



30 January, 2012

ASX Release

Viking Ashanti Limited (ASX: VKA)

A West African focussed Gold Explorer

Quarterly Report to 31 December 2011

During the three months to 31 December, 2011, Viking Ashanti received results from 30 drill holes, metallurgical test work results and soil sampling results from its 100% owned Akoase East gold exploration project in Ghana, West Africa (Figure 1). Highlights included:

- **Intersections including 5m @ 3.57 g/t Au, 1m @ 8.27 g/t Au, and 12m @ 0.93 g/t Au at Dave Flats prospect, indicating potential for a new zone of mineralization.**
- **At the Alimac prospect, soil sampling results confirm extension of the gold-in-soil anomaly that defines the Akoase East deposit to the northeast, for a further 1.4km. Reverse Circulation (RC) drilling commenced early November.**
- **Preliminary metallurgical test work on Akoase East deposit indicates oxide mineralization gold recovery of 93-96% and fresh mineralization gold recovery of 85-90% using conventional leaching and flotation processes.**

1. Exploration

1.1 Akoase Project

Drilling

Results from drilling of 30 Reverse Circulation (RC) holes at Akoase East's Dave Flats prospect were received during the quarter. The RC holes, drilled on 200m line spacing, were designed to test geochemical and geophysical targets along part of the Kadewaso structural trend, on which the Akoase East gold resource is located.

Better intersections from this new drilling include 5m @ 3.57 g/t Au and 4m @ 1.58 g/t Au in hole AKRC163, 1m @ 8.27 g/t Au in hole AKRC164, and 12m @ 0.93 g/t Au in hole AKRC155 (Table 2, Figures 2 and 3).

The most encouraging results, returned from holes AKRC 155, 163 and 164, suggest that a second, new zone of mineralization either parallel to or splaying off the main Kadewaso trend may be present immediately northeast of the Kadewaso village.

This drilling also confirms that the southern extensions of the Akoase East mineralization continues for 400 metres immediately southwest of the current resource, as indicated by previous drilling results (refer ASX announcement 13 July 2011) and holes AKRC 159 (5m @ 1.65 g/t Au) and AKRC 160 (5m @ 0.62 g/t Au).

A further 1.8 strike km of the Kadewaso structural trend, to the southern licence boundary remains to be drill tested.

Soil geochemistry

A soil sampling program infilling sample spacing to 200m x 50m has been completed over the Alimac prospect, immediately northeast of the Akoase East deposit (Figures 2 and 4). The program was designed to infill a 2.5 strike km area along the Kadewaso structural trend between the Akoase East deposit, and previous Viking soil sampling further to the northeast. A total of 439 soil samples were collected from the "B" horizon, sieved to -2mm, pulverized and analysed for gold by ALS Chemex in Kumasi, Ghana using 50g fire assay with AAS finish (5 parts per billion lower detection limit).

The results from the sampling program have outlined two sub-parallel geochemically anomalous trends (using a lower threshold of 50 parts per billion gold), which are interpreted to represent the northeastern extensions of the soil anomaly that defines the Akoase East gold deposit (Figure 4). The anomalous trends extend for 1.4km along strike and are up to 400m wide.

A 2,500 metre RC drilling program which commenced early November has been designed as a first test of the Alimac prospect soil anomalies. Holes will be drilled on traverses spaced from 200m up to 600m along the anomalous trends.

Metallurgical test work

The results from preliminary metallurgical test work on the Akoase gold deposit indicate that the mineralization is free milling using conventional CIP/CIL and flotation processes, with a significant amount of the gold recoverable by gravity separation methods (Table 1).

The test work program involved the crushing and grinding of 3 kg of the oxide and fresh composite drill samples to a standard 80% passing 75 micron, head assay including gold and multi-element assays, gravity recovery of coarse gold, and 48 hour leaching (simulating carbon-in-pulp process) under controlled conditions.

The test work program was repeated on a second 3kg fresh split, to look at the effects of a finer grind and diagnostic leaching of the tails. This work demonstrated that a finer grind results in improved recoveries, and that a further 11% of the gold is associated with sulphide species which could be recovered by conventional flotation, grinding and leaching processes.

The gold recoveries and reagent consumptions for both the oxide and fresh composite sample are considered typical and within industry standards for free milling gold deposits. Some organic carbon

was present in the samples resulting in potential for re-absorption of gold. Further test work is planned to optimize the gold recoveries from the fresh mineralization.

Table 1: Metallurgical Results Summary

Parameter	unit	3kg composite sample			
		Oxide	Fresh #1	Fresh #2	
Grind size (80% passing)	micron	75	75	75	45
Head assay	g/t gold	2.86	1.61	1.5*	1.5*
Gravity gold recovery	%	35.5	46.6	44.9	47.7
24 hr gold recovery	%	93.6	79.2	73.2	80.9
48 hr gold recovery	%	97.7	81.6	73.2	79.1
Gold in sulphides	%		ND	11.3	ND
Expected overall gold recovery (after optimization)	% (range)	93-96	85-90	85-90	85-90
NaCN consumption	kg/t	0.47	0.96	0.34	0.39
Lime consumption	kg/t	2.4	1.1	0.75	0.79

ND - not determined

*calculated

Resource guidance

A new JORC classified resource estimate for the Akoase East deposit, incorporating upgraded technical data and all Viking Ashanti drilling is planned to be completed by end March 2012. Work in preparing the new estimate follows an analysis by Viking Ashanti's technical consultants of recently acquired topographical and other data. This analysis indicated some material deficiencies in the project's pre-existing 496,000 ounce Inferred gold resource estimate, indicating that this estimate could be overstated by around 25%.

1.2 West Star/Blue River Project

Assay results from soil sampling programs, at 400m x 50m spacing, designed to infill and extend soil geochemistry coverage across the West Star licences were still awaited at the end of the quarter. The licences cover 14 strike km of the regionally extensive north-south trending Salman shear zone, the major controlling structure hosting significant gold deposits at the nearby 2 million ounce Nzema gold mine.

A 3,000m program of RC drilling is scheduled to commence late in January 2012 with two objectives; testing two undrilled previously identified soil anomalies on the West Star licences, and infill drilling around historic economic grade and width drill intersections on the adjoining Blue River licence to the south.

1.3 Nyame Dzikan and Nchiadi Projects (VKA 51% joint venture interest)

Following a review of historic and recently acquired exploration data, the Company believes the potential for a substantial gold deposit is limited on both projects. Our local joint venture partner, Ahafo Ano South Goldfields Ltd has been advised of Viking Ashanti's withdrawal from both the Nyame Dzikan and Nchiadi joint ventures.

2. 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 12am on 17 November 2011 at 16 Ord St., West Perth, Western Australia. Mr. Jack Gardner was re-elected as a director of the company.

With the current strong gold price and equities 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 will be present at the Indaba Conference in Cape Town in February 2012.

Cash reserves at 31 December 2011 were A\$2.4 million.



Peter McMickan
Managing Director

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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.

Table 2: Drilling Results Dave Flats Prospect

Drill hole Information						Mineralized Intercepts				
Hole ID	Easting	Northing	RL	dip/azimuth	hole depth (m)	from (m)	to (m)	intersection width (m)	grade (g/t Au)	oxidation
AKRC135	742003.3	712433.5	291.8	-50/140	83	NSA				
AKRC136	741911.1	712501.9	269.7	-50/140	60	32	34	2	0.49	oxidized
AKRC137	741971.4	712453.7	279.2	-50/140	80	NSA				
AKRC138	741927.7	712483.8	270.6	-50/140	65	NSA				
AKRC139	741867.1	712294.1	263.5	-50/140	68	NSA				
AKRC140	741837.0	712319.0	260.9	-50/140	55	NSA				
AKRC141	741777.8	712334.9	259.9	-50/140	60	NSA				
AKRC142	741754.8	712368.8	266.1	-50/140	58	NSA				
AKRC143	741760.8	712124.9	258.9	-50/140	58	NSA				
AKRC144	741716.9	712162.3	259.3	-50/140	69	NSA				
AKRC145	741692.8	712185.3	259.4	-50/140	65	3	4	1	0.73	oxidized
						7	9	2	2.17	oxidized
AKRC146	741657.4	712211.6	258.5	-50/140	66	NSA				
AKRC147	741539.4	712056.6	253.9	-50/140	65	27	28	1	1.08	oxidized
AKRC148	741584.5	712033.6	253.4	-50/140	53	NSA				
AKRC149	741614.3	712006.3	251.2	-50/140	65	NSA				
AKRC150	741652.2	711995.6	252.2	-50/140	73	NSA				
AKRC151	741588.2	711786.2	252.2	-50/140	75	NSA				
AKRC152	741547.6	711811.0	248.9	-50/140	37	NSA				
AKRC153	741455.3	711654.0	247.5	-50/140	89	NSA				
AKRC154	741287.1	711543.4	243.4	-50/140	59	19	20	1	1.01	oxidized
AKRC155	741218.7	712069.3	250.5	-50/140	65	54	66	12	0.93	oxidized
AKRC156	741310.4	711985.7	253.4	-50/140	77	NSA				
AKRC157	741437.0	711902.3	250.6	-50/140	59	NSA				
AKRC158	741114.1	711911.9	250.4	-50/140	65	NSA				
AKRC159	742299.3	713036.7	333.8	-50/140	53	35	40	5	1.65	oxidized
						45	46	1	0.91	oxidized

Drill hole Information						Mineralized Intercepts				
Hole ID	Easting	Northing	RL	dip/azimuth	hole depth (m)	from (m)	to (m)	intersection width (m)	grade (g/t Au)	oxidation
						50	52	2	0.96	oxidized
AKRC160	742092.5	712756.3	283.9	-50/140	65	46	47	1	0.60	fresh
						49	54	5	0.62	fresh
						59	60	1	0.56	fresh
AKRC161	741286.1	711774.6	246.7	-50/140	65	NSA				
AKRC162	741187.9	711854.7	249.5	-50/140	65	63	65	2	1.19	oxidized
AKRC163	740949.0	711798.0	241.4	-50/140	47	6	10	4	1.58	oxidized
						15	20	5	3.57	oxidized
						37	38	1	0.64	fresh
AKRC164	741014.4	711747.2	243.7	-50/140	56	14	15	1	8.27	oxidized
AKRC165	741164.5	711629.6	243.6	-50/140	69	NSA				

The site split RC chip samples (approx. 3kg each) from each hole were collected at down hole intervals of 1 metre and submitted to ALS Chemex laboratories in Kumasi, Ghana for gold analysis. The analytical methods were 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.

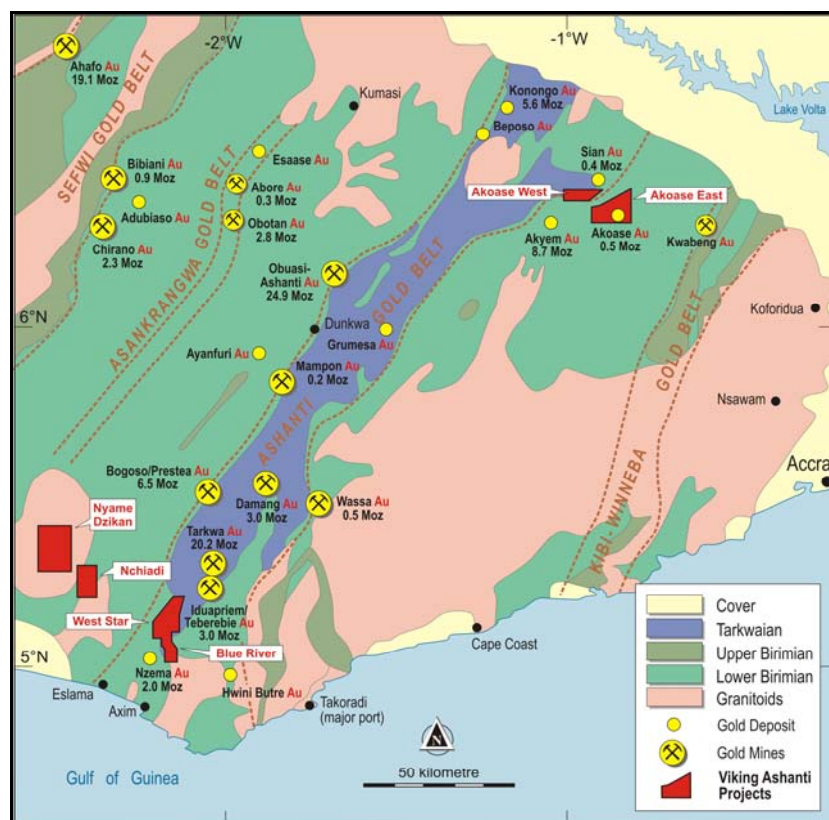


Figure 1: Viking Ashanti Project Locations, Southern Ghana

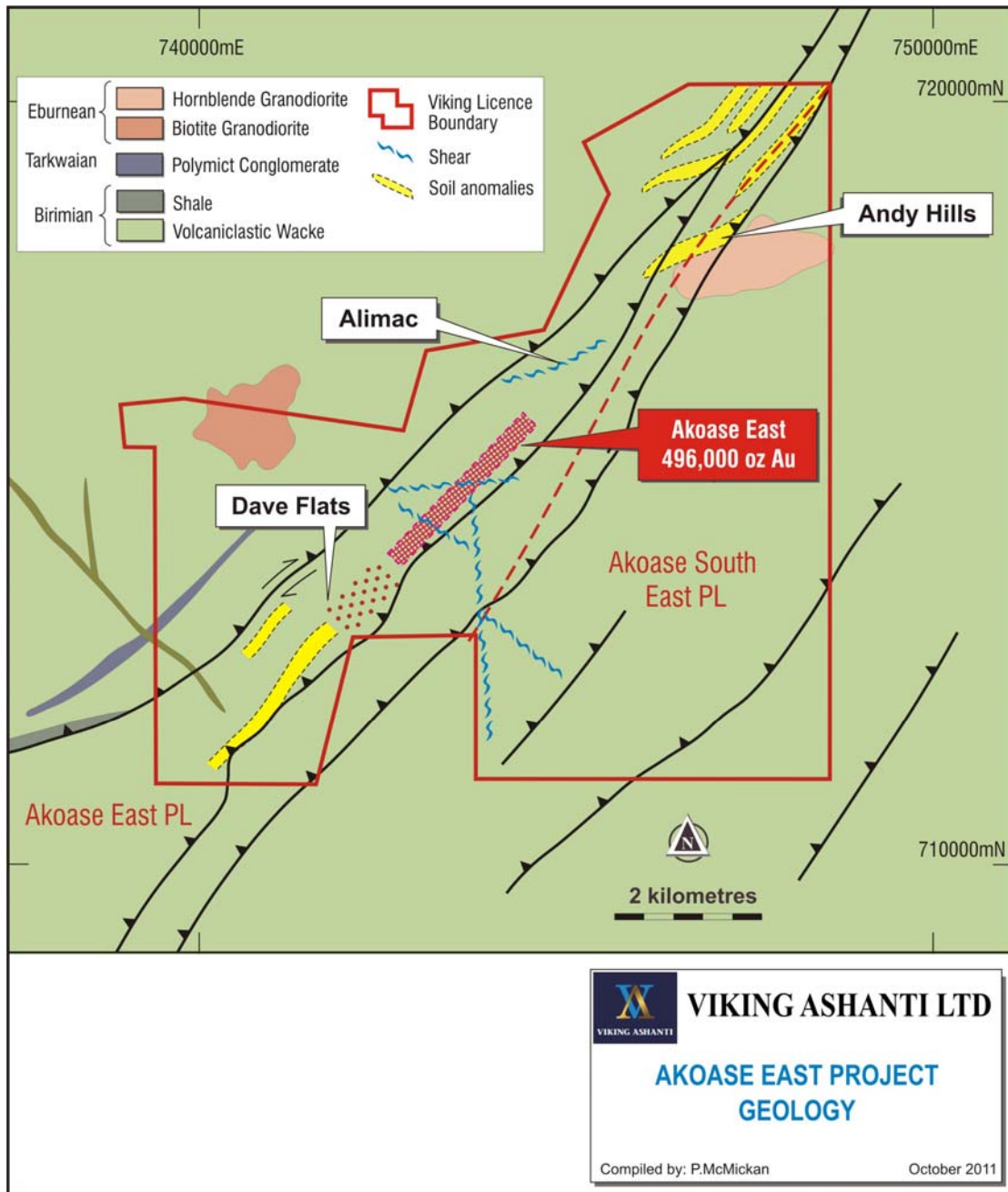


Figure 2: Akoase East Project Geology

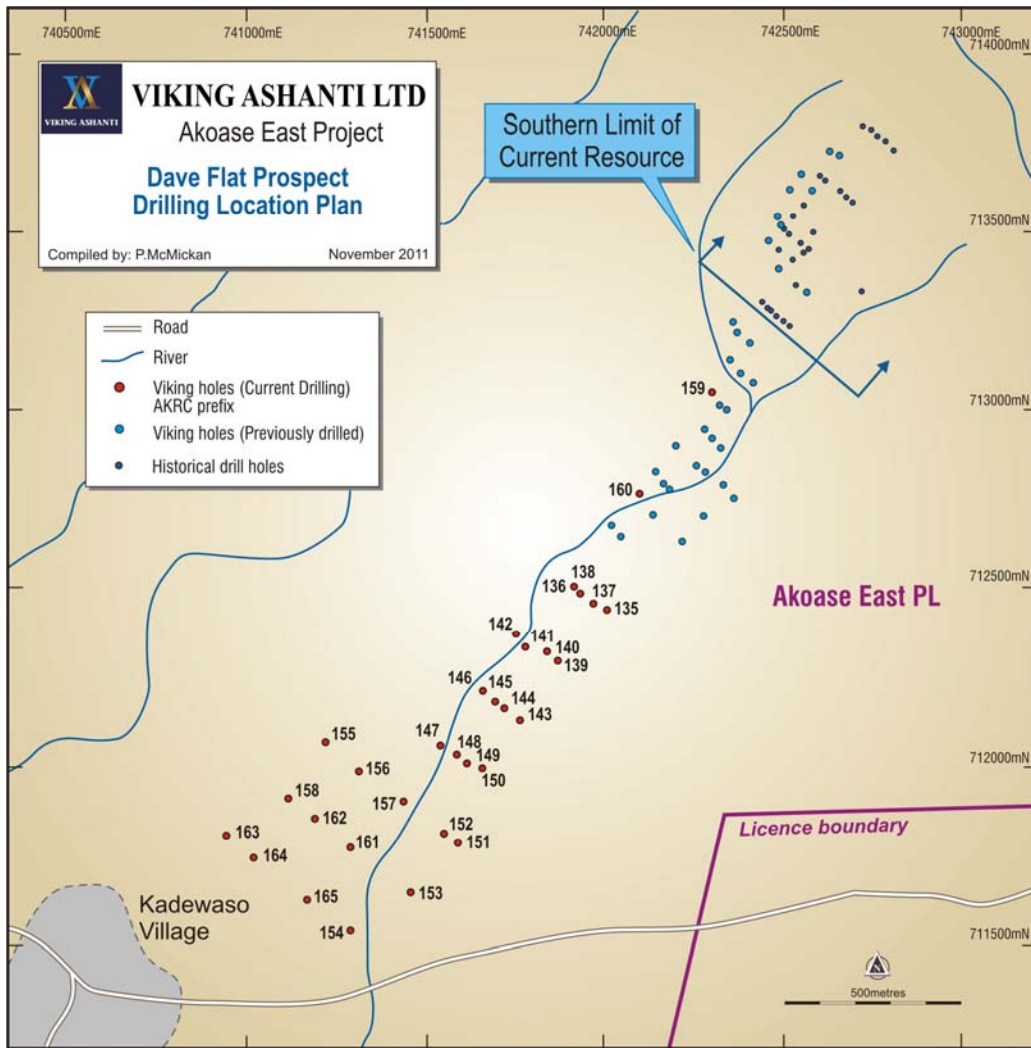


Figure 3: Dave Flats Prospect Drill Hole Location Plan

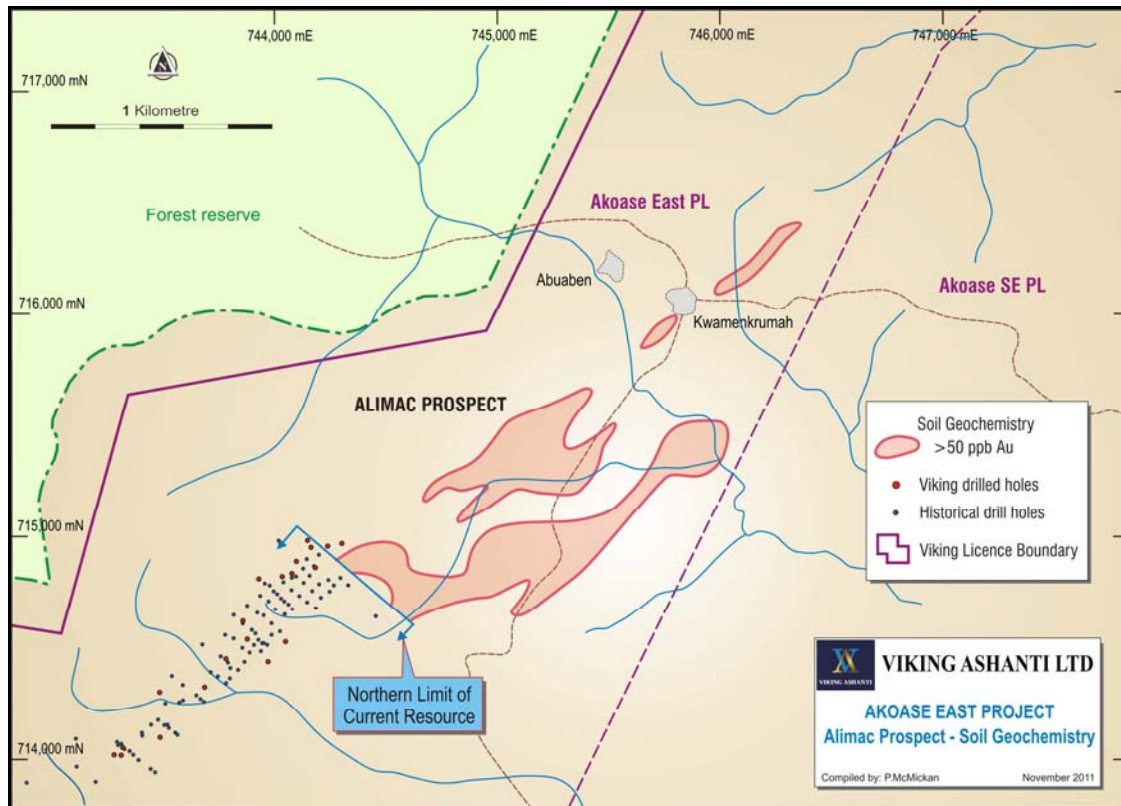


Figure 4: Alimac Prospect Soil Geochemistry

Appendix 5B

Mining exploration entity quarterly report

Introduced 01/07/96 Origin Appendix 8 Amended 01/07/97, 01/07/98, 30/09/01, 01/06/10, 17/12/10

Name of entity

VIKING ASHANTI LIMITED

ABN

126 200 280

Quarter ended ("current quarter")

31 December 2011

Consolidated statement of cash flows

	Current quarter \$A'000	Year to date (6 months) \$A'000
Cash flows related to operating activities		
1.1 Receipts from product sales and related debtors		
1.2 Payments for (a) exploration & evaluation (b) development (c) production (d) administration	(646)	(1,005)
1.3 Dividends received		
1.4 Interest and other items of a similar nature received	11	94
1.5 Interest and other costs of finance paid		
1.6 Income taxes paid		
1.7 Other (provide details if material)		
Net Operating Cash Flows	(1,006)	(1,631)
Cash flows related to investing activities		
1.8 Payment for purchases of: (a) prospects (b) equity investments (c) other fixed assets		
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)		
Net investing cash flows		
1.13 Total operating and investing cash flows (carried forward)	(1,006)	(1,631)

+ See chapter 19 for defined terms.

Appendix 5B
Mining exploration entity quarterly report

1.13	Total operating and investing cash flows (brought forward)	(1,006)	(1,631)
Cash flows related to financing activities			
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 - capital raising costs		
	Net financing cash flows		
	Net increase (decrease) in cash held	(1,006)	(1,631)
1.20	Cash at beginning of quarter/year to date	3,401	4,026
1.21	Exchange rate adjustments to item 1.20		
1.22	Cash at end of quarter	2,395	2,395

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	117
1.24	Aggregate amount of loans to the parties included in item 1.10	

1.25 Explanation necessary for an understanding of the transactions

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

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

+ 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	700
4.2 Development	
4.3 Production	
4.4 Administration	300
Total	1,000

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	275	270
5.2 Deposits at call	2,120	3,131
5.3 Bank overdraft		
5.4 Other (provide details)		
Total: cash at end of quarter (item 1.22)	2,395	3,401

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	Nchiadi/Nyame Dzikan project	Earn in 51	Nil
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	Preference securities <i>(description)</i>				
7.2	Changes during quarter (a) Increases through issues (b) Decreases				
7.3	+Ordinary securities	69,166,667	56,856,667		
7.4	Changes during quarter (a) Increases through issues (b) Decreases				
7.5	+Convertible debt securities <i>(description)</i>				
7.6	Changes during quarter (a) Increases through issues (b) Decreases				
7.7	Options <i>(description and conversion factor)</i>	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	Debentures <i>(totals only)</i>				
7.12	Unsecured notes <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 \(see note 5\)](#).
- 2 This statement does /does not* (*delete one*) give a true and fair view of the matters disclosed.

Sign here:



Company Secretary

Date: 30th January 2012

Print name: Michael Langoulant

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 6: Exploration for and Evaluation of Mineral Resources* and *AASB 107: Statement of Cash Flows* apply to this report.
- 5 **Accounting Standards** ASX will accept, for example, the use of International Financial Reporting 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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+ See chapter 19 for defined terms.