



Viking Ashanti Limited

ABN 38 126 200 280

Interim report
for the half year ended
31 December 2010

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Corporate Information

Directors	John W (Jack) Gardner Peter McMickan Trygve Kroepelien Mark Newlands
Company secretary	Michael Langoulant
Registered office and principal place of business	16 Ord Street West Perth, Western Australia 6005 Telephone: (08) 9261 7300 Facsimile: (08) 9322 8892 Website: www.vikingashanti.com
Share registry	Computershare Investor Services Pty Ltd Reserve Bank Building Level 2 45 St George's Terrace Perth, Western Australia 6000
Auditors	Rothsay Chartered Accountants 96 Parry Street Perth, WA, 6000 Ph: 9227 0552
Solicitors	McKenzie Moncrieff 37 St Georges Terrace Perth, Western Australia 6000
ASX codes	Viking Ashanti Limited is listed on the Australian Stock Exchange (Shares: VKA)

Directors' Report

Your directors present their report on the consolidated entity (referred to hereafter as the Group) consisting of Viking Ashanti Limited ("the Company") and the entities it controlled at the end of, or during, the half year ended 31 December 2010. In order to comply with the Corporations Act 2001 the directors report as follows:

Directors

The following persons were directors of Viking Ashanti Limited during the whole of the period and up to the date of this report:

John W (Jack) Gardner – *Non-executive Chairman*

Peter McMickan – *Managing Director*

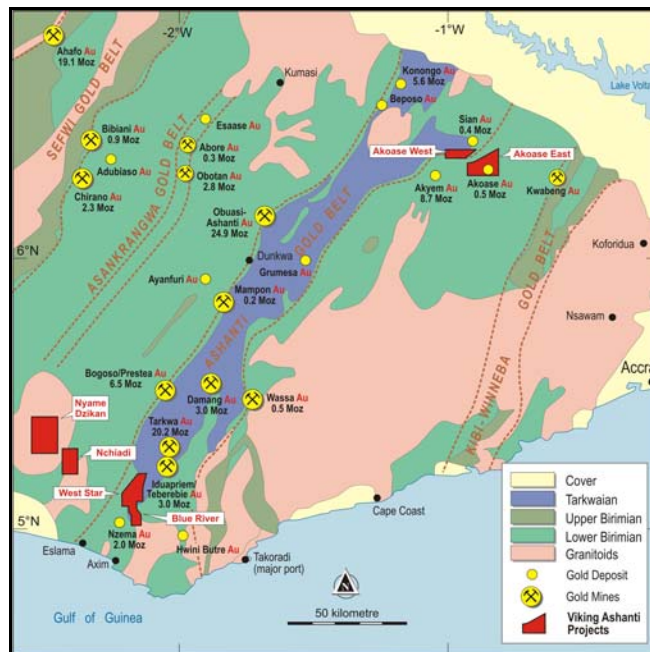
Trygve Kroepelien – *Non-executive Director*

Mark Newlands - *Non-executive Director*

Review of operations

Highlights

- Akoase East gold mineralisation extended at depth through early success in diamond drilling program, best intersections include 8m @ 6.47 g/t Au.
- Soil geochemical sampling program at Akoase East identifies five new anomalies along main structural trend, strongest anomaly >1.4km long at >50ppb gold.
- Accelerated and expanded drilling program in progress at Akoase East.



Viking Ashanti Project Locations, Southern Ghana

Exploration

Viking Ashanti's diamond drilling program begun in the December quarter at the 100% owned Akoase East gold project in Ghana has provided strong evidence that the existing 500,000 ounce JORC classified gold resource can be significantly increased.

Drill holes AKD004 and AKD005 produced intersections including 4.87m @ 2.49 g/t Au in hole AKD004 and 5.9m @ 1.55 g/t Au in hole AKD005. Drill holes AKD003a and AKD006, drilled at the northern end of the current resource, produced intersections including 8.0m @ 6.47 g/t Au in hole AKD003a and 14.0m @ 2.24 g/t Au in hole AKD006 (Table 1, Figures 1 and 2).

These intersections, beneath pre-existing drill holes and the current resource, clearly demonstrate down dip continuity of the mineralised zones for at least a further 40-50 metres vertically at comparable grades and widths to adjacent drill holes closer to surface.

The positive results achieved to date have prompted an acceleration and expansion of the drilling program at Akoase East. There are currently two drill rigs on site operating on double shift. The bulk of the diamond drilling (approx. 1,000m, plus 1,000m of RC precollars) in coming months will continue to focus on expanding the current resource at depth. Planned RC drilling (approx. 6,000m) will test the near surface strike extensions of the mineralized zone for approximately 1.5 strike km, immediately to the southwest of the current resource.

Assay results from soil samples covering 3.6 strike km of the structural trend north east and along strike of the Akoase East resource has identified five new sub-parallel anomalous geochemical trends. The most significant of these trends is represented as a >50ppb gold anomaly, at least 1.4km long and up to 150m wide, with a peak value of 15.15 g/t Au. Further soil sampling, trenching and RC drilling (approx. 2,000m) is planned to better define the extent of this anomaly over the coming months.

At the West Star/Blue River project, rehabilitation of roads and bridges is in progress to facilitate access to the northern end of the West Star prospecting licence for completion of a soil sampling program, covering 4 strike km of the highly prospective Salman shear zone.

Viking Ashanti's primary objective since listing on the ASX has been to increase the existing 500,000 JORC classified resource at Akoase East and its other Ghanaian gold projects including West Star and Blue River to 1 million ounces or more.

Corporate and Administration

As at the date of this report, Viking Ashanti has 69.2 million ordinary shares, and 6.0 million options on issue.

Viking Ashanti held its Annual General Meeting on 24 November 2010 in Perth, Western Australia. Mr. Trygve Kroepelien and Mr. Mark Newlands were re-elected as non-executive directors of the company.

With the current strong gold price and interest in West Africa, a number of corporate and farm-in opportunities for gold projects were reviewed during the past half year. None are currently at an advanced stage of consideration.

Viking Ashanti continues to pursue an active program of investor and broker presentations and recently presented at the Indaba Conference in Cape Town.

Cash reserves at 31 December 2010 are \$6.24 million.

The Company's corporate and registered office was relocated to 16 Ord St. West Perth during the reporting period.

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Table 1: Diamond Drilling Akoase East

Drill hole Information						Mineralized Intercepts				
Hole ID	Northing	Easting	RL	dip/azimuth	hole depth (m)	from (m)	to (m)	intersection width (m)	grade (g/t Au)	oxidation
AKD002	714859	744158	398	-50/140	81.0	14.7	18.7	4	1.85	oxidized
						33.7	37.8	4.1	3.8	part oxidized
						41.5	45.5	4	0.89	fresh
AKD003a	714886	744084	423	-52/140	137.9	91	95	4	1.43	fresh
						105	113	8	6.47	fresh
						(including 110	111	1	44.6)	
AKD004	743766	714455	460	-55/140	159.3	94.3	95.3	1	2.62	fresh
						120.43	125.3	4.87	2.49	fresh
AKD005	744015	714811	468	-52/140	160.0	26.2	27.7	1.5	2.71	oxidized
						32.2	35.2	3	1.51	oxidized
						62.7	64.7	2	1.58	fresh
						100	103	3	0.86	fresh
						119.1	125	5.9	1.55	fresh
AKD006	714942	744142	411	-53/140	161.6	113	127	14	2.24	fresh
						143	146	3	2.54	fresh

The half HQ and NQ size diamond drill samples from each hole were collected at down hole intervals (typically maximum of 1m) based on geological logging, and submitted to ALS Chemex laboratories in Kumasi, Ghana for gold analysis. The analytical method was by 50g fire assay/AAS finish with a 0.01 g/t Au detection limit. Significant results reported are nominally above 0.5 g/t Au over a minimum down hole interval of 1 metre, with no top cut applied. Assay quality control procedures included insertion of certified reference standards, blanks and duplicates. True intersection widths are estimated to be approximately 75% of reported drill intersection widths.

Figure 1: Akoase Project Geology

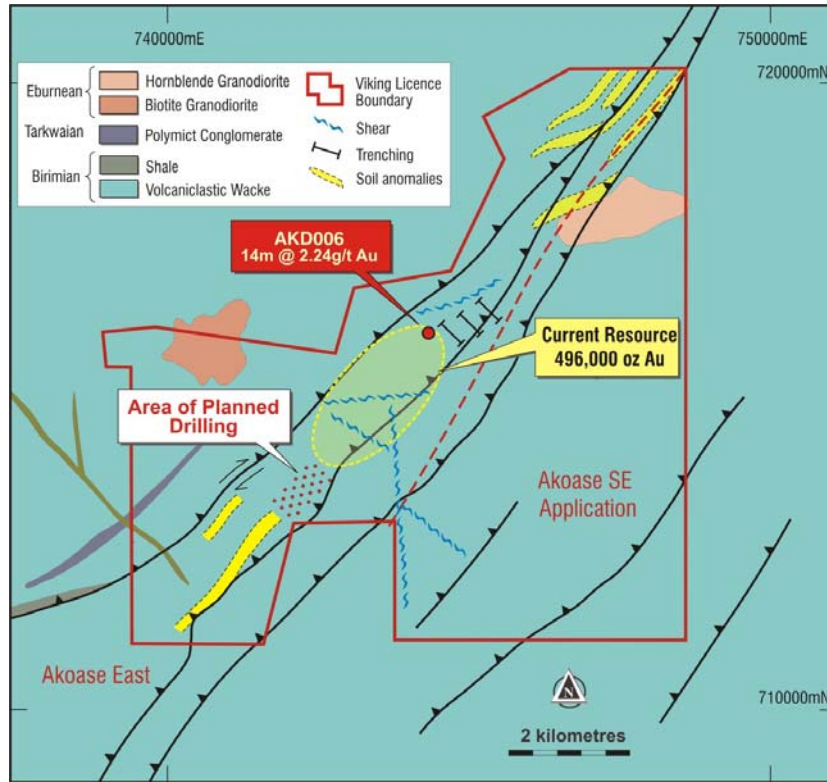
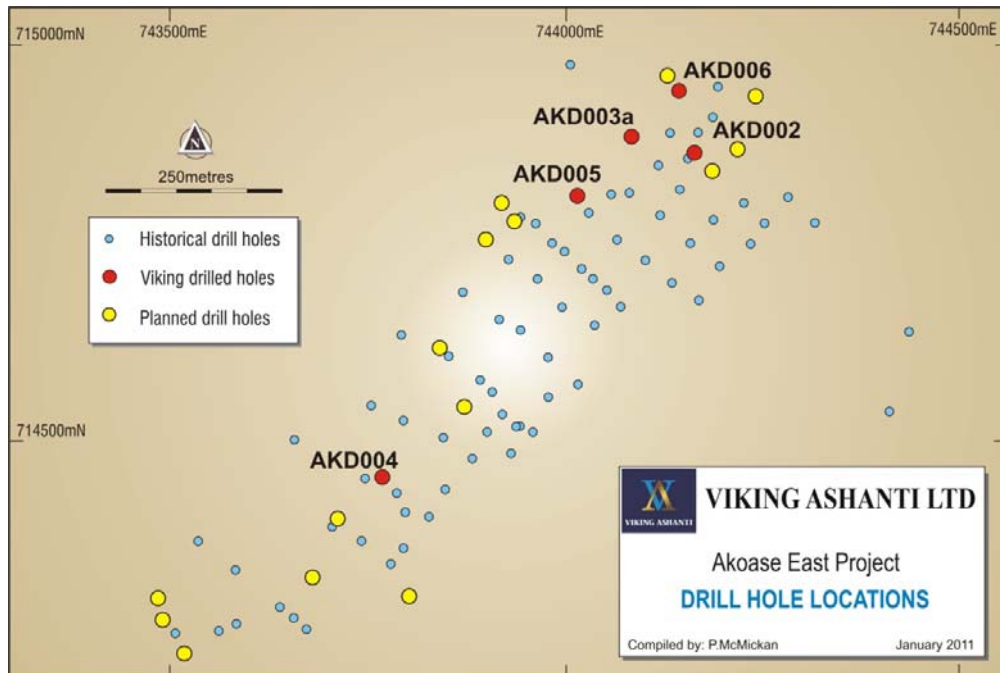


Figure 2: Akoase East Drill Hole Location Plan



Auditors' independence declaration

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out on the next page and forms part of the director's report for the period to 31 December 2010.

This report is signed in accordance with a resolution of directors made pursuant to section 306(3) of the Corporations Act 2001.



Peter McMickan
Managing Director

Perth
11 March 2011

Competent Persons Statement: The information in this Public Report that relates to Exploration Results, Mineral Resources or Ore Reserves is based on information compiled by Mr Peter McMickan, who is a Member of the Australasian Institute of Mining and Metallurgy. Mr McMickan is a full time employee of Viking Ashanti Limited. Mr McMickan has sufficient experience that is relevant to the style of mineralization and type of deposit under consideration and to the activity that he is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. Mr McMickan consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

Forward Looking Statements: This document may include forward looking statements. Forward looking statements may include, but are not limited to statements concerning Viking Ashanti Limited's planned exploration programs and other statements that are not historical facts. When used in this document, words such as "could", "plan", "estimate", "expect", "intend", "may", "potential", "should", and similar expressions are forward looking statements. Although Viking Ashanti Limited believes that its expectations reflected in these forward looking statements are reasonable, such statements involve risks and uncertainties and no assurance can be given that actual results will be consistent with these forward looking statements.

*R*OTHSAY

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Phone (08) 9227 0552 www.rothsay.com.au

The Directors
Viking Ashanti Limited
PO Box 359
West Perth WA 6872

Dear Sirs

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

- i) no contraventions of the auditor independence requirements of the Act in relation to the audit review of the 31 December 2010 interim financial statements; and
- ii) no contraventions of any applicable code of professional conduct in relation to the review.



Graham Swan (Lead auditor)

Rothsay Chartered Accountants

Dated // March 2011



Chartered Accountants

Liability limited by the Accountants Scheme, approved
under the Professional Standards Act 1994 (NSW).

Viking Ashanti Limited
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Condensed Statement of Comprehensive Income
For the half year ended 31 December 2010

	Consolidated
	2010
	\$
Continuing Operations	
Revenue	171,823
	171,823
Consulting fees	136,070
Employee benefits	207,164
Exploration and evaluation expenditure	872,910
Other expenses	259,791
	1,475,935
Loss before income tax expense	(1,304,112)
Income tax expense	-
Net loss for the period	(1,304,112)
Other comprehensive income for the period, net of tax	(19,296)
Total comprehensive loss for the period	(1,323,408)
Loss attributable to:	
Owners of the parent	(1,188,867)
Non-controlling interest	(115,245)
	(1,304,112)
Total comprehensive loss attributable to:	
Owners of the parent	(1,208,163)
Non-controlling interest	(115,245)
	(1,323,408)
	<u>Cents</u>
Basic loss per share (cents per share)	(1.91)
Diluted loss per share (cents per share)	(1.91)

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

Viking Ashanti Limited
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Condensed Statement of Financial Position
As at 31 December 2010

	Note	Consolidated 31 December 2010 \$	Consolidated 30 June 2010 \$
Current Assets			
Cash and cash equivalents		6,244,668	7,671,100
Trade and other receivables		129,373	143,311
Other		23,162	41,403
Total Current Assets		6,397,203	7,855,814
Non-Current Assets			
Plant and equipment		67,789	635
Exploration project acquisition costs	2	6,373,110	6,373,110
Total Non-Current Assets		6,440,899	6,373,745
Total Assets		12,838,102	14,229,559
Current Liabilities			
Trade and other payables		405,728	476,790
Provisions		3,012	-
Total Current Liabilities		408,740	476,790
Total Liabilities		408,740	476,790
Net Assets		12,429,362	13,752,769
Equity			
Issued capital	3	14,547,939	14,547,939
Reserves		289,186	308,482
Accumulated losses		(2,258,256)	(1,069,390)
Outside equity interest		(149,507)	(34,262)
Total Equity		12,429,362	13,752,769

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

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Condensed Statement of Changes in Equity
For the half-year ended 31 December 2010

	Consolidated				Total equity \$
	Issued capital \$	Accumulated losses \$	Reserves \$	Non- controlling Interest \$	
Opening balance at 1 July 2010	14,547,939	(1,069,390)	308,482	(34,262)	13,752,769
Loss for the period		(1,304,112)			(1,304,112)
Other comprehensive income			(19,296)		(19,296)
Total comprehensive loss for the year		(1,304,112)	(19,296)		(1,323,408)
Outside equity interest in loss		115,245		(115,245)	-
Balance at 31 December 2010	14,547,939	(2,258,256)	289,186	(149,507)	12,429,362

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

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Condensed Statement of Cash Flows
For the half-year ended 31 December 2010

	Consolidated December 2010
	<u>\$</u>
Cash flows from operating activities	
Payments to suppliers and employees	(591,366)
Interest received	111,001
Net cash outflow from operating activities	<u>(480,365)</u>
Cash flows from investing activities	
Payments for exploration	(872,910)
Payments for plant and equipment	(73,157)
Net cash outflow from investing activities	<u>(946,067)</u>
Net increase in cash held	(1,426,432)
Cash at the beginning of reporting period	7,671,100
Cash at the end of the reporting period	<u><u>6,244,668</u></u>

The above condensed cash flow statement should be read in conjunction with the accompanying notes.

Notes to the consolidated financial statements
For the half year ended 31 December 2010

Note 1: Basis of Preparation of Half Year Financial Statements

This general purpose financial report for the interim reporting half year ended 31 December 2010 has been prepared in accordance with Accounting Standard AASB 134 *Interim Financial Reporting*, the *Corporations Act 2001* and other authoritative pronouncements of the Australian Accounting Standards Board ('AASB'). Compliance with AASB 134 ensures compliance with IAS 34 Interim Financial Reporting.

The interim financial report does not include all the notes of the type normally included in an annual financial report. Accordingly, this report is to be read in conjunction with the Annual Financial Report for the year ended 30 June 2010 and any public announcements made by Viking Ashanti Limited during the interim reporting period in accordance with the continuous disclosure requirements of the *Corporations Act 2001*.

The interim report has been prepared on a historical cost basis. Cost is based on the fair value of the consideration given in exchange for assets. All amounts are presented in Australian dollars, unless otherwise noted.

For the purpose of preparing the interim report the half year has been treated as a discrete reporting period.

Significant accounting policies

Apart from the changes in accounting policy noted below, the accounting policies and methods of computation are the same as those adopted in the most recent annual financial report.

Adoption of new and revised accounting standards

In the half year ended 31 December 2010, the Group has reviewed all of the new and revised Standards and Interpretations issued by the AASB that are relevant to its operations and effective for annual reporting periods beginning on or after 1 July 2010.

As a result of this review the Directors have determined that there is no impact material, or otherwise, of the new and revised standards and interpretations on its business and therefore, no change is necessary to Group accounting policies.

Basis of Consolidation

The half year consolidated financial statements comprise the financial statements of Viking Ashanti Limited and its subsidiaries at 31 December 2010.

Comparatives

The Company changed its status from that of a private company to a public company effective as at 9 March 2010. As a result no comparatives are included in this interim financial report as the Company had not previously been a reporting entity and had no previous interim reporting period.

Notes to the consolidated financial statements
For the half year ended 31 December 2010

Note 2: Exploration project acquisition costs

	Consolidated 2010
	\$
Opening balance 1 July 2010	6,373,110
Acquisition costs incurred during the half year	-
Exploration project acquisition costs	6,373,110

The recoverability of exploration project acquisition costs is dependent upon the successful development and commercial exploitation, or alternately the sale of areas of interest.

Note 3: Issued capital

	Consolidated 2010
	\$
Issued and fully paid 69,166,667 shares	14,547,939
<i>Movements in ordinary shares on issue</i>	
Opening balance	14,547,939
Movements during the period	-
Closing balance	14,547,939
	Shares
Opening balance	69,166,667
Movements during the period	-
Closing balance	69,166,667

Note 4: Options

The Company has 6,000,000 options exercisable at 34.5 cents each, on or before 31 December 2012 on issue. There were no options issued during the reporting period.

Notes to the consolidated financial statements
For the half year ended 31 December 2010

Note 5: Contingent liabilities

The Group has no contingent liabilities.

Note 6: Events subsequent to reporting date

There have been no significant events since the end of the period.

Directors' declaration

In the directors' opinion:

- (a) the financial statements and notes set out on pages 7 to 14 are in accordance with the *Corporations Act 2001*, including:
 - (i) complying with Accounting Standards, *AASB 134 Interim Financial Reporting*, the *Corporations Regulations 2001* and other mandatory professional reporting requirements; and
 - (ii) giving a true and fair view of the consolidated entity's financial position as at 31 December 2010 and of its performance.
- (b) there are reasonable grounds to believe that Viking Ashanti Limited will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Board of directors made pursuant to S305 (5) of the *Corporations Act 2001*.



Peter McMickan
Managing Director

Perth
11 March 2011

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96 Parry Street, Perth WA 6000 P.O. Box 8716, Perth Business Centre WA 6849
Phone (08) 9227 0552 www.rothsay.com.au

Independent Review Report to the Members of Viking Ashanti Ltd

The financial report and directors' responsibility

The interim consolidated financial report comprises the statement of financial position, statement of comprehensive income, statement of changes in equity, cashflow statement, accompanying notes to the financial statements, and the directors' declaration for Viking Ashanti Ltd for the half-year ended 31 December 2010.

The Company's directors are responsible for the preparation and fair presentation of the consolidated financial report in accordance with Australian Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Act 2001*. This includes responsibility for the maintenance of adequate accounting records and internal controls that are designed to prevent and detect fraud and error, and for the accounting policies and accounting estimates inherent in the financial report.

Review approach

We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of an Interim Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the interim consolidated financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the consolidated financial position as at 31 December 2010 and the performance for the half year ended on that date; and complying with Australian Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As auditor of Viking Ashanti Ltd, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of an interim financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly we do not express an audit opinion.

Independence

In conducting our review we have complied with the independence requirements of the *Corporations Act 2001*.

Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the interim consolidated financial report of Viking Ashanti Ltd is not in accordance with the *Corporations Act 2001*, including:

- giving a true and fair view of the consolidated financial position as at 31 December 2010 and of the performance for the half-year ended on that date; and
- complying with Australian Accounting Standard AASB134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.



Rothsay



Graham R Swan
Partner

Dated // March 2011



Chartered Accountants

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