



27 January, 2011

ASX Release

Viking Ashanti Limited (ASX: VKA)

Quarterly Report 31 December 2010

### Highlights

- **Akoase East gold mineralisation extended at depth through early success in diamond drilling program.**
- **Best diamond drilling intersections at Akoase East include 8m @ 6.47 g/t Au.**
- **Soil geochemical sampling program at Akoase East identifies five anomalies along main structural trend.**
- **Strongest soil anomaly >1.4km long at >50ppb gold.**



*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 intersections recorded are approximately 100 metres vertically below surface, still shallow by gold exploration standards, providing strong encouragement to drill deeper. Hole AKD006 was drilled on the northern most drill section, and clearly demonstrates that the resource remains open to the north and at depth. The bulk of the diamond drilling in coming months will focus on expanding the current resource at depth, while planned RC drilling will test the near surface strike extensions of the resource.

Assay results from soil samples collected along ten lines at 400m x 50m spacing, covering 3.6 strike km of the structural trend north east and along strike of the Akoase East resource have been received.

This program has identified five sub-parallel anomalous geochemical trends, the most significant of which 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 and trenching is planned to better define the extent of this anomaly.

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 at 3pm on 24 November at the Celtic Club, 48 Ord St., West Perth, Western Australia. Mr. Trygve Kropelien 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 quarter. None are currently at an advanced stage of consideration.

Viking Ashanti continues to pursue an active program of investor and broker presentations and is due to present at the Indaba Conference in Cape Town in February 2011.

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

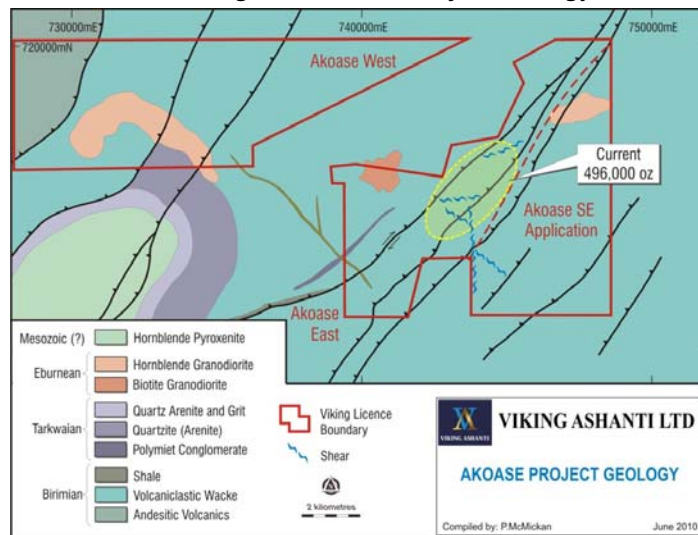
The company's corporate and registered office was relocated to 16 Ord St. West Perth during the quarter.

**Table 1: Diamond Drilling Akoase East**

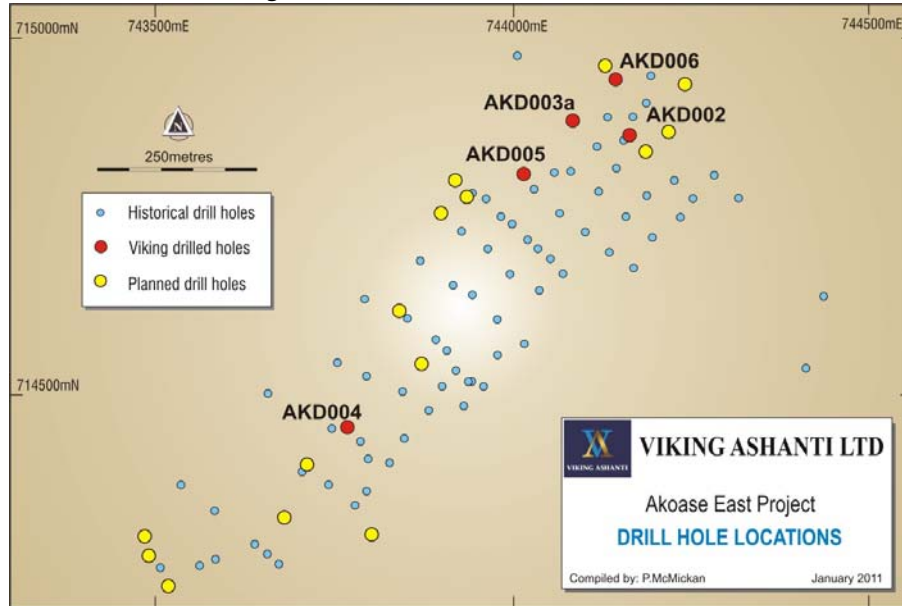
Drill hole Information						Mineralized Intercepts				
Hole ID	Northing	Easting	RL	dip/azimuth	hole depth (m)	from (m)	to (m)	intersection width (m)	grade (g/t Au)	oxidation
AKD003a	714886	744084	423	-52/140	137.9	91.0	95.0	4.0	1.43	fresh
						105.0	113.0	8.0	6.47	fresh
						(including	110.0	111.0	1.0	44.6)
AKD004	743766	714455	460	-55/140	159.3	94.3	95.3	1.0	2.62	fresh
						120.43	125.3	4.87	2.49	fresh
AKD005	744015	714811	468	-52/140	160	26.2	27.7	1.5	2.71	oxidized
						32.2	35.2	3.0	1.51	oxidized
						62.7	64.7	2.0	1.58	fresh
						100	103	3.0	0.86	fresh
						119.1	125	5.9	1.55	fresh
AKD006	714942	744142	411	-53/140	161.6	113.0	127.0	14.0	2.24	fresh
						143.0	146.0	3.0	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**



For further information contact:

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**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.

## **Viking Ashanti Background**

Viking Ashanti's Akoase gold project in southern Ghana contains a JORC classified, inferred resource of 500,000 ounces of gold based on 13Mt of ore @ 1.2g/t. Viking Ashanti's primary objective is to expand the resource to at least 1 million ounces of gold. At least 13,000 m of RC drilling is planned along with 2,500 m of diamond drilling at Akoase with a further 14,000m RC and 2,500m diamond drilling at West Star and Blue River through to May 2012.

The Akoase project is just 25km from Newmont Mining's 8.7M oz Akyem gold project while the West Star/Blue River projects are 15 km from the 2M oz Salman/Anwia project, operated by ASX listed Adamus Resources. Ghana also hosts the 60M oz Obuasi deposit (AngloGold Ashanti), 40M oz Tarkwa deposit (GoldFields) and the 17M oz Ahafo deposit (Newmont).

Ghana is socially and politically stable, operates under a well established Westminster legal system, has excellent internal infrastructure with a 25 year history of modern mining and a substantial internal skills base to support mining.

# Appendix 5B

## Mining exploration entity quarterly report

Introduced 1/7/96. Origin: Appendix 8. Amended 1/7/97, 1/7/98, 30/9/2001.

Name of entity

VIKING ASHANTI LIMITED

ABN

126 200 280

Quarter ended ("current quarter")

31 December 2010

### Consolidated statement of cash flows

	Current quarter \$A'000	Year to date (6 months) \$A'000
<b>Cash flows related to operating activities</b>		
1.1 Receipts from product sales and related debtors	-	-
1.2 Payments for		
(a) exploration and evaluation	(323)	(782)
(b) development	-	-
(c) production	-	-
(d) administration	(439)	(685)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	55	111
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Other (provide details if material)	-	-
<b>Net Operating Cash Flows</b>	<b>(707)</b>	<b>(1,356)</b>
<b>Cash flows related to investing activities</b>		
1.8 Payment for purchases of:		
(a)prospects	-	-
(b)equity investments	-	-
(c) other fixed assets	(25)	(73)
1.9 Proceeds from sale of:		
(a)prospects	-	-
(b)equity investments	-	-
(c)other fixed assets	-	-
1.10 Loans to other entities	-	-
1.11 Loans repaid by other entities	-	-
1.12 Other (provide details if material)	-	-
Tenement Expenditure Guarantee (refundable)	-	-
<b>Net investing cash flows</b>	<b>(25)</b>	<b>(73)</b>
1.13 Total operating and investing cash flows (carried forward)	<b>(732)</b>	<b>(1,429)</b>

+ See chapter 19 for defined terms.

**Appendix 5B**  
**Mining exploration entity quarterly report**

1.13	Total operating and investing cash flows (brought forward)	(732)	(1,429)
	<b>Cash flows related to financing activities</b>		
1.14	Proceeds from issues of shares, options, etc.	-	-
1.15	Proceeds from sale of forfeited shares	-	-
1.16	Proceeds from borrowings	-	-
1.17	Repayment of borrowings	-	-
1.18	Dividends paid	-	-
1.19	Other (provide details if material)	-	-
	<b>Net financing cash flows</b>	-	-
	<b>Net increase (decrease) in cash held</b>	(732)	(1,429)
1.20	Cash at beginning of quarter/year to date	6,974	7,671
1.21	Exchange rate adjustments to item 1.20	-	-
1.22	<b>Cash at end of quarter</b>	6,242	6,242

**Payments to directors of the entity and associates of the directors**

**Payments to related entities of the entity and associates of the related entities**

		Current quarter \$A'000
1.23	Aggregate amount of payments to the parties included in item 1.2	141
1.24	Aggregate amount of loans to the parties included in item 1.10	-

1.25 Explanation necessary for an understanding of the transactions

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**Non-cash financing and investing activities**

2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

Nil
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2.2 Details of outlays made by other entities to establish or increase their share in projects in which the reporting entity has an interest

Nil
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+ See chapter 19 for defined terms.

### Financing facilities available

*Add notes as necessary for an understanding of the position.*

	Amount available \$A'000	Amount used \$A'000
3.1 Loan facilities	-	-
3.2 Credit standby arrangements	-	-

### Estimated cash outflows for next quarter

	\$A'000
4.1 Exploration and evaluation	400
4.2 Development	-
4.3 Production	-
4.4 Administration	250
<b>Total</b>	<b>650</b>

### Reconciliation of cash

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.	Current quarter \$A'000	Previous quarter \$A'000
5.1 Cash on hand and at bank	316	176
5.2 Deposits at call	5,926	6,798
5.3 Bank overdraft		-
5.4 Other (provide details)		-
<b>Total: cash at end of quarter (item 1.22)</b>	<b>6,242</b>	<b>6,974</b>

### Changes in interests in mining tenements

	Tenement reference	Nature of interest (note (2))	Interest at beginning of quarter	Interest at end of quarter
6.1	Interests in mining tenements relinquished, reduced or lapsed	-	-	-
6.2	Interests in mining tenements acquired or increased	-	-	-

+ See chapter 19 for defined terms.

**Appendix 5B**  
**Mining exploration entity quarterly report**

**Issued and quoted securities at end of current quarter**

*Description includes rate of interest and any redemption or conversion rights together with prices and dates.*

	Total number	Number quoted	Issue price per security (see note 3) (cents)	Amount paid up per security (see note 3) (cents)
7.1 <b>Preference securities</b> <i>(description)</i>				
7.2 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions				
7.3 <b>+Ordinary securities</b>	69,166,667	30,615,797	N/A	N/A
7.4 Changes during quarter (a) Increases through issues - Placement - Pursuant to a prospectus - Option conversion - Release from Escrow  (b) Decreases through returns of capital, buy-backs				
7.5 <b>+Convertible debt securities</b> <i>(description)</i>				
7.6 Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted				
7.7 <b>Options</b>	6,000,000	-	<i>Exercise price</i> \$0.345	<i>Expiry date</i> 31/12/2012
7.8 Issued during quarter:				
7.9 Exercised during quarter				
7.10 Expired during quarter				
7.11 <b>Debentures</b> <i>(totals only)</i>				
7.12 <b>Unsecured notes</b> <i>(totals only)</i>				

+ See chapter 19 for defined terms.

## Compliance statement

- 1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act or other standards acceptable to ASX (see note 4).
- 2 This statement does give a true and fair view of the matters disclosed.

Sign here:



(Company Secretary)

Michael Langoulant

Date: 27 January 2011

## Notes

- 1 The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.
- 2 The "Nature of interest" (items 6.1 and 6.2) includes options in respect of interests in mining tenements acquired, exercised or lapsed during the reporting period. If the entity is involved in a joint venture agreement and there are conditions precedent which will change its percentage interest in a mining tenement, it should disclose the change of percentage interest and conditions precedent in the list required for items 6.1 and 6.2.
- 3 **Issued and quoted securities** The issue price and amount paid up is not required in items 7.1 and 7.3 for fully paid securities.
- 4 The definitions in, and provisions of, *AASB 1022: Accounting for Extractive Industries* and *AASB 1026: Statement of Cash Flows* apply to this report.
- 5 **Accounting Standards** ASX will accept, for example, the use of International Accounting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.

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