

VIKING COMMENCES STEP OUT DRILLING TARGETING HIGH GRADE GOLD MINERALISATION

- 4 step out Diamond Holes commenced along First Hit structure.
- High grade gold shoot plunges modelled at First Hit.
- LiDAR imagery identifies extents of the historic prospectors' workings.
- 744m completed of ~1,580m Phase 2 programme.

Viking Mines Managing Director & CEO Julian Woodcock said "Observations made from the drill core collected in the Phase 1 Drill Programme gives us reason to believe that the limited historical drill testing under old prospectors workings along strike from the First Hit mine has been ineffective. Using this knowledge, Viking have planned and commenced four step out drill holes as part of the Phase 2 diamond drill programme >150m along strike of the known mineralisation at First Hit."

ANNOUNCEMENT DETAILS

Viking Mines Limited (ASX: VKA) ("Viking" or "the Company") is pleased to announce an update on the progress of the Phase 2 diamond programme and the design and commencement of step out drillholes as a result of new information gained from the Phase 1 drill programme. Observations made from the drill core collected in the Phase 1 drilling has improved the Company's understanding of the First Hit mineralisation. Using this information Viking have planned four drillholes stepping out to the North and South of the historical high grade First Hit mine to test the structure and association with historical prospectors' workings.

PHASE 2 DIAMOND PROGRAMME UPDATE

Programme Summary

The Phase 2 drill programme is well advanced with 744m and 3 holes completed (as of 18:00 on 25 May 2021) and logging and sampling is ongoing. Four additional holes have been planned to test step outs from the known mineralisation, bringing the Phase 2 programme to a total of ~1,580m and 6 holes. At the current rate of progress, drilling is expected to be completed by mid-June 2021, after which time the diamond rig will demobilise from site.

High Grade Shoot Observations

Two key observations have been made using both the historical and newly acquired drilling data. These observations support one another and have been used to confidently plan step out holes along strike from the known mineralisation at First Hit:

1. Plunging zones of high grade mineralisation within the First Hit system modelled from historical data (Figure 1).
2. The modelled high grade shoots occur at an inflection point in the foliation measured from Viking's diamond drill core (Figure 2).

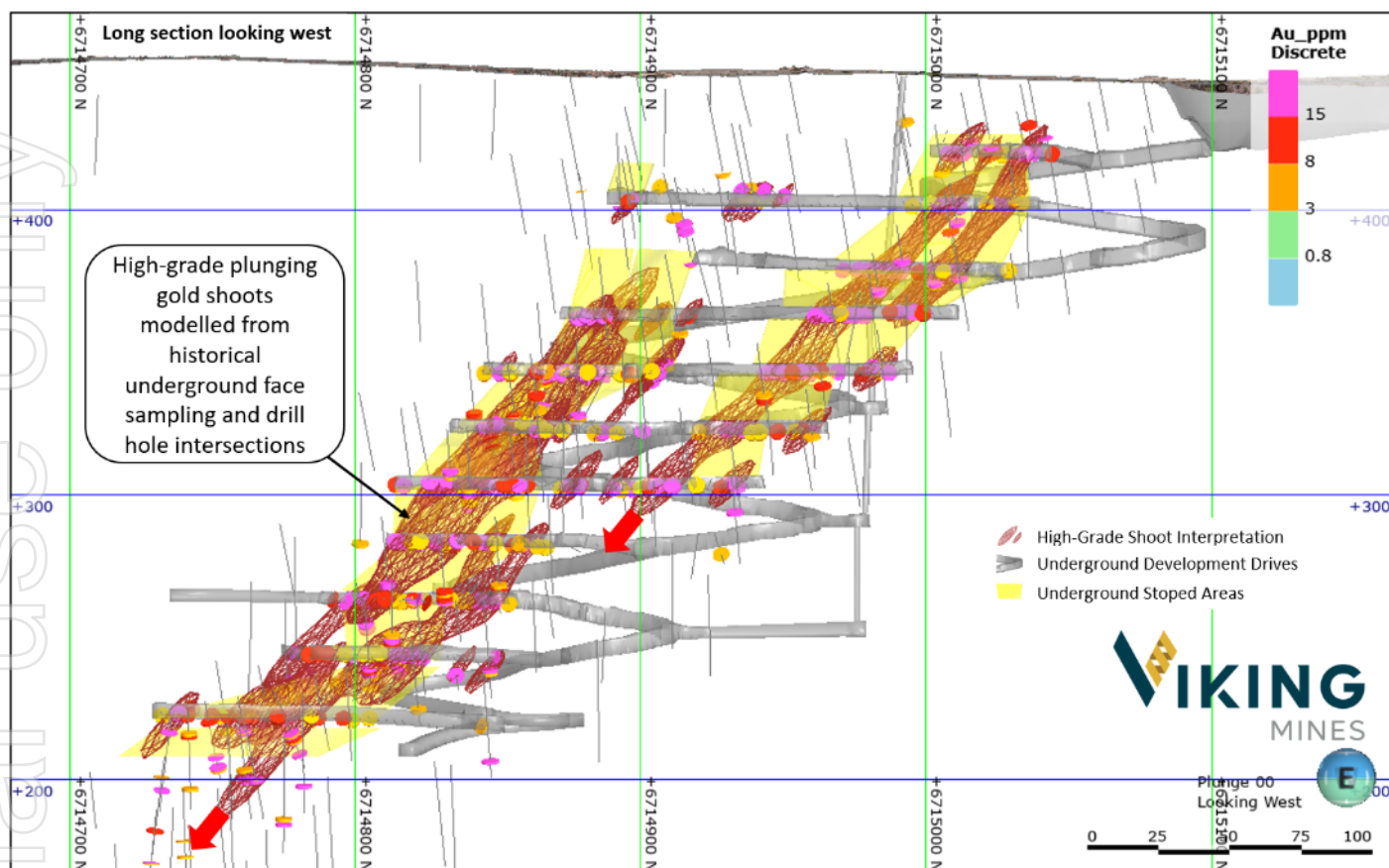


Figure 1; Modelled high grade plunging shoots from historical underground face sampling data and drill hole intersections trending $47^{\circ}/163^{\circ}$

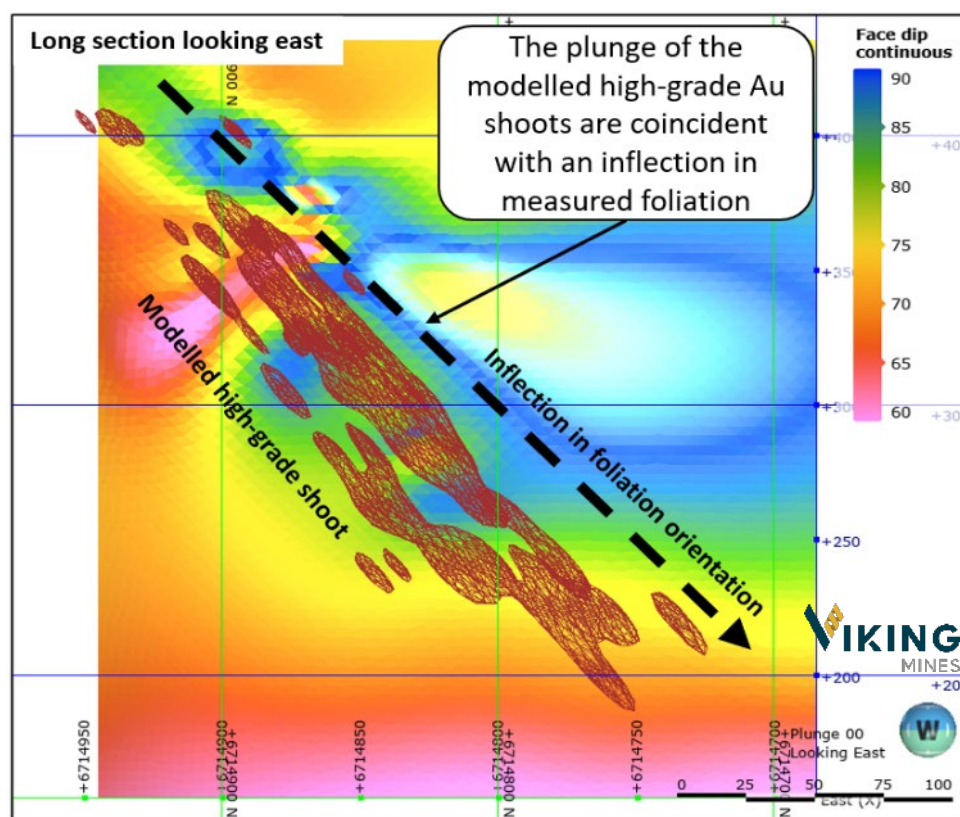


Figure 2; Long section looking East showing the orientation of the foliation measured from the Viking diamond drill core. In the blue area the foliation is near vertical. At the location of the high grade shoot, the foliation shallows by approximately 5-10 degrees.



This coincident relationship is an important observation only made possible through the use of diamond drilling allowing direct measurements from the diamond core collected. The significance of this observation is that it can be used to vector to potential new sites of mineralisation.

Prospectors' Workings

As part of Viking's strategy to identify new mineralised shoots in addition to First Hit, Field mapping and a review of the high resolution drone imagery and LiDAR data collected by Sensorem has been used to assess the historical prospectors' workings along the First hit structure. Multiple shafts have been noted, some of which demonstrate extensive excavations (Figure 3). LiDAR scanning of a few of the shafts has yielded surprising information on the extent of the workings (Figure 4). The lateral extent of some of the workings indicates that the prospectors were potentially following mineralisation.



Figure 3; Two adjacent prospectors shafts located ~225m south of the surface expression of the First hit mineralisation. Image A shows the shaft which was scanned using the LiDAR system shown in Figure 4.

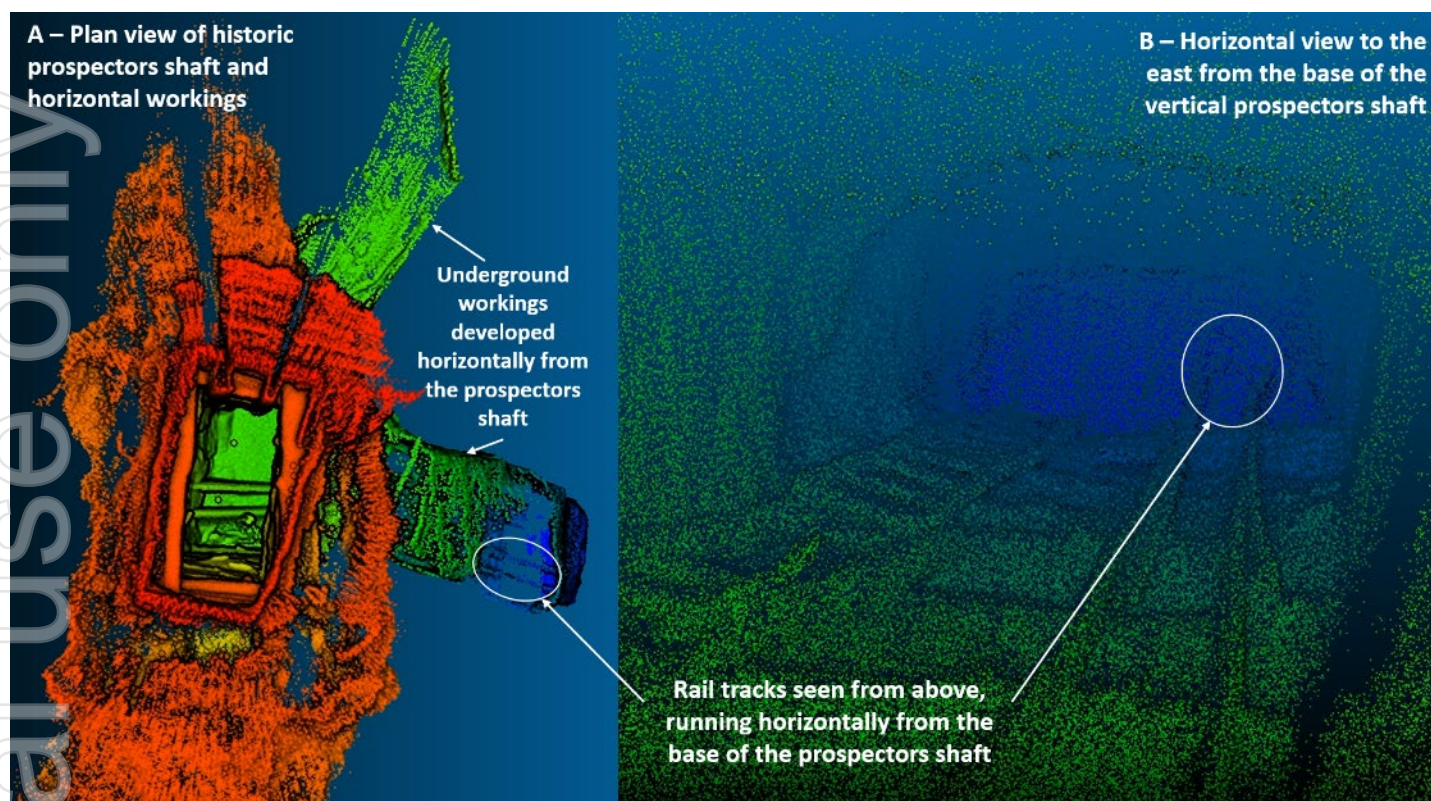


Figure 4; LiDAR scan of prospectors shaft shown in Figure 3. Image A shows a plan view of the 3D image and the horizontal workings extending from the base of the shaft. Image B is the view along the horizontal shaft to looking east. The extent of the workings is not known.

Step Out Drillholes

The identification of potential controls to the high grade shoots at First Hit, combined with the mapping of the prospectors' workings has been used to target step out diamond drilling (Figure 5). Historical RC drilling completed by Barra Resources has been assessed and determined to be ineffective by testing vertically below the shaft positions (Figure 6). In addition, no structural data has previously been collected and the new data will assist in the targeting for future drilling.

A series of shoots have been modelled from the historic prospectors workings to the North and South of First Hit and four (4) drill holes designed to test them, stepping out in excess of 150m and 300m from the current known mineralisation at First Hit.

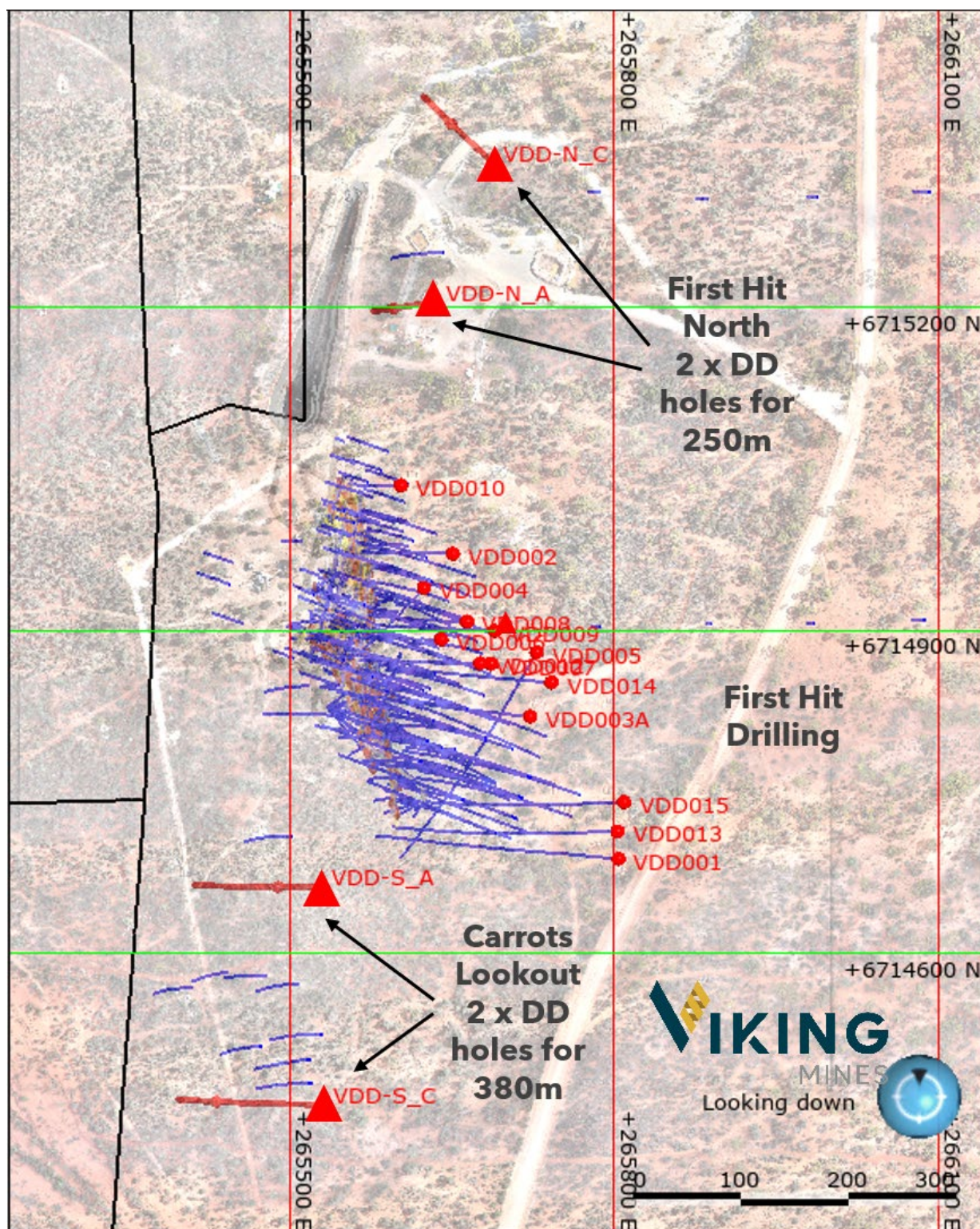


Figure 5; Plan view showing the location of the North and South step out drillholes located to test intercept points down plunge from prospectors workings.

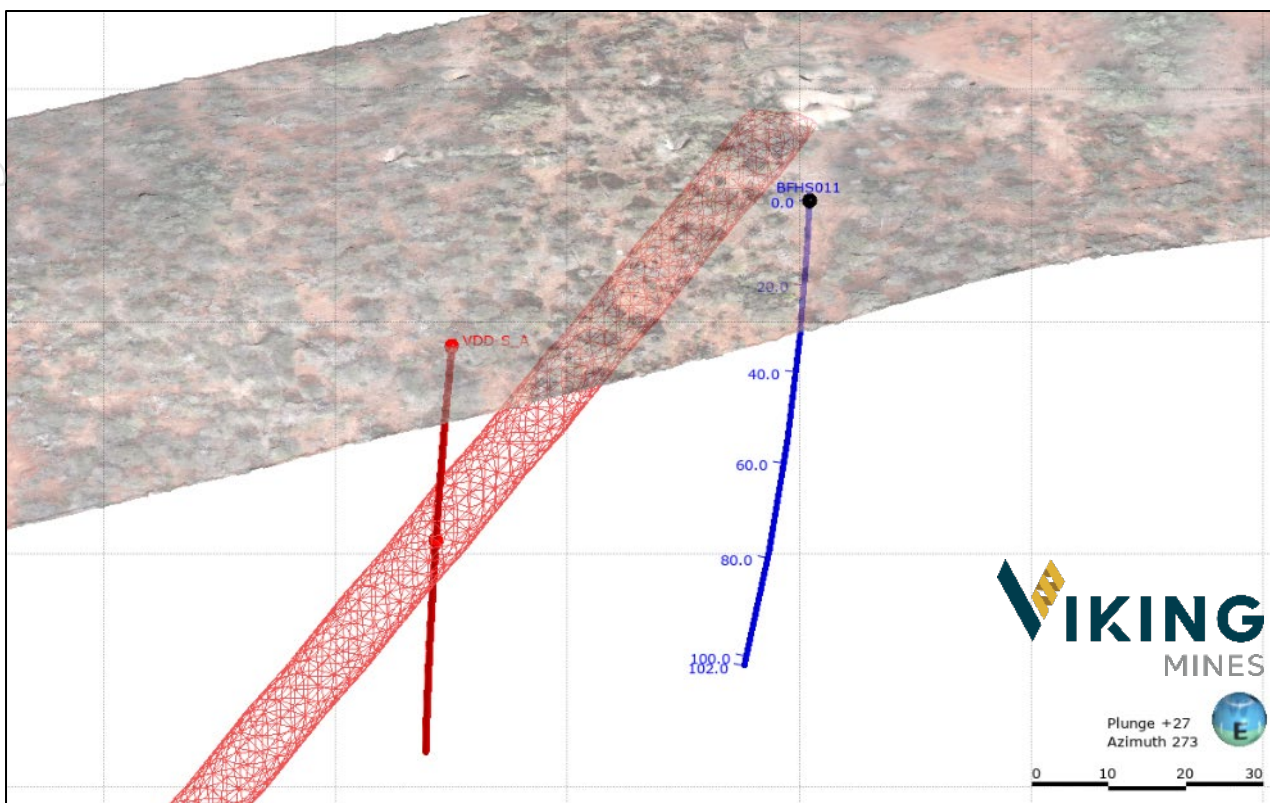


Figure 6: Isometric view looking West showing the prospectors shaft mapped in Figure 3 and Figure 4 and the overlaid modelled plunge trend observed at First Hit and the planned diamond drillhole. Note historic hole BFHS011 did not effectively test the shoot position underneath the old workings.

Next Steps

The following activity is ongoing as the next part of the Phase 2 diamond drill programme.

- The step out diamond holes have commenced and drilling will be monitored and holes completed to plan unless additional observations are made in the diamond core to extend the drillholes further.
- It is expected that drilling will be completed by mid-June at which time the drill rig will be demobilised from site.
- Logging and sampling of the remaining holes will be completed late June and samples sent to the laboratory for analysis.

This announcement has been authorised for release by the Board of the Company.

For further information, please contact:

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ABOUT VIKING MINES

Viking Mines is a gold focussed company with the **First Hit Project** located 150km NW of Kalgoorlie in Western Australia being the primary asset under exploration.

Viking have an aggressive exploration strategy to explore for high grade gold occurrences and discover ounces along fertile gold structures. The historically mined, First Hit gold mine is the focus of Vikings activity to deliver on this strategy. Rapid advancement and exploration are occurring to explore, discover and develop gold ounces at the Project. The strategy will generate shareholder value through the discovery of new gold resources.

First Hit Project, Western Australia

The **First Hit Project** is centred around the historic high-grade First Hit gold mine situated along the prospective Ida and Zuleika Shear zones in the Eastern Goldfields of Western Australia. The Project incorporates ~28km² of tenements with 6 active Mining and Prospecting licences and 1 Exploration licence under application. At the core of this landholding is a 6.4km² group of contiguous tenements which host the historic First Hit gold mine.

Prior to closure of the First Hit gold mine by Barra Resources in 2002 and at a time of depressed gold prices of US\$ 320/oz, the First Hit mine produced ~30koz ounces of gold at an average grade of ~7.7g/t Au. No modern exploration activity has been conducted in the past 18 years and creates a significant opportunity for Viking. The Company is focused on delivering exploration programmes to test near mine extensions and regional targets around the **First Hit Project** with the objective of defining fertile structures and discovering gold ounces.

Examples of the high-grade nature of the mineralisation previously drilled at First Hit include:

- 4.9m at 64.8g/t Au from 62.1m (FHU045)¹
- 3m at 77.6g/t Au from 224.0m (BFH030)¹
- 4m at 26.1g/t Au from 58.0m (BFH005)¹

The Project area is well serviced by infrastructure and is located 50km west of the sealed Goldfields highway and the township of Menzies. The nearest operating Gold Processing Plant is the Davyhurst Mill 50km to the south, owned and operated by Ora Banda Mining (ASX:OBM). The nearest operating gold mine is the Riverina open pit, located 8km south of the First Hit gold mine, owned by OBM.

The Company also has projects located in Ghana and Mongolia. Viking is currently undergoing legal proceedings to secure an outstanding payment of US\$ 5 million, associated with the sale of the Akoase project in Ghana.

Forward-Looking Statements

This document may include forward-looking statements. Forward-looking statements include, but are not limited to, statements concerning Viking Mines Limited's planned exploration program and other statements that are not historical facts. When used in this document, the 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 statements.



¹ASX announcement dated 26th November 2020