



29 October, 2010

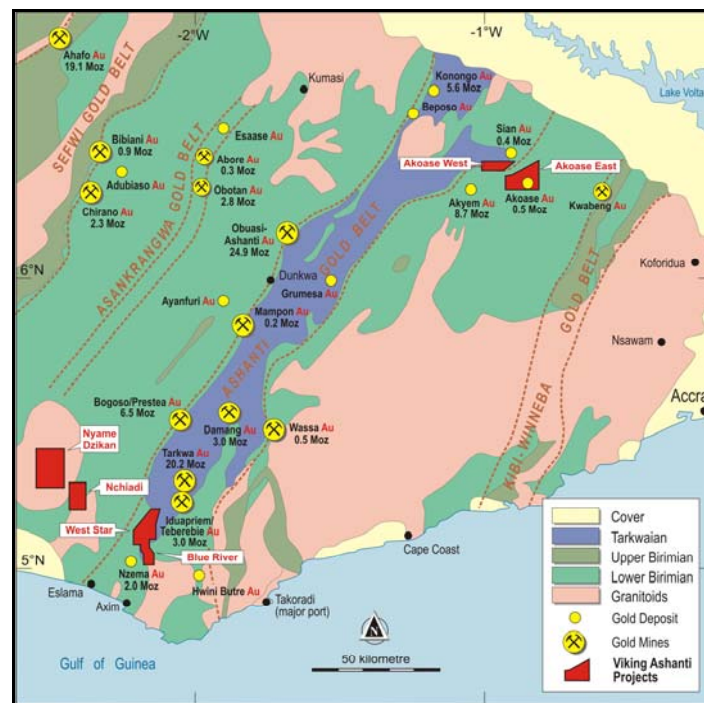
ASX Release

Viking Ashanti Limited (ASX: VKA)

Quarterly Report 30 September 2010

Highlights

- Diamond drilling program commenced on flagship Akoase East project, major resource expansion drilling program planned for next six months.
- Soil geochemical sampling program commenced at Akoase East, testing the north-eastern structural extensions of the Akoase East resource.
- Field office established at Akoase with all exploration support facilities.



Viking Ashanti Project Locations, Southern Ghana

Exploration

A ten hole diamond drilling program commenced at Akoase East in late August. This initial 1,500m program involves some infill drilling, but mainly extension drilling at depth, below the existing resource.

While some delays have been experienced due to wet weather and sample turnaround issues, drilling is progressing satisfactorily. The first diamond drill hole, AKD002 has intersected two mineralized zones, with the main zone returning 4.1m @ 3.80 g/t Au from 33.7m and 4.0m @ 0.89 g/t Au from 41.5m. A second, shallower zone returned 4.0m @ 1.85 g/t Au from 14.7m. Hole AKD002 was drilled adjacent to existing Resolute hole AKRC042, with the objective of increasing confidence in the Akoase East resource. The results demonstrate strong correlation of the alteration zones and the mineralized envelope, with some short range grade variability.

The initial ten hole Akoase East drilling program will now be expanded to continue through the dry season until April 2011, with a total of 2,000m of diamond and 8,000m of RC drilling planned, with the objective of increasing the existing 500,000 ounce resource. With the current high level of exploration activity in West Africa, the ongoing availability of suitable drilling equipment to execute planned programs remains challenging.

A first pass soil sampling program on a 400m x 50m spacing commenced at Akoase East during the quarter. The objective of this program is to systematically test the north-eastern strike extensions of the Akoase East resource to the northern licence boundary, which has been partially covered by historic broad spaced soil sampling. Anomalous zones will be followed up by infill sampling at 200m x 50m grid spacing, and is expected to provide more clearly defined drilling targets in previously untested areas. A total of 570 samples have been collected to date, covering 2.4 strike km of prospective structures.

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 will hold its Annual general Meeting at 3pm on 24 November at the Celtic Club, 48 Ord St., West Perth, Western Australia.

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.

Cash reserves at 30 September 2010 are \$6.98 million.

During the quarter Viking Ashanti established a field office in the village of Akoase in Ghana, to support the planned exploration programs on the Akoase project over the next 12 months. The office complex includes accommodation for field personnel, internet and mobile phone communication, sample logging, storage and processing facilities and a secure storage unit.

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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.

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")

30 September 2010

Consolidated statement of cash flows

	Current quarter \$A'000	Year to date (3 months) \$A'000
Cash flows related to operating activities		
1.1 Receipts from product sales and related debtors	-	-
1.2 Payments for		
(a) exploration and evaluation	(459)	(459)
(b) development	-	-
(c) production	-	-
(d) administration	(246)	(246)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	56	56
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	(649)	(649)
Cash flows related to investing activities		
1.8 Payment for purchases of:		
(a)prospects	-	-
(b)equity investments	-	-
(c) other fixed assets	(48)	(48)
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)	-	-
Net investing cash flows	(48)	(48)
1.13 Total operating and investing cash flows (carried forward)	(697)	(697)

+ See chapter 19 for defined terms.

Appendix 5B
Mining exploration entity quarterly report

1.13	Total operating and investing cash flows (brought forward)	(697)	(697)
	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 (provide details if material)	-	-
	Net financing cash flows	-	-
	Net increase (decrease) in cash held	(697)	(697)
1.20	Cash at beginning of quarter/year to date	7,671	7,671
1.21	Exchange rate adjustments to item 1.20	-	-
1.22	Cash at end of quarter	6,974	6,974

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	59
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

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

+ 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	900
4.2 Development	-
4.3 Production	-
4.4 Administration	250
Total	1,150

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	176	295
5.2 Deposits at call	6,798	7,376
5.3 Bank overdraft	-	-
5.4 Other (provide details)	-	-
Total: cash at end of quarter (item 1.22)	6,974	7,671

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 Preference securities <i>(description)</i>				
7.2 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions				
7.3 *Ordinary securities	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 *Convertible debt securities <i>(description)</i>				
7.6 Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted				
7.7 Options	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 4).
- 2 This statement does give a true and fair view of the matters disclosed.

Sign here:



Michael Langoulant
Company Secretary

Date: 28 October 2010

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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