based remuneration

No options have been provided as remuneration for key management personnel in the last two years.

Viking Mines Limited
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2015

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.

2015	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)	-	-
R Whitten	-	-	-	-	-
P McMickan	2,500,000	-	(2,500,000)	-	-
T Kroepelien*	1,000,000	-	(1,000,000)	-	-
Other key management personnel					
M Langoulant	1,000,000	-	(1,000,000)	-	-

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

* Resigned in October 2014.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2015

(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

2015	Balance at start of	Movement during	Balance at the end of
Director - Ordinary shares	year	the year	the financial year
J Gardner	10,487,643	12,020,000	22,507,643
R Whitten	-	42,095,782	42,095,782
P McMickan	3,046,837	1,000,000	4,046,837
<i>Key management personnel</i>			
M Langoulant	875,000	626,316	1,501,316
2014			
Director - Ordinary shares			
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

* Resigned in October 2014.

** 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 2015

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 2015 %	2014 %
Auminco Mines Ltd	Australia	Ordinary	100	-
Bold Resources Ltd	Australia	Ordinary	100	-
Auminco Coal Pty Ltd	Australia	Ordinary	100	-
Auminco Coal LLC	Mongolia	Ordinary	100	-
Khonkhor Zag Coal LLC	Mongolia	Ordinary	100	-
BRX LLC	Mongolia	Ordinary	100	-
Salkhit Altai LLC	Mongolia	Ordinary	100	-
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
Above 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.

* 100% of rights to profits

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2015

Note 19: Parent Entity Disclosures

Financial position

	30 June 2015	30 June 2014
	\$	\$
Assets		
Current assets	293,107	529,880
Non-current assets	5,500,000	3,003,516
Total assets	5,793,107	3,533,396
Liabilities		
Current liabilities	480,598	545,828
Non-Current liabilities	-	-
Total liabilities	480,598	545,828
Equity		
Issued capital	21,345,697	16,852,732
Retained earnings	(16,277,188)	(14,109,164)
Reserves	244,000	244,000
Total equity	5,312,509	2,987,568

Financial performance

	30 June 2015	30 June 2014
	\$	\$
Loss for the year	(2,168,024)	(5,005,667)
Other comprehensive income	-	-
Total comprehensive profit /(loss)	(2,168,024)	(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.

Viking Mines Limited
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2015

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

	Consolidated	
	2015	2014
	\$	\$
<i>a) Reconciliation of loss from ordinary activities after income tax to net cash outflow from operating activities</i>		
Net loss for the year	(2,093,001)	(730,370)
Outside equity interest in loss	-	(8,187)
Depreciation	4,831	8,361
Foreign exchange movements	5,265	(90,530)
Proceeds from sale of financial assets	(14,691)	-
Exploration and evaluation	561,410	126,445
Impairment of project acquisition costs	1,313,957	-
Proceeds from sale of mining properties	(348,232)	-
Proceeds from sale of PPE	(2,241)	(17,299)
Write back of 2014 takeover expenses	(285,444)	-
(Increase) / decrease in trade and other receivables	(9,760)	(18,225)
Increase / (decrease) in trade payables and provisions	126,704	115,948
Net cash outflow from operating activities	(741,202)	(613,857)

b) Non-cash financing and investing activities

During the current financial year shares and options were issued in relation to the takeover of Auminco Mines Limited.

Note 21: Auditors' remuneration

The auditors of the Group are Rothsay Chartered Accountants.

	Consolidated	
	2015	2014
	\$	\$
Assurance services		
Rothsay Chartered Accountants:		
Audit and review of financial statements	35,000	16,500
Other firms		
Audit and review of financial statements	14,109	-
Total remuneration for audit services	49,109	16,500
Other services		
Rothsay Chartered Accountants:	-	-
Other firms:	-	-
Total remuneration for other services	-	-
Total auditors' remuneration	49,109	16,500

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 2015 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 2015.

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
27 August 2015



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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 2015 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 2015 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.

Emphasis of Matter

Without qualifying our opinion, we draw attention to Note 1 paragraph (a) in the financial report which indicates the basis for preparing the accounts on a going concern basis. In the event the consolidated entity is unable to raise additional funding by a capital raising and/or asset sale/joint venture in the next 12 months there is material uncertainty that may cast significant doubt as to whether the consolidated entity could continue as a going concern and therefore it may be unable to realise its assets and extinguish its liabilities in the normal course of business and for the amounts stated in the financial report.

Report on the remuneration report

We have audited the remuneration report included in the directors' report for the year ended 30 June 2015. 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 2015 complies with section 300A of the *Corporations Act 2001*.

Rothsay

Rolf Garda
Partner

Dated 27 August 2015



Chartered Accountants

ADDITIONAL INFORMATION

The shareholder information set out below was applicable as at 31 July 2015.

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
1,001	–	10,000
10,001	–	100,000
100,001		and over
		17
		326
		149
		49
		541

There were 233 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	12.59
BARBARY COAST INVESTMENTS PTY LTD	13,856,907	5.52
GREENLINE INVESTMENTS PTY LTD	12,000,000	4.78
BARBARY COAST INVESTMENTS PTY LIMITED	8,244,737	3.29
RODBY HOLDINGS PTY LTD <SP TENG FAMILY A/C>	6,796,296	2.71
ASLAN EQUITIES PTY LTD <ASLAN EQUITIES A/C>	5,714,286	2.28
TORONA PTY LIMITED	5,651,815	2.25
JAYTU PTY LTD <J W GARDNER SUPER FUND A/C>	5,507,643	2.19
GILT NOMINEES PTY LTD	5,504,517	2.19
MR JOHN WILLIAM GARDNER + MRS JANET LEIGH GARDNER <JOHN WILLIAM GARDNER SUPERANNU>	5,000,000	1.99
HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	4,693,354	1.87
NEWTON HOLDINGS PTY LTD <NEWTON BUILDING CO P/F A/C>	4,325,570	1.72
GILT NOMINEES PTY LTD	4,284,000	1.71
MR BUYANTOGTOKH DASHDELEG	4,132,358	1.65
MANSON GROUP PTY LIMITED <MANSON GROUP SUPER FUND A/C>	4,026,867	1.60
J P MORGAN NOMINEES AUSTRALIA LIMITED	3,980,825	1.59
MR TRYGVE KROEPELIEN	3,874,000	1.54
ALIMOLD PTY LTD	3,837,260	1.53
RODBY HOLDINGS PTY LTD	3,627,397	1.45
MCNEIL NOMINEES PTY LIMITED	3,000,000	1.20
	139,664,975	55.65

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ADDITIONAL INFORMATION

Twenty largest quoted equity security holders – April 2017 options

Name	No. held	% of issued options
BARBARY COAST INVESTMENTS PTY LTD	6,392,654	14.28
GREENLINE INVESTMENTS PTY LTD	3,000,000	6.70
RODBY HOLDINGS PTY LTD <SP TENG FAMILY A/C>	2,265,432	5.06
TORONA PTY LIMITED	1,883,938	4.21
GILT NOMINEES PTY LTD	1,834,839	4.10
EMERALD PARTNERS PTY LTD	1,725,000	3.85
MR BUYANTOGTOKH DASHDELEG	1,668,330	3.73
INTEQ LIMITED	1,598,000	3.57
GILT NOMINEES PTY LTD	1,428,000	3.19
RODBY HOLDINGS PTY LTD	1,209,133	2.70
EMERALD PARTNERS PTY LTD	788,816	1.76
AMABEL PTY LTD <MCKEOUGH FAMILY A/C>	714,133	1.60
BARBARY COAST INVESTMENTS PTY LTD <WHITTEN FAMILY A/C>	713,704	1.59
BELMONT AUST PTY LTD <BELMONT A/C>	675,000	1.51
INTEQ LIMITED	670,432	1.50
NEWTON HOLDINGS PTY LTD <NEWTON BUILDING COMPANY (BANKS)>	666,227	1.49
BRESRIM NOMINEES PTY LTD <DA HANNES SUPER FUND #2 A/C>	657,895	1.47
HJK HOLDINGS PTY LTD <ZEERUST INVESTMENTS A/C>	552,895	1.23
ELINORA INVESTMENTS PTY LTD	500,000	1.12
BESTVALE RESOURCES CONSULTANTS PTY LTD & LEVEL 5	493,476	1.10
	29,437,904	65.75

C. Substantial shareholders

Substantial shareholders in the Company are set out below:

	Number Held	Percentage
Ordinary shares		
R Whitten	42,095,782	16.77
Resolute Group Ltd	31,607,143	12.59
Jaytu Pty Ltd ATF (John William Gardner Superannuation)	22,507,643	8.97

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.

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E. Tenement schedule

Ghana

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 – Viking Mines Ltd owns 100% of the A Class shares

BRMCL = Blue River Mining Company Ltd., WMCL = West Star Mining Company Ltd, both joint venture partners

* Reducing to zero subject to completion of the Akoase Sale Agreement

Mongolia

Licence name	Location	Licence type	Licence Holder/JV Partners*	Viking Mines ownership
Berkh Uul	Selenge province, Mongolia	Exploration licence	BRX LLC	100%
Khonkhor Zag	Govi Altai province, Mongolia	Mining lease	Salkhit Altai LLC	100%

* BRX LLC, and Salkhit Altai LLC are 100% owned subsidiaries of Viking Mines Ltd.