



# **Viking Mines Limited**

**ABN 38 126 200 280**

**Annual Report - 30 June 2018**



## CONTENTS

Corporate directory	3
Chairman's letter	4
Operations report	5
Annual mineral resources statement	7
Directors' report	11
Auditor's independence declaration	19
Statement of comprehensive income	21
Statement of financial position	22
Statement of changes in equity	23
Statement of cash flows	24
Notes to the financial statements	25
Directors' declaration	43
Independent auditor's report to the members	44
Shareholder information	47



Directors	Raymond Whitten Charles William Thomas (appointed 29 November 2017) Michael Andrew Cox (appointed 29 November 2017) John William (Jack) Gardner (resigned 29 November 2017) Peter McMickan (ceased 29 November 2017)
Company secretary	Dean Jagger
Notice of annual general meeting	The details of the annual general meeting of Viking Mines Limited are: Date of Meeting: Thursday 29 November 2018
Registered office and principal place of business	Level 29, 201 Elizabeth Street Sydney NSW 2000 Australia Telephone: +61 2 8072 1400 Facsimile: +61 2 8072 1440 Website: <a href="http://www.vikingmines.com">www.vikingmines.com</a>
Share register	Automic Registry Services Level 3, 50 Holt Street Surry Hills NSW 2010 Telephone: 1300 288 664 (within Australia) Telephone: +61 2 9698 5414 (outside Australia) Email: <a href="mailto:hello@automic.com.au">hello@automic.com.au</a>
Auditor	Rothsay Auditing Level 1, Lincoln House, 4 Ventnor Avenue West Perth WA 6005
Solicitors	Whittens & McKeough Level 29, 201 Elizabeth Street Sydney NSW 2000
Stock exchange listing	Viking Mines Limited shares are listed on the Australian Securities Exchange (ASX code: VKA)



## CHAIRMAN'S LETTER

Dear Fellow Shareholders,

Your Board of Directors is pleased to present the 2018 Viking Mines Limited ("Viking" or the "Company") annual report.

I am pleased to report that your company is in a strong cash position. As you can see from the accounts, we held cash of \$3.09 million at 30 June 2018. At the date of this letter, the USD3 million from the Akoase sale remains outstanding. I can assure you that it remains a priority of the Board to ensure this amount is received and the Board expects full receipt of the outstanding payments. Legal action is being considered and, if necessary, will be taken to ensure that payment is made.

As we have previously announced, we are currently seeking suitable investment opportunities for Viking. We are exploring the opportunity to sell the assets the Company holds in Mongolia. We will ensure that our shareholders are informed of any opportunity as soon as we are able to.

On behalf of the Board I also thank our new investors and existing shareholders for your continued support, and we look forward to keeping you informed of our progress during the 2019 financial year.

Yours faithfully

A handwritten signature in black ink, appearing to read 'Raymond Whitten', with a long horizontal flourish extending to the right.

Raymond Whitten  
Chairman



## OPERATIONS REPORT

The focus of Viking Mines Limited (“Viking” or the “Company”) activities over the past year was to crystallise receipt of the sale proceeds from the sale of its Ghana located Akoase gold project, while seeking new projects to acquire.

### Ghana Projects

#### **Akoase Gold Project (Viking 100% - reducing to 0% upon completion of sale)**

In June 2015 the Company announced that it had executed a sale contract for the Akoase Gold Project for an overall transaction value of US\$10 million, of which USD 8.0 million was to be paid in cash.

At the date of this report Viking has been paid USD5 million in sales proceeds.

The remaining USD 3 million was due in December 2017 and covered by a Guarantee of payment from BXC Ghana Ltd. (Refer to ASX announcement re Deed of Acknowledgement May 2017).

The Board of Viking remains confident that the balance of the Akoase sale proceeds will be received.

#### **Tumentu Gold Project (Viking 100%) [formerly part of West Star Joint Venture]**

Viking previously held the hard rock rights to the West Star gold project, which is located approximately 185km west of Accra, with sealed road access within 5km and grid power within 10km of the project area. The tenement holder and Joint Venture partner held the alluvial rights on the project.

As a result of alleged non-compliance with the Mining Act by the Joint Venture partner the original joint venture tenements have been rescinded/or will not be renewed.

Notwithstanding the above Viking’s Ghanaian subsidiary has, lodged a prospecting licence application (the Tumentu licence application) over the majority of the area of the previous West Star prospecting licence. Viking is of the view that the new Tumentu prospecting licence application contains the most prospective area from the previous joint venture. Upon the Tumentu licence being granted Viking will proceed with a previously planned reconnaissance drill program to test a strong gold in soil anomaly located adjacent to the Salman shear zone.

### Mongolia Projects

The Company has two active projects in Mongolia.

#### **Berkh Uul Coal Project (Viking 100%)**

Berkh Uul is located 400 km north of Ulaanbaatar in northern Mongolia within the Orkhon-Selege coal district and within 20km of the Russian border The project is within 40km of rail access into Russian off-take markets, in close proximity to water, infrastructure and transport.

The deposit consists of shallow, consistent coal seams of high quality bituminous coal amenable to open pit mining.

In 2015 a Mongolian Government review of the Law on Prohibiting Mineral Exploration and Extraction near Water Sources, Protected Areas and Forests (commonly referred to as the “Long Name Law”) resulted in Viking being advised that approximately 53% of the Berkh Uul prospecting licence falls within a headwaters of rivers zone and is subject to a determination of an exclusion zone under the Long Name Law. This government determination impacts upon the Company’s current coal resource.

During the year Viking continued its efforts to reverse/amend this ruling.



### **Khonkhor Zag Coal Project (Viking 100%)**

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

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

Government approvals have already been received for the Khonkhor Zag Environmental Impact Assessment, and the Feasibility Study Report, which provides a clear pathway for any future mining and coal production at Khonkhor Zag.

No on-ground work was undertaken during the year. Joint venture partners are currently being sought to assist with development of the project.

The board is currently reviewing this project, including whether it will opt to divest this asset.

### **Corporate**

The Company has a strong cash position of \$3.09 million as at 30 June 2018. In the 2018/2019 financial year the company intends to commence drilling on the Tumentu gold project in Ghana following the granting of the prospecting licence and will continue to seek sale opportunities for its Mongolian coal projects.

It remains your Company's policy to give priority to more mature exploration opportunities over greenfields exploration due to the inherent lower risk, and shorter lead time to production.

Of the preferred overseas destinations, Ghana in particular presents advanced gold properties to the Company. This is partly a consequence of your board's long association there. The Company will continue to build a suite of advanced resource projects.

The Company will carefully assess all projects presented to it with a view to exploiting its strong cash position for the maximum benefit of all shareholders.



## ANNUAL MINERAL RESOURCES STATEMENT

There has been no change to the Company's mineral resource holdings compared to the previous financial year. The Mineral Resources statement for the Company, as at 30 June 2018 is summarised below.

The Company confirms that it is not aware of any new information or data that materially affects the information included in the Mineral Resources statement released to the market in an announcement on 13 October 2017 and, in the case of estimates of Mineral Resources, that all material assumptions and technical parameters underpinning the estimates in the market announcement continue to apply and have not materially changed. The Company 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 100% ownership reducing to 0% upon completion of sale**

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 1).

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 1: Akoase East JORC (2012) Inferred Resource Estimate (September 2013)**

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

<b>0.5</b>	<b>14.8</b>	<b>1.2</b>	<b>570</b>
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.

Viking is not aware of any new information or data that materially affects the above resource calculation, and that all material assumptions and technical parameters underpinning the estimated resource continue to apply and have not materially changed.

The Akoase East resource estimate and associated report was completed by internationally recognised resource consultants GHD Pty Ltd in September 2013. The resource estimate was reviewed by Mr Peter McMickan. At the time of review, Mr McMickan was Viking's Competent Person and was a full time employee of Viking and a Member of the Australasian Institute of Mining and Metallurgy, member number 105742.

At the time of review, Mr McMickan was responsible for the Akoase East resource estimation and had 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. At the time of review, Mr McMickan approved the Akoase East resource estimation as outlined in this report in accordance with the requirements of the JORC Code (2012) and ASX Rules.

#### **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 2). The coal is bituminous in rank (ASTM classification) with average in situ quality as follows: Total Moisture 19.8%, Calorific Value 5,323 kcal/kg (air dried basis, adb), Ash 15.5% (adb), and Total Sulphur 0.37% (adb) (Table 3).

**Tables 2 and 3: Berkh Uul JORC (2012) Indicated and Inferred Resource Estimate (February 2014)**

<b>Resource type</b>	<b>Seam</b>	<b>Measure d</b>	<b>Indicate d</b>	<b>Inferre d</b>	<b>Total</b>
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
<b>Grand Total</b>		–	<b>21.4</b>	<b>16.9</b>	<b>38.3</b>

*Sum of columns may not equal the total due to rounding*



**Table 3: 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	
	<b>OC subtotal</b>			<b>20.3</b>	<b>13.1</b>	<b>15.0</b>	<b>32.6</b>	<b>39.3</b>	<b>0.35</b>	<b>5342</b>	<b>1.35</b>
	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	
<b>UG subtotal</b>			<b>19.6</b>	<b>12.7</b>	<b>15.7</b>	<b>32.2</b>	<b>39.3</b>	<b>0.38</b>	<b>5313</b>	<b>1.36</b>	
<b>Grand Total</b>			<b>19.8</b>	<b>12.8</b>	<b>15.5</b>	<b>32.3</b>	<b>39.3</b>	<b>0.37</b>	<b>5323</b>	<b>1.35</b>	

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. Sum of columns may not equal the total due to rounding

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

Mr Stats is responsible for the Berkh Uul resource estimation and has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and for the activity to report a mineral resource. Mr Stats has approved the Berkh Uul resource estimation as outlined in this report in accordance with the requirements of the JORC Code (2012) and ASX Rules.

A summary of the main governance arrangements and internal controls that Viking has put in place with respect to its estimates of mineral resources and the estimation process include use of industry standard drilling and sub-sampling techniques, a chain of custody for sample integrity, use of standards, blanks and duplicates in sample analysis, internal database validation and use of internationally recognised independent resource consultants with internal peer review of estimation assumptions and techniques. Should external review of the resource estimates be required, the Company will engage a Competent Person.

The complete range of governance and internal controls for the resource estimates outlined above are included in Table 1 of ASX announcement dated 4 October 2013 for the Akoase East resource estimate, and Table 1 of ASX Announcement dated 17 March 2014 for the Berkh Uul resource estimate.

**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

**Viking Mines Limited**  
**Directors' report**  
**30 June 2018**

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 2018. In order to comply with the Corporations Act, the Directors report as follows:

**Directors**

The following persons were directors of Viking Mines Limited during the whole of the financial year and up to the date of this report, unless otherwise stated:

Raymond Whitten (Chairman)  
Charles William Thomas (appointed 29 November 2017)  
Michael Andrew Cox (appointed 29 November 2017)  
John William (Jack) Gardner (resigned 29 November 2017)  
Peter McMickan (ceased 29 November 2017)

**Principal activities**

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

**Dividends**

There were no dividends paid, recommended or declared during the current or previous financial year.

**Review of operations**

The profit for the consolidated entity after providing for income tax amounted to \$1,686,868 (30 June 2017: loss of \$3,481,078).

**Significant changes in the state of affairs**

There were no significant changes in the state of affairs of the consolidated entity during the financial year.

**Matters subsequent to the end of the financial year**

No matter or circumstance has arisen since 30 June 2018 that has significantly affected, or may significantly affect the consolidated entity's operations, the results of those operations, or the consolidated entity's state of affairs in future financial years.

**Likely developments and expected results of operations**

The Company continues to identify and evaluate new value-creating opportunities in the mining sector. The Company continues its review of mineral project farm-in/acquisition opportunities with the objective of acquiring resource assets that have the potential of being world class.

*Tumentu Gold Project, Ghana*

The Company is continuing through the due process with the Minerals Commission to be granted the prospecting licence for Tumentu.

*Berkh Uul Coat Project, Mongolia*

The Company continues to seek resolution relating to changes to boundaries of protected areas affecting the Berkh Uul prospecting licence and the Company continues to investigate its legal options in relation to this matter.

*Khonkhor Zag Coal Project, Mongolia*

The Company is currently reviewing this project and are exploring options with regards to divesting this asset.

**Viking Mines Limited**  
**Directors' report**  
**30 June 2018**

**Environmental regulation**

The Group is subject to significant environmental legal regulations in respect to its exploration and evaluation activities in the countries where it holds tenements. There have been no known breaches of these regulations and principles.

**Information on directors**

Name:	Raymond Whitten
Title:	Chairman and Non-Executive Director
Experience and expertise:	<p>Raymond Whitten was appointed a director on 29 October 2014. Mr Whitten is an admitted solicitor with over 40 years' experience having previously acted as President of the City of Sydney Law Society.</p> <p>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 is a Notary Public.</p> <p>Mr Whitten is an experienced investor with a wide range of investment interests and has served as a Director of many private and public companies. In 2005 as Chairman of the National Stock Exchange of Australia Limited (NSX) he was responsible for its successful IPO on the ASX in 2005.</p> <p>Previously, Mr Whitten served as Chairman of Whittens &amp; McKeough, a boutique Sydney law firm specialising in mergers and acquisitions and corporate law. Mr Whitten is now Special Counsel to that firm. Mr Whitten was formerly the Deputy Chairman of the Safety, Return to Work and Support Board (a board formed under statute responsible for determining the general policies and direction for the following agencies: Workcover NSW, Motor Accidents Authority NSW and Lifetime Care and support Authority NSW).</p>
Other current directorships:	Nil
Former directorships (last 3 years):	Nil
Interests in shares:	45,926,307

**Viking Mines Limited**  
**Directors' report**  
**30 June 2018**

Name: Charles William Thomas (appointed 29 November 2017)  
Title: Non-Executive Director

Experience and expertise: Mr Thomas holds a Bachelor of Commerce from UWA majoring in Corporate Finance. Mr Thomas is an Executive Director and Founding Partner of GTT a leading boutique corporate advisory firm based in Australia.

Mr Thomas has worked in the financial service industry for more than a decade and has extensive experience in capital markets as well as the structuring of corporate transactions. Mr Thomas has significant experience sitting on numerous ASX boards spanning the mining, resources and technology space. Mr Thomas's previous directorships include among others AVZ Minerals Ltd (ASX:AVZ), Liberty Resources Ltd (ASX:LBY), Force Commodities Limited (ASX:4CE) and Applabs Technologies Ltd (ASX:ALA) where he was responsible for the sourcing and funding of numerous projects. Mr Thomas is currently the Managing Director of Marquee Resources Limited (ASX:MQR) and Non-executive director of Toptung Ltd (ASX:TTW).

Other current directorships: Managing director of Marquee Resources Limited (ASX: MQR) since 2016  
Non-executive director of Toptung Ltd (ASX: TTW) since 2018

Former directorships (last 3 years): Non-executive director of AVZ Minerals Ltd (ASX: AVZ )  
Non-executive director of Force Commodities Ltd (ASX: 4CE)  
Non-executive director of Search Party Group Ltd (ASX: SP1)  
Non-executive director of Liberty Resources Ltd (ASX: LBY)  
Non-executive director of XTV Networks Ltd (ASX: XTV)

Interests in shares: 9,000,000

Name: Michael Andrew Cox (appointed 29 November 2017)  
Title: Non-Executive Director

Experience and expertise: Mr Cox holds both a B.Science (Geology) and a B.Law. He has run a private corporate advisory services firm since 2008. He commenced his career as a mining analyst for stockbroking firms followed by a role being responsible for the delineation and grade control of a developing bentonite deposit. He then moved into various board positions and corporate development roles with a number of listed and unlisted public companies including NSX Ltd, CEAL Ltd, Syngas Ltd, Benitec Ltd, Queensland Opals NL and MultiEmedia Ltd.

Other current directorships: Non-executive Chairman of NSX Limited (ASX: NSX) since 2009

Former directorships (last 3 years): Non-executive director of Syngas Limited (ASX: SYS)

Interests in shares: Nil

'Other current directorships' quoted above are current directorships for listed entities only and excludes directorships of all other types of entities, unless otherwise stated.

'Former directorships (last 3 years)' quoted above are directorships held in the last 3 years for listed entities only and excludes directorships of all other types of entities, unless otherwise stated.

**Company secretary**

Dean Jagger (appointed 1 March 2018).

Michael Langoulant was Company secretary from the beginning of the period until 1 March 2018.

**Viking Mines Limited**  
**Directors' report**  
**30 June 2018**

**Meetings of directors**

The number of meetings of the company's Board of Directors ('the Board') held during the year ended 30 June 2018, and the number of meetings attended by each director were:

	Directors' meetings held	Directors' meetings attended
Raymond Whitten	7	7
Charles Thomas (appointed 29 November 2017)	4	4
Michael Cox (appointed 29 November 2017)	4	4
John Gardner (resigned 29 November 2017)	4	4
Peter McMickan (ceased 29 November 2017)	3	3

Held: represents the number of meetings held during the time the director held office.

**Remuneration report (audited)**

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 2018. 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.

The remuneration report is set out under the following main headings:

- Principles used to determine the nature and amount of remuneration
- Details of remuneration
- Employment contracts/Consultancy agreements
- Share-based compensation
- Additional disclosures relating to key management personnel

***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.

**Viking Mines Limited**  
**Directors' report**  
**30 June 2018**

*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.

*Directors' fees*

Non-executive Directors receive a separate fixed fee for their services as directors. The current Directors' fee pool is \$200,000 per annum to be allocated at the discretion of the Board.

*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.

***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 2018 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.

	Short-term benefits			Post-employment benefits	Long-term benefits	Share-based payments	Total
	Cash salary and fees	Cash bonus	Non-monetary	Super-annuation	Long service leave	Equity-settled	
2018	\$	\$	\$	\$	\$	\$	\$
<i>Non-Executive Directors:</i>							
Raymond Whitten	85,514	-	-	8,124	-	-	93,638
Charles Thomas *	35,514	-	-	3,374	-	-	38,888
Michael Cox **	35,514	-	-	3,374	-	-	38,888
John Gardner ***	68,458	-	-	6,503	-	-	74,961
<i>Executive Directors:</i>							
Peter McMickan ****	313,593	-	-	26,804	-	-	340,397
<i>Other Key Management Personnel:</i>							
Michael Langouant *****	60,000	-	-	-	-	-	60,000
	598,593	-	-	48,179	-	-	646,772

**Viking Mines Limited**  
**Directors' report**  
**30 June 2018**

- \* C Thomas appointed 29 November 2017  
 \*\* M Cox appointed 29 November 2017  
 \*\*\* J Gardner resigned 29 November 2017  
 \*\*\*\* P McMickan ceased 29 November 2017  
 \*\*\*\*\* M Langoulant resigned as Company Secretary on 1 March 2018. Fees for bookkeeping, accounting and corporate administration services of \$60,000 (2017: \$81,000) were paid to a company of which M Langoulant is a director and shareholder.

	Short-term benefits			Post-employment benefits	Long-term benefits	Share-based payments	Total
	Cash salary and fees	Cash bonus	Non-monetary	Super-annuation	Long service leave	Equity-settled	
2017	\$	\$	\$	\$	\$	\$	\$
<i>Non-Executive Directors:</i>							
Raymond Whitten	65,794	-	-	3,780	-	-	69,574
John Gardner	64,897	-	-	6,165	-	-	71,062
Peter McMickan	119,867	-	-	29,333	-	-	149,200
<i>Other Key Management Personnel:</i>							
Michael Langoulant *	81,000	-	-	-	-	-	81,000
	<u>331,558</u>	<u>-</u>	<u>-</u>	<u>39,278</u>	<u>-</u>	<u>-</u>	<u>370,836</u>

- \* Fees for bookkeeping, accounting and corporate administration services \$81,000 were paid to a company of which M Langoulant is a director and shareholder.

***Employment contracts/Consultancy agreements***

As at the date of this report, there are no current employment contracts/consultancy agreements with any of the Directors.

***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.



***Additional disclosures relating to key management personnel***

*Shareholding*

The number of shares in the company held during the financial year by each director and other members of key management personnel of the consolidated entity, including their personally related parties, is set out below:

	Balance at the start of the year	Received as part of remuneration	Additions	Disposals/ other	Balance at the end of the year
<i>Ordinary shares</i>					
Raymond Whitten	42,820,577	-	3,105,730	-	45,926,307
Charles Thomas (appointed 29 November 2017) *	4,200,000	-	4,800,000	-	9,000,000
John Gardner (resigned 29 November 2017) **	22,507,643	-	6,642,770	(29,150,413)	-
Peter McMickan (ceased 29 November 2017) **	4,046,837	-	150,000	(4,196,837)	-
Michael Langoulant (resigned 1 March 2018) **	1,501,316	-	-	(1,501,316)	-
	<u>75,076,373</u>	<u>-</u>	<u>14,698,500</u>	<u>(34,848,566)</u>	<u>54,926,307</u>

\* The balance at the start of the year represents the balance at date of appointment

\*\* The amount in "other" represents the balance at date of resignation

Michael Cox (appointed 29 November 2017) does not hold any shares in the Company.

***This concludes the remuneration report, which has been audited.***

**Shares under option**

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

Grant date	Expiry date	Exercise price	Number under option
7 April 2017	Exercisable on or before 30 June 2020	\$0.046	12,000,000

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 no shares issued upon the exercise of options.

**Indemnity and insurance Directors of 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.

**Indemnity and insurance of auditor**

The company has not, during or since the end of the financial year, indemnified or agreed to indemnify the auditor of the company or any related entity against a liability incurred by the auditor.

During the financial year, the company has not paid a premium in respect of a contract to insure the auditor of the company or any related entity.

**Viking Mines Limited**  
**Directors' report**  
**30 June 2018**

**Proceedings on behalf of the 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.

**Non-audit services**

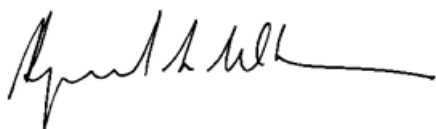
The Company may decide to employ the auditor on assignments additional to their statutory audit duties where the auditor's expertise and experience with the Company and/or the consolidated entity are important. The Company has considered the position and is satisfied that the provision of the non-audit 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.

**Auditor's 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 2018.

This report is made in accordance with a resolution of directors, pursuant to section 298(2)(a) of the Corporations Act 2001.

On behalf of the directors



---

27 September 2018

# ROTHSAY

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

The Directors  
Viking Mines Ltd  
Level 29, 201 Elizabeth St  
Sydney NSW 2000

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 of the 30 June 2018 financial statements; and
- ii) no contraventions of any applicable code of professional conduct in relation to the audit.



Graham Swan FCA (Lead auditor)

Rothsay Auditing

Dated 27 September 2018



Chartered Accountants

## **Viking Mines Limited**

### **Contents**

**30 June 2018**

Statement of profit or loss and other comprehensive income	21
Statement of financial position	22
Statement of changes in equity	23
Statement of cash flows	24
Notes to the financial statements	25
Directors' declaration	43
Independent auditor's report to the members of Viking Mines Limited	44
Shareholder information	47

### **General information**

The financial statements cover Viking Mines Limited ('the Company') as a consolidated entity consisting of Viking Mines Limited and the entities it controlled at the end of, or during, the year ('the Group'). The financial statements are presented in Australian dollars, which is Viking Mines Limited's functional and presentation currency.

Viking Mines Limited is a listed public company limited by shares, incorporated and domiciled in Australia. Its registered office is:

Level 29, 201 Elizabeth Street  
Sydney NSW 2000

A description of the nature of the consolidated entity's operations and its principal activities are included in the directors' report, which is not part of the financial statements.

The financial statements were authorised for issue, in accordance with a resolution of directors, on 27 September 2018. The directors have the power to amend and reissue the financial statements.

### **Corporate Governance Statement**

The Company's Corporate Governance Statement can be found on the company's website: [www.vikingmines.com/](http://www.vikingmines.com/)

**Viking Mines Limited**  
**Statement of profit or loss and other comprehensive income**  
**For the year ended 30 June 2018**

	Note	Consolidated 2018 \$	2017 \$
<b>Revenue</b>	4	2,789,859	387,542
<b>Expenses</b>			
Auditors' fees		(23,442)	(43,500)
Consultancy costs		(405,844)	(227,985)
Employee benefits expense		(444,393)	(461,876)
Direct exploration and project evaluation		(3,522)	(521,121)
Foreign exchange loss		133,491	(62,408)
Other expenses		(359,281)	(301,730)
Impairment of exploration project acquisition costs		-	(2,250,000)
<b>Profit/(loss) before income tax expense</b>		1,686,868	(3,481,078)
Income tax expense	5	-	-
<b>Profit/(loss) after income tax expense for the year attributable to the owners of Viking Mines Limited</b>	12	1,686,868	(3,481,078)
<b>Other comprehensive income</b>			
<i>Items that may be reclassified subsequently to profit or loss</i>			
Foreign currency translation		(508,531)	(197,933)
Other comprehensive income for the year, net of tax		(508,531)	(197,933)
<b>Total comprehensive income for the year attributable to the owners of Viking Mines Limited</b>		<u>1,178,337</u>	<u>(3,679,011)</u>
		<b>Cents</b>	<b>Cents</b>
Basic earnings per share	25	0.54	(1.21)
Diluted earnings per share	25	0.54	(1.21)

*The above statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes*

**Viking Mines Limited**  
**Statement of financial position**  
**As at 30 June 2018**

	Note	Consolidated 2018 \$	2017 \$
<b>Assets</b>			
<b>Current assets</b>			
Cash and cash equivalents	6	3,090,051	2,063,442
Trade and other receivables	7	20,145	24,650
Total current assets		<u>3,110,196</u>	<u>2,088,092</u>
<b>Non-current assets</b>			
Property, plant and equipment		1,522	-
Exploration and evaluation	8	277,289	250,000
Total non-current assets		<u>278,811</u>	<u>250,000</u>
<b>Total assets</b>		<u>3,389,007</u>	<u>2,338,092</u>
<b>Liabilities</b>			
<b>Current liabilities</b>			
Trade and other payables	9	207,873	335,295
Total current liabilities		<u>207,873</u>	<u>335,295</u>
<b>Total liabilities</b>		<u>207,873</u>	<u>335,295</u>
<b>Net assets</b>		<u>3,181,134</u>	<u>2,002,797</u>
<b>Equity</b>			
Issued capital	10	22,537,072	22,537,072
Reserves	11	(481,493)	27,038
Accumulated losses	12	(18,133,220)	(19,820,088)
Equity attributable to the owners of Viking Mines Limited		3,922,359	2,744,022
Non-controlling interest		(741,225)	(741,225)
<b>Total equity</b>		<u>3,181,134</u>	<u>2,002,797</u>

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

**Viking Mines Limited**  
**Statement of changes in equity**  
**For the year ended 30 June 2018**

<b>Consolidated</b>	<b>Issued capital</b> <b>\$</b>	<b>Reserves</b> <b>\$</b>	<b>Retained profits</b> <b>\$</b>	<b>Outside equity interest</b> <b>\$</b>	<b>Total equity</b> <b>\$</b>
Balance at 1 July 2016	21,345,697	224,971	(16,339,010)	(741,225)	4,490,433
Loss after income tax expense for the year	-	-	(3,481,078)	-	(3,481,078)
Other comprehensive income for the year, net of tax	-	(197,933)	-	-	(197,933)
Total comprehensive income for the year	-	(197,933)	(3,481,078)	-	(3,679,011)
<i>Transactions with owners in their capacity as owners:</i>					
Contributions of equity, net of transaction costs (note 10)	1,191,375	-	-	-	1,191,375
Balance at 30 June 2017	<u>22,537,072</u>	<u>27,038</u>	<u>(19,820,088)</u>	<u>(741,225)</u>	<u>2,002,797</u>
<b>Consolidated</b>	<b>Issued capital</b> <b>\$</b>	<b>Reserves</b> <b>\$</b>	<b>Accumulated losses</b> <b>\$</b>	<b>Outside equity interest</b> <b>\$</b>	<b>Total equity</b> <b>\$</b>
Balance at 1 July 2017	22,537,072	27,038	(19,820,088)	(741,225)	2,002,797
Profit after income tax expense for the year	-	-	1,686,868	-	1,686,868
Other comprehensive income for the year, net of tax	-	(508,531)	-	-	(508,531)
Total comprehensive income for the year	-	(508,531)	1,686,868	-	1,178,337
Balance at 30 June 2018	<u>22,537,072</u>	<u>(481,493)</u>	<u>(18,133,220)</u>	<u>(741,225)</u>	<u>3,181,134</u>

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

**Viking Mines Limited**  
**Statement of cash flows**  
**For the year ended 30 June 2018**

	<b>Note</b>	<b>Consolidated</b>	<b>Consolidated</b>
		<b>2018</b>	<b>2017</b>
		<b>\$</b>	<b>\$</b>
<b>Cash flows from operating activities</b>			
Payments to suppliers and employees		(1,152,123)	(860,790)
Interest received		5,809	12,298
		<u>                    </u>	<u>                    </u>
Net cash used in operating activities	23	<u>(1,146,314)</u>	<u>(848,492)</u>
<b>Cash flows from investing activities</b>			
Payments for property, plant and equipment		(1,522)	-
Payments for exploration and evaluation	8	(104,315)	(521,121)
Proceeds from sale of mining properties		2,509,552	1,195,572
		<u>                    </u>	<u>                    </u>
Net cash from investing activities		<u>2,403,715</u>	<u>674,451</u>
<b>Cash flows from financing activities</b>			
Proceeds from issue of shares	10	-	1,267,420
Share issue transaction costs		-	(76,045)
		<u>                    </u>	<u>                    </u>
Net cash from financing activities		<u>-</u>	<u>1,191,375</u>
Net increase in cash and cash equivalents		1,257,401	1,017,334
Cash and cash equivalents at the beginning of the financial year		2,063,442	1,306,449
Effects of exchange rate changes on cash and cash equivalents		(230,792)	(260,341)
		<u>                    </u>	<u>                    </u>
Cash and cash equivalents at the end of the financial year	6	<u><u>3,090,051</u></u>	<u><u>2,063,442</u></u>

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



**Note 1. Significant accounting policies**

The principal accounting policies adopted in the preparation of the financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

**New or amended Accounting Standards and Interpretations adopted**

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet mandatory, have not been early adopted by the consolidated entity for the annual reporting period ended 30 June 2018. A discussion of those future requirements and their impact on the Group is as follows:

**Note 1. Significant accounting policies (continued)**

New / revised pronouncement	Nature of change	Mandatory and anticipated date of application for the group	Likely impact on initial application
AASB 9 Financial Instruments	<p>AASB 9:</p> <ul style="list-style-type: none"> <li>- replaces AASB 139 Financial Instruments: Recognition and Measurement;</li> <li>- require entities to classify financial assets and liabilities using a new method. This is expected to result in changes in the way the value of financial instruments are recognised and forecasted.</li> <li>- Financial assets including trade receivables will be subject to a new impairment model based on the concept of 'expected loss'. This new model will require entities to recognise losses related to doubtful debts earlier. The new standard also prescribes new hedging rules and guidance on recognition and derecognition of financial instruments.</li> <li>- The Group will apply the new standard for all accounting periods starting on and after 1 July 2018 to all applicable items recognised. The cumulative effect of the initial application will be recognised as an adjustment to the opening balance of retained earnings.</li> </ul>	1 July 2018	The Group will adopt this standard from 1 July 2018. The directors have determined that the adoption of this standard is unlikely to have any material impact.
AASB 15 Revenue from Contracts with Customers	<p>AASB 15:</p> <ul style="list-style-type: none"> <li>- replaces AASB 118 Revenue, AASB 111 Construction Contracts and some revenue-related Interpretations;</li> <li>- establishes a new revenue recognition model;- changes the basis for deciding whether revenue is to be recognised over time or at a point in time;</li> <li>- provides new and more detailed guidance on specific topics (e.g., multiple element arrangements, variable pricing, rights of return, warranties and licensing);and</li> <li>- expands and improves disclosures about revenue.</li> </ul>	1 July 2018	The Group will adopt this standard from 1 July 2018. The directors have determined that the adoption of this standard is unlikely to have any material impact.
AASB 16 Leases	<p>AASB 16:</p> <ul style="list-style-type: none"> <li>- replaces AASB 117 Leases and some lease-related Interpretations</li> <li>- requires all leases to be accounted for 'on-balance sheet' by lessees, other than short-term and low value asset leases</li> <li>- provides new guidance on the application of the definition of lease and on sale and lease back accounting</li> <li>- largely retains the existing lessor accounting requirements in AASB 117</li> <li>- requires new and different disclosures about leases.</li> </ul>	1 July 2019	Management has completed an assessment by reviewing all leases. Based on the work performed to date the findings indicate that the application of AASB16 will not have a material impact on the recognition of expenses for rent, depreciation or financing costs or on the recognition of leased assets or lease liabilities.

**Viking Mines Limited**  
**Notes to the financial statements**  
**30 June 2018**

**Note 1. Significant accounting policies (continued)**

**Basis of preparation**

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ("AASB") and the Corporations Act 2001, as appropriate for for-profit oriented entities. These financial statements also comply with International Financial Reporting Standards as issued by the International Accounting Standards Board ("IASB").

The Company is registered and domiciled in Australia.

The financial statements have been approved and authorised for issue on 27 September 2018 by the Board of Directors.

*Historical cost convention*

The financial statements have been prepared under the historical cost convention, except for, where applicable, the revaluation of available-for-sale financial assets, financial assets and liabilities at fair value through profit or loss, investment properties, certain classes of property, plant and equipment and derivative financial instruments.

*Critical accounting estimates*

The preparation of the financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the consolidated entity's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in note 2.

**Parent entity information**

In accordance with the Corporations Act 2001, these financial statements present the results of the consolidated entity only. Supplementary information about the parent entity is disclosed in note 20.

**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.

Subsidiaries are all those entities over which the consolidated entity has control. The consolidated entity controls an entity when the consolidated entity is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the consolidated entity. They are de-consolidated from the date that control ceases.

Intercompany transactions, balances and unrealised gains on transactions between entities in the consolidated entity are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of the impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the consolidated entity.

**Foreign currency translation**

The financial statements are presented in Australian dollars, which is Viking Mines Limited's functional and presentation currency.

*Foreign currency transactions*

Foreign currency transactions are translated into Australian dollars using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at financial year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss.

**Note 1. Significant accounting policies (continued)**

*Foreign operations*

The assets and liabilities of foreign operations are translated into Australian dollars using the exchange rates at the reporting date. The revenues and expenses of foreign operations are translated into Australian dollars using the average exchange rates, which approximate the rates at the dates of the transactions, for the period. All resulting foreign exchange differences are recognised in other comprehensive income through the foreign currency reserve in equity.

The foreign currency reserve is recognised in profit or loss when the foreign operation or net investment is disposed of.

**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:

*Interest income*

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

**Income tax**

The income tax expense or benefit for the period is the tax payable on that period's taxable income based on the applicable income tax rate for each jurisdiction, adjusted by the changes in deferred tax assets and liabilities attributable to temporary differences, unused tax losses and the adjustment recognised for prior periods, where applicable.

Deferred tax assets and liabilities are recognised for temporary differences at the tax rates expected to be applied when the assets are recovered or liabilities are settled, based on those tax rates that are enacted or substantively enacted, except for:

- When the deferred income tax asset or liability arises from the initial recognition of goodwill or 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 nor taxable profits; or
- When the taxable temporary difference is associated with interests in subsidiaries, associates or joint ventures, and the timing of the reversal can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

**Current and non-current classification**

Assets and liabilities are presented in the statement of financial position based on current and non-current classification.

An asset is classified as current when: it is either expected to be realised or intended to be sold or consumed in the consolidated entity's normal operating cycle; it is held primarily for the purpose of trading; it is expected to be realised within 12 months after the reporting period; or the asset is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period. All other assets are classified as non-current.

A liability is classified as current when: it is either expected to be settled in the consolidated entity's normal operating cycle; it is held primarily for the purpose of trading; it is due to be settled within 12 months after the reporting period; or there is no unconditional right to defer the settlement of the liability for at least 12 months after the reporting period. All other liabilities are classified as non-current.

Deferred tax assets and liabilities are always classified as non-current.

**Cash and cash equivalents**

Cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. For the statement of cash flows presentation purposes, cash and cash equivalents also includes bank overdrafts, which are shown within borrowings in current liabilities on the statement of financial position.

**Trade and other receivables**

Other receivables are recognised at amortised cost, less any provision for impairment.

**Note 1. Significant accounting policies (continued)**

**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).

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.

**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.

**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.

**Employee 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.

**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.

**Note 1. Significant accounting policies (continued)**

**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.

**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.

**Goods and Services Tax ('GST') and other similar 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.

**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.

**Note 2. Critical 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:

*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.

**Note 3. Operating segments**

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 has been defined as the Chief Operating Decision Maker.

The Board 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.

**Note 4. Revenue**

	<b>Consolidated</b>	
	<b>2018</b>	<b>2017</b>
	<b>\$</b>	<b>\$</b>
Interest	5,809	12,298
Proceeds on sale of mining properties	2,784,050	375,244
Revenue	<u>2,789,859</u>	<u>387,542</u>

**Note 5. Income tax expense**

	<b>Consolidated</b>	
	<b>2018</b>	<b>2017</b>
	<b>\$</b>	<b>\$</b>
<i>Numerical reconciliation of income tax expense and tax at the statutory rate</i>		
Profit/(loss) before income tax expense	1,686,868	(3,481,078)
Tax at the statutory tax rate of 27.5% (2017: 30%)	463,889	(1,044,323)
Tax effect amounts which are not deductible/(taxable) in calculating taxable income:		
Impairment of project acquisition costs	-	675,000
	463,889	(369,323)
Current year tax losses not recognised	-	369,323
Prior year tax losses not recognised now recouped	(463,889)	-
Income tax expense	<u>-</u>	<u>-</u>

**Viking Mines Limited**  
**Notes to the financial statements**  
**30 June 2018**

**Note 5. Income tax expense (continued)**

	<b>Consolidated</b>	
	<b>2018</b>	<b>2017</b>
	<b>\$</b>	<b>\$</b>
<i>Deferred tax assets not recognised</i>		
Deferred tax assets not recognised comprises temporary differences attributable to:		
Tax revenue losses	2,844,588	3,642,038
Share issue costs	30,058	32,971
	<u>2,874,646</u>	<u>3,675,009</u>
Total deferred tax assets not recognised	<u>2,874,646</u>	<u>3,675,009</u>

The above potential tax benefit, which excludes tax losses, for deductible temporary differences has not been recognised in the statement of financial position as the recovery of this benefit is uncertain.

**Note 6. Current assets - cash and cash equivalents**

	<b>Consolidated</b>	
	<b>2018</b>	<b>2017</b>
	<b>\$</b>	<b>\$</b>
Cash at bank	591,661	1,599,976
Short term deposits	2,498,390	463,466
	<u>3,090,051</u>	<u>2,063,442</u>

(a) Reconciliation to Statement of Cash Flows

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

(b) Cash at bank

These are interest bearing accounts at a weighted average interest rate of 0.5% (2017: 0.5%).

(c) Cash balances not available for use

Total cash balances not available for use are nil (2017: Nil).

**Note 7. Current assets - trade and other receivables**

	<b>Consolidated</b>	
	<b>2018</b>	<b>2017</b>
	<b>\$</b>	<b>\$</b>
Other receivables	2,638	2,631
GST	17,507	22,019
	<u>20,145</u>	<u>24,650</u>



**Viking Mines Limited**  
**Notes to the financial statements**  
**30 June 2018**

**Note 8. Non-current assets - exploration and evaluation**

	<b>Consolidated</b>	
	<b>2018</b>	<b>2017</b>
	<b>\$</b>	<b>\$</b>
Capitalised exploration costs	2,527,289	2,500,000
Less: Accumulated amortisation	<u>(2,250,000)</u>	<u>(2,250,000)</u>
	<u><u>277,289</u></u>	<u><u>250,000</u></u>

*Reconciliations*

Reconciliations of the written down values at the beginning and end of the current and previous financial year are set out below:

<b>Consolidated</b>	<b>\$</b>
Balance at 1 July 2016	3,270,328
Sale of tenement proceeds	(770,328)
Impairment charge	<u>(2,250,000)</u>
Balance at 30 June 2017	250,000
Additions	<u>27,289</u>
Balance at 30 June 2018	<u><u>277,289</u></u>

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.

Additions during the year relate to licence costs in Berkh Uul and additional investment in Khonkhor Zag project.

The Group has undertaken a review of the capitalised exploration costs and consider there to be no indication of impairment to the carrying value of these assets. In 2017, an impairment charge was raised against the carrying value of the Group's coal tenements in Mongolia. The Group had been unable to advance development of its main coal tenement asset, Berkh Uul due to post-acquisition government determinations. As a result the Group had written down these assets to a carrying value of \$250,000).

**Note 9. Current liabilities - trade and other payables**

	<b>Consolidated</b>	
	<b>2018</b>	<b>2017</b>
	<b>\$</b>	<b>\$</b>
Trade payables	112,501	132,970
Other payables	<u>95,372</u>	<u>202,325</u>
	<u><u>207,873</u></u>	<u><u>335,295</u></u>

Refer to note 14 for further information on financial instruments.

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

**Viking Mines Limited**  
**Notes to the financial statements**  
**30 June 2018**

**Note 10. Equity - issued capital**

	<b>2018</b>	<b>Consolidated</b>		
	<b>Shares</b>	<b>2017</b>	<b>2018</b>	<b>2017</b>
		<b>Shares</b>	<b>\$</b>	<b>\$</b>
Ordinary shares - fully paid	313,717,856	313,717,856	22,537,072	22,537,072

*Movements in ordinary share capital*

<b>Details</b>	<b>Date</b>	<b>Number of</b>	<b>Issue price</b>	<b>\$</b>
		<b>Shares</b>		
Balance	1 July 2016	250,974,285		21,345,697
Share placement	25 Nov 2016	62,743,571	\$0.020	1,267,420
Share issue costs		-	\$0.000	(76,045)
Balance	30 June 2017	<u>313,717,856</u>		<u>22,537,072</u>
Balance	30 June 2018	<u><u>313,717,856</u></u>		<u><u>22,537,072</u></u>

*Movements in listed options exercisable at \$0.09 on or before 30 April 2017*

<b>Details</b>	<b>Date</b>	<b>Number of</b>
		<b>Options</b>
Balance	1 July 2016	44,771,552
Issued/(expired)		<u>(44,771,552)</u>
Balance	30 June 2017	<u>-</u>
Balance	30 June 2018	<u><u>-</u></u>

*Movements in unlisted options exercisable at \$0.20 on or before 15 November 2016*

<b>Details</b>	<b>Date</b>	<b>Number of</b>
		<b>Options</b>
Balance	1 July 2016	3,000,000
Issued/(expired)		<u>(3,000,000)</u>
Balance	30 June 2017	<u>-</u>
Balance	30 June 2018	<u><u>-</u></u>

**Viking Mines Limited**  
**Notes to the financial statements**  
**30 June 2018**

**Note 10. Equity - issued capital (continued)**

*Movements in unlisted options exercisable at \$0.046 on or before 30 June 2020*

<b>Details</b>	<b>Date</b>	<b>Number of Options</b>
Balance	1 July 2016	-
Issued/(expired)		<u>12,000,000</u>
Balance	30 June 2017	<u>12,000,000</u>
Balance	30 June 2018	<u><u>12,000,000</u></u>

*Ordinary shares*

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.

**Note 11. Equity - reserves**

	<b>Consolidated</b>	
	<b>2018</b>	<b>2017</b>
	<b>\$</b>	<b>\$</b>
Foreign currency reserve	(725,493)	(216,962)
Share-based payments reserve	<u>244,000</u>	<u>244,000</u>
	<u><u>(481,493)</u></u>	<u><u>27,038</u></u>

*Foreign currency reserve*

The reserve is used to recognise exchange differences arising from the translation of the financial statements of foreign operations to Australian dollars. It is also used to recognise gains and losses on hedges of the net investments in foreign operations.

*Share-based payments reserve*

The reserve is used to recognise the value of equity benefits provided to employees and directors as part of their remuneration, and other parties as part of their compensation for services.

There have been no share based payments of shares and/or options issued to directors and consultants in any of the last 3 financial years.

**Viking Mines Limited**  
**Notes to the financial statements**  
**30 June 2018**

**Note 11. Equity - reserves (continued)**

*Movements in reserves*

Movements in each class of reserve during the current and previous financial year are set out below:

<b>Consolidated</b>	Share based payments \$	Foreign currency translation \$	Total \$
Balance at 1 July 2016	244,000	(19,029)	224,971
Foreign currency translation	-	(197,933)	(197,933)
	<hr/>	<hr/>	<hr/>
Balance at 30 June 2017	244,000	(216,962)	27,038
Foreign currency translation	-	(508,531)	(508,531)
	<hr/>	<hr/>	<hr/>
Balance at 30 June 2018	<u>244,000</u>	<u>(725,493)</u>	<u>(481,493)</u>

**Note 12. Equity - accumulated losses**

	<b>Consolidated</b>	
	<b>2018</b>	<b>2017</b>
	\$	\$
Accumulated losses at the beginning of the financial year	(19,820,088)	(16,339,010)
Profit/(loss) after income tax expense for the year	1,686,868	(3,481,078)
	<hr/>	<hr/>
Accumulated losses at the end of the financial year	<u>(18,133,220)</u>	<u>(19,820,088)</u>

**Note 13. Equity - dividends**

There were no dividends paid, recommended or declared during the current or previous financial year.

**Note 14. Financial instruments**

***Financial risk management objectives***

The consolidated entity's activities expose it to a variety of financial risks: market risk (including foreign currency risk, price risk and interest rate risk), credit risk and liquidity risk. The consolidated entity's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the consolidated entity. The consolidated entity uses derivative financial instruments such as forward foreign exchange contracts to hedge certain risk exposures. Derivatives are exclusively used for hedging purposes, i.e. not as trading or other speculative instruments. The consolidated entity uses different methods to measure different types of risk to which it is exposed. These methods include sensitivity analysis in the case of interest rate, foreign exchange and other price risks, ageing analysis for credit risk and beta analysis in respect of investment portfolios to determine market risk.

Risk management is carried out by senior finance executives ('finance') under policies approved by the Board of Directors ('the Board'). These policies include identification and analysis of the risk exposure of the consolidated entity and appropriate procedures, controls and risk limits. Finance identifies, evaluates and hedges financial risks within the consolidated entity's operating units. Finance reports to the Board on a monthly basis.

**Note 14. Financial instruments (continued)**

**Market risk**

*Foreign currency risk*

The consolidated entity undertakes certain transactions denominated in foreign currency and is exposed to foreign currency risk through foreign exchange rate fluctuations. Foreign exchange risk arises from future commercial transactions and recognised financial assets and financial liabilities denominated in a currency that is not the entity's functional currency. As each of the individual entity within the group primarily transact in their own respective functional currency, foreign currency risk is deemed to be minimal.

*Price risk*

The consolidated entity is not exposed to any significant price risk.

*Interest rate risk*

Interest rate risk is deemed to be minimal as the consolidated entity exposure on interest risk mainly on its cash at bank.

**Credit risk**

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the consolidated entity. The consolidated entity has a strict code of credit, including obtaining agency credit information, confirming references and setting appropriate credit limits. The consolidated entity obtains guarantees where appropriate to mitigate credit risk. The maximum exposure to credit risk at the reporting date to recognised financial assets is the carrying amount, net of any provisions for impairment of those assets, as disclosed in the statement of financial position and notes to the financial statements. The consolidated entity does not hold any collateral.

The consolidated entity deemed its credit risk to be minimal as its financial assets are mainly cash held at financial institutions.

**Liquidity risk**

The consolidated entity manages liquidity risk by maintaining adequate cash reserves and available borrowing facilities by continuously monitoring actual and forecast cash flows and matching the maturity profiles of financial assets and liabilities.

*Remaining contractual maturities*

The following tables detail the consolidated entity's remaining contractual maturity for its financial instrument liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the financial liabilities are required to be paid. The tables include both interest and principal cash flows disclosed as remaining contractual maturities and therefore these totals may differ from their carrying amount in the statement of financial position.

	Weighted average interest rate %	1 year or less \$	Between 1 and 2 years \$	Between 2 and 5 years \$	Over 5 years \$	Remaining contractual maturities \$
<b>Consolidated - 2018</b>						
<b>Non-derivatives</b>						
<i>Non-interest bearing</i>						
Trade payables	-	112,501	-	-	-	112,501
Other payables	-	95,372	-	-	-	95,372
Total non-derivatives		207,873	-	-	-	207,873
	Weighted average interest rate %	1 year or less \$	Between 1 and 2 years \$	Between 2 and 5 years \$	Over 5 years \$	Remaining contractual maturities \$
<b>Consolidated - 2017</b>						
<b>Non-derivatives</b>						
<i>Non-interest bearing</i>						
Trade payables	-	132,970	-	-	-	132,970
Other payables	-	202,325	-	-	-	202,325
Total non-derivatives		335,295	-	-	-	335,295

**Viking Mines Limited**  
**Notes to the financial statements**  
**30 June 2018**

**Note 14. Financial instruments (continued)**

The cash flows in the maturity analysis above are not expected to occur significantly earlier than contractually disclosed above.

***Fair value of financial instruments***

Unless otherwise stated, the carrying amounts of financial instruments reflect their fair value.

**Note 15. Key management personnel disclosures**

*Directors*

The following persons were directors of Viking Mines Limited during the financial year:

Raymond Whitten  
 Charles William Thomas (appointed 29 November 2017)  
 Michael Andrew Cox (appointed 29 November 2017)  
 John (Jack) Gardner (resigned 29 November 2017)  
 Peter McMickan (ceased 29 November 2017)

*Other key management personnel*

The following person also had the authority and responsibility for planning, directing and controlling the major activities of the consolidated entity, directly or indirectly, during the financial year:

Michael Langoulant (resigned 1 March 2018)

*Compensation*

The aggregate compensation made to directors and other members of key management personnel of the consolidated entity is set out below:

	<b>Consolidated</b>	
	<b>2018</b>	<b>2017</b>
	<b>\$</b>	<b>\$</b>
Short-term employee benefits	598,593	331,558
Post-employment benefits	48,179	39,278
	<u>646,772</u>	<u>370,836</u>

**Note 16. Remuneration of auditors**

During the financial year the following fees were paid or payable for services provided by , the auditor of the company, and its network firms:

	<b>Consolidated</b>	
	<b>2018</b>	<b>2017</b>
	<b>\$</b>	<b>\$</b>
<i>Audit services - Rothsay Auditing</i>		
Audit or review of the financial statements	<u>22,000</u>	<u>23,500</u>
<i>Audit services - Other firms</i>		
Audit or review of the financial statements	<u>-</u>	<u>20,000</u>

**Viking Mines Limited**  
**Notes to the financial statements**  
**30 June 2018**

**Note 17. Contingent assets**

The Company is expecting to receive USD 3 million in sales proceeds relating the June 2015 sale of Akoase gold project in Ghana. This is now overdue and the Company is still in the process of obtaining advice, including legal advice, regarding this outstanding payment. Although the money has not yet been received, the Company remains confident it will be received.

**Note 18. Commitments**

*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.

**Note 19. Related party transactions**

*Parent entity*

Viking Mines Limited is the parent entity.

*Subsidiaries*

Interests in subsidiaries are set out in note 21.

*Key management personnel*

Disclosures relating to key management personnel are set out in note 15 and the remuneration report included in the directors' report.

*Transactions with related parties*

During the year, the company paid:

\* \$28,043 to a company related to Raymond Whitten for legal services.

\* \$5,000 to a company related to Raymond Whitten for travel services.

\* \$60,000 to a company related to Michael Langoulant for fees relating to Mr Langoulant's professional services in subsidiary company Resolute Amansie Ltd.

\* \$60,000 to a company related to Charles Thomas for general corporate, investor relations and project introduction services.

*Receivable from and payable to related parties*

The following balances are outstanding at the reporting date in relation to transactions with related parties:

	<b>Consolidated</b>	
	<b>2018</b>	<b>2017</b>
	<b>\$</b>	<b>\$</b>
Current payables:		
Trade payables to other related party	9,302	-

*Loans to/from related parties*

There were no loans to or from related parties at the current and previous reporting date.

*Terms and conditions*

All transactions were made on normal commercial terms and conditions and at market rates.

**Viking Mines Limited**  
**Notes to the financial statements**  
**30 June 2018**

**Note 20. Parent entity information**

Set out below is the supplementary information about the parent entity.

*Statement of profit or loss and other comprehensive income*

	<b>Parent</b>	
	<b>2018</b>	<b>2017</b>
	<b>\$</b>	<b>\$</b>
Profit/(Loss) after income tax	628,781	(3,130,160)
Total comprehensive income	<u>628,781</u>	<u>(3,130,160)</u>

*Statement of financial position*

	<b>Parent</b>	
	<b>2018</b>	<b>2017</b>
	<b>\$</b>	<b>\$</b>
Total current assets	<u>2,779,629</u>	<u>493,403</u>
Total assets	<u>2,781,151</u>	<u>2,291,348</u>
Total current liabilities	<u>149,573</u>	<u>288,551</u>
Total liabilities	<u>149,573</u>	<u>288,551</u>
Equity		
Issued capital	22,537,072	22,537,072
Share-based payments reserve	244,000	244,000
Accumulated losses	(20,149,494)	(20,778,275)
Total equity	<u><u>2,631,578</u></u>	<u><u>2,002,797</u></u>

*Guarantees entered into by the parent entity in relation to the debts of its subsidiaries*

The parent entity had no guarantees in relation to the debts of its subsidiaries as at 30 June 2018 and 30 June 2017.

*Contingent liabilities*

The parent entity had no contingent liabilities as at 30 June 2018 and 30 June 2017.

*Capital commitments - Property, plant and equipment*

The parent entity had no capital commitments for property, plant and equipment as at 30 June 2018 and 30 June 2017.

*Significant accounting policies*

The accounting policies of the parent entity are consistent with those of the consolidated entity, as disclosed in note 1, except for the following:

- Investments in subsidiaries are accounted for at cost, less any impairment, in the parent entity.
- Investments in associates are accounted for at cost, less any impairment, in the parent entity.
- Dividends received from subsidiaries are recognised as other income by the parent entity and its receipt may be an indicator of an impairment of the investment.



**Viking Mines Limited**  
**Notes to the financial statements**  
**30 June 2018**

**Note 21. Interests in subsidiaries**

The consolidated financial statements incorporate the assets, liabilities and results of the following subsidiaries in accordance with the accounting policy described in note 1:

Name	Principal place of business / Country of incorporation	Ownership interest	
		2018 %	2017 %
Auminco Mines Ltd	Australia	100.00%	100.00%
Bold Resources Ltd	Australia	100.00%	100.00%
Auminco Coal Pty Ltd	Australia	100.00%	100.00%
Auminco Coal LLC	Australia	100.00%	100.00%
Khonkhor Zag Coal LLC	Australia	100.00%	100.00%
BRX LLC	Australia	100.00%	100.00%
Salkhit Altai LLC	Australia	100.00%	100.00%
Associated Goldfields Pty Ltd	Australia	100.00%	100.00%
Ghana Mining Investments Pty Ltd	Australia	100.00%	100.00%
Kiwi International Resources Pty Ltd	Australia	100.00%	100.00%
Above Mining Company Ltd*	Ghana	90.00%	90.00%
Obenemase Gold Mines Ltd*	Ghana	90.00%	90.00%
Resolute Amansie Ltd*	Ghana	90.00%	90.00%
Kiwi Goldfields Ltd	Ghana	100.00%	100.00%

\* 100% of rights to profits

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.

**Note 22. Events after the reporting period**

No matter or circumstance has arisen since 30 June 2018 that has significantly affected, or may significantly affect the consolidated entity's operations, the results of those operations, or the consolidated entity's state of affairs in future financial years.

**Note 23. Reconciliation of profit/(loss) after income tax to net cash used in operating activities**

	Consolidated	
	2018 \$	2017 \$
Profit/(loss) after income tax expense for the year	1,686,868	(3,481,078)
Adjustments for:		
Foreign exchange differences	(133,492)	62,408
Unwinding of the discount on provisions	-	521,121
Impairment of project acquisition costs	-	2,250,000
Proceeds from sale of mining properties	(2,783,800)	(375,244)
Change in operating assets and liabilities:		
Decrease/(increase) in trade and other receivables	4,505	(8,148)
Increase in trade and other payables	79,605	182,449
Net cash used in operating activities	<u>(1,146,314)</u>	<u>(848,492)</u>

**Viking Mines Limited**  
**Notes to the financial statements**  
**30 June 2018**

**Note 24. Non-cash investing and financing activities**

There were no non-cash investing and financing activities during the year (2017: Nil)

**Note 25. Earnings per share**

	<b>Consolidated</b>	
	<b>2018</b>	<b>2017</b>
	<b>\$</b>	<b>\$</b>
Profit/(loss) after income tax attributable to the owners of Viking Mines Limited	<u>1,686,868</u>	<u>(3,481,078)</u>
	<b>Cents</b>	<b>Cents</b>
Basic earnings per share	0.54	(1.21)
Diluted earnings per share	0.54	(1.21)
	<b>Number</b>	<b>Number</b>
Weighted average number of ordinary shares used in calculating basic earnings per share	<u>313,717,856</u>	<u>288,276,627</u>
Weighted average number of ordinary shares used in calculating diluted earnings per share	<u>313,717,856</u>	<u>288,276,627</u>

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

**Viking Mines Limited**  
**Directors' declaration**  
**30 June 2018**

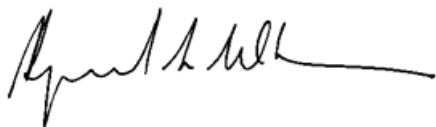
In the directors' opinion:

- the attached financial statements and notes comply with the Corporations Act 2001, the Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements;
- the attached financial statements and notes comply with International Financial Reporting Standards as issued by the International Accounting Standards Board as described in note 1 to the financial statements;
- the attached financial statements and notes give a true and fair view of the consolidated entity's financial position as at 30 June 2018 and of its performance for the financial year ended on that date; and
- there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

The directors have been given the declarations required by section 295A of the Corporations Act 2001.

Signed in accordance with a resolution of directors made pursuant to section 295(5)(a) of the Corporations Act 2001.

On behalf of the directors



---

27 September 2018



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

## **INDEPENDENT AUDIT REPORT TO THE MEMBERS OF VIKING MINES LIMITED**

### **Report on the Audit of the Financial Report**

#### ***Opinion***

We have audited the financial report of Viking Mines Limited (“the Company”) and its subsidiaries (the Group) which comprises the consolidated statement of financial position as at 30 June 2018, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended on that date and notes to the financial statements, including a summary of significant accounting policies and the directors’ declaration of the Company.

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

- (i) giving a true and fair view of the Group’s financial position as at 30 June 2018 and of its financial performance for the year ended on that date; and
- (ii) complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

#### ***Basis for Opinion***

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under these standards are further described in the *Auditor’s Responsibilities for the Audit of the Financial Report* section of this report. We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board’s APES 110 *Code of Ethics for Professional Accountants* (the “Code”) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of the Group, would be in the same terms if given to the directors as at the time of this auditor’s report.

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

#### ***Key Audit Matters***

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

#### ***Key Audit Matter***

##### **Cash and cash equivalents**

The Group’s cash and cash equivalents make up 91% of total assets by value and are considered to be the key driver of the Group’s operations. We do not consider cash and cash equivalents to be at a high risk of significant misstatement, or to be subject to a significant level of judgement. However due to the materiality in the context of the financial statements as a whole, they are considered to be the area which had the greatest effect on our overall strategy and allocation of resources in planning and completing our audit.



Chartered Accountants



Our procedures over the existence of the Group's cash and cash equivalents included but were not limited to:

- Documenting and assessing the processes and controls in place to record cash transactions;
- Testing a sample of cash payments to determine they were bona fide payments, were properly authorised and recorded in the general ledger; and
- Agreeing cash holdings to independent third party confirmations and documentation.

We have also assessed the appropriateness of the disclosures included in notes 1 and 6 to the financial report.

### ***Other Information***

The directors are responsible for the other information. The other information comprises the information included in the Group's annual report for the year ended 30 June 2018, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If based on the work we have performed we conclude there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### ***Directors' Responsibility for the Financial Report***

The directors of the Group are responsible for the preparation of the financial report that gives a true and fair view in accordance with the Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or cease operations, or have no realistic alternative but to do so.

### ***Auditor's Responsibility for the Audit of the Financial Report***

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.



Chartered Accountants



A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at: [www.auasb.gov.au/Home.aspx](http://www.auasb.gov.au/Home.aspx)

We communicate with the directors regarding, amongst other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence and where applicable, related safeguards.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial report of the current period and are therefore the key audit matters. We describe those matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communications.

## **Report on the Remuneration Report**

### ***Opinion on the Remuneration Report***

We have audited the remuneration report included in the directors' report for the year ended 30 June 2018.

In our opinion the remuneration report of Viking Mines Limited for the year ended 30 June 2018 complies with section 300A of the *Corporations Act 2001*.

### ***Responsibilities***

The directors of the Group 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.

**Rothsay Auditing**

**Graham Swan FCA  
Partner**

Dated 27 September 2018



Chartered Accountants

**Viking Mines Limited**  
**Shareholder information**  
**30 June 2018**

The shareholder information set out below was applicable as at 21 September 2018

**Distribution of equitable securities**

Analysis of number of equitable security holders by size of holding:

	Number of holders of ordinary shares	Number of holders of options over ordinary shares
1 to 1,000	23	-
1,001 to 5,000	22	-
5,001 to 10,000	62	-
10,001 to 100,000	217	-
100,001 and over	226	1
	<u>550</u>	<u>1</u>
Holding less than a marketable parcel	<u>163</u>	<u>-</u>

**Equity security holders**

*Twenty largest quoted equity security holders*

The names of the twenty largest security holders of quoted equity securities are listed below:

	Number held	Ordinary shares % of total shares issued
BARBARY COAST INVESTMENTS PTY LTD	32,710,675	10.43
GTT GLOBAL OPPORTUNITIES PTY LTD	25,000,000	7.97
GREENLINE INVESTMENTS PTY LTD	12,000,000	3.83
MURDOCH CAPITAL PTY LTD (GLOVAC SUPERFUND A/C)	8,000,000	2.55
ALISSA BELLA PTY LTD (THE C&A TASSONE SUPER A/C)	7,636,016	2.43
TORONA PTY LTD (ANYWHERE TRAVEL A/C)	6,687,887	2.13
MOUNTS BAY INVESTMENTS PTY LTD (CALVER CAPITAL A/C)	6,000,000	1.91
SYRACUSE CAPITAL PTY LTD (R TASSONE S/F A/C)	5,835,821	1.86
SYRACUSE CAPITAL PTY LTD (THE ROCCO TASSONE S/F A/C)	5,164,179	1.65
HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	5,029,658	1.60
MR JOHN WILLIAM GARDNER & MRS JANET LEIGH GARDNER (JOHN WILLIAM GARDNER SUPERANNUATION A/C)	5,000,000	1.59
FERGUSON SUPERANNUATION PTY LTD (FERGUSON SUPERFUND A/C)	5,000,000	1.59
RODBY HOLDINGS PTY LTD (SP TENG FAMILY A/C)	4,593,814	1.46
MRS ANTHEA JOHNSTON	4,500,000	1.43
NEWTON HOLDINGS PTY LTD (NEWTON BUILDING CO P/F A/C)	4,325,570	1.38
MR FAWZI KASSAB	4,300,826	1.37
MR BUYANTOGTOKH DASHDELEG	4,132,358	1.32
MANSON GROUP PTY LIMITED (MANSON GROUP SUPER FUND A/C)	4,026,867	1.28
MR MICHAEL ANTHONY DEL CASALE & MRS SHEREE LOUISE DEL CASALE (D C SUPERANNUATION A/C)	3,886,466	1.24
RODBY HOLDINGS PTY LTD	<u>3,627,397</u>	<u>1.16</u>
	<u>157,457,534</u>	<u>50.18</u>

**Viking Mines Limited**  
**Shareholder information**  
**30 June 2018**

*Unquoted equity securities*

	<b>Number on issue</b>	<b>Number of holders</b>
Unlisted options issued 7 April 2017, exercisable at \$0.046 on or before 30 June 2020.	12,000,000	1

**Substantial holders**

Substantial holders in the company are set out below:

	<b>Number held</b>	<b>Ordinary shares % of total shares issued</b>
R Whitten	42,095,782	13.42
GTT Global Opportunities Pty Ltd	28,000,000	8.93
Jaytu Pty Ltd ATF (John William Gardner Superannuation Fund)	20,140,414	6.42

**Voting rights**

The voting rights attached to ordinary shares 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.

**Tenement schedule**

<b>Licence name, Licence type</b>	<b>Location</b>	<b>Licence Holder/ JV Partners*</b>	<b>Viking Mines Ownership</b>
Akoase West, Prospecting licence	Southern Ghana	Resolute Amansie Ltd	100% (reducing to zero upon sale completion)
Akoase East, Prospecting licence	Southern Ghana	Resolute Amansie Ltd	100% (reducing to zero upon sale completion)
Akoase South East, Prospecting licence	Southern Ghana	Resolute Amansie Ltd	100% (reducing to zero upon sale completion)
West Star**, Prospecting licence	Southern Ghana	West Star Mining Compant Ltd / Resolute Amansie Ltd	100% hardrock only*
Tumentu, Prospecting licence application	Southern Ghana	Resolute Amansie Ltd	100%
Berkh Uul, Exploration licence	Selenge province, Mongolia	BRX LLC	100%
Khonkhor Zag, Mining lease	Govi Altai province, Mongolia	Salkhit Altai LLC	100%



**Viking Mines Limited**  
**Shareholder information**  
**30 June 2018**

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

West Star Mining Company Ltd is a joint venture partner in the West Star gold project

BRXL LLC is a 100% owned subsidiary of Viking Mines Ltd

Salkhit Altai LLC is a 100% owned subsidiary of Viking Mines Ltd

\* Subject to revocation / renewal dispute with Minerals Commission