

VIKING MOVES TO 100% OWNERSHIP OF CANEGRASS PROJECT

- Viking to secure 100% ownership of the Canegrass Battery Minerals Project through the acquisition of Flinders Canegrass Pty Ltd.
- Completion of Stage 2 of the Farm-In Agreement increases the stake held via the Company's wholly owned subsidiary Viking Critical Minerals to 49%.
- Acquisition of Flinders Canegrass Pty Ltd secures the remaining 51% of the Canegrass Project.
- Viking to pay Red Hawk A\$175k, 33,333,333 shares and 15,000,000 options exercisable at 2c.
- Issued shares to be held in voluntary escrow, 50% for 3 months and 50% for 6 months.

Viking Mines Limited (ASX: VKA) ("Viking" or "the Company") is pleased to announce that it has negotiated a transaction to acquire Flinders Canegrass Pty Ltd, a subsidiary of Red Hawk Mining Limited (ASX:RHK) ("Red Hawk") (formerly Flinders Mines Limited) which increases the Company's ownership to 100% of the Canegrass Battery Minerals Project ("the Project" or "Canegrass"), located in the Murchison Region of Western Australia.

The Company's decision to acquire the remaining 51% of the project follows successful completion of Stage 2 of the Farm-In Agreement ("FIA").

STAGE 2 FIA HIGHLIGHTS

Viking has undertaken a rapid and aggressive period of activity during Stage 2 of the FIA, which has returned extremely positive results, exceeding the Company's expectations. Key achievements during Stage 2 of the FIA include:

- Completed a comprehensive 7,500m Reverse Circulation (RC) drill program, which returned widespread, thick, high-grade vanadium intersections, including:
 - VCRC0027¹: **42m at 0.74% V₂O₅** (>0.5%) from 79m, including **17m at 0.80% V₂O₅** (>0.8%) from 83m &
 - VCRC0021²: **40m at 0.75% V₂O₅** (>0.5%) from 202m, including: **27m at 0.83% V₂O₅** (>0.8%) from 203m
- Substantial increase to the Mineral Resource Estimate (MRE), totalling **146Mt at 0.70% V₂O₅, 31.8% Fe**, with a high-grade subset of **27.5Mt at 0.87% V₂O₅, 37.3% Fe**.³
- Completed a POS delivering an in pit MRE of **61Mt at 0.81% V₂O₅, 35.9% Fe**, confirming the substantial inherent value within the Project.⁴
- Metallurgical testwork continues to derisk the Project, with the delivery of a Vanadium Pentoxide flake, unlocking the pathway for vanadium production.⁵

¹ Viking Mines (ASX:VKA) ASX Announcement 4/09/23 - Viking Drills Massive Vanadium Zone With 42m at 0.74%V₂O₅

² Viking Mines (ASX:VKA) ASX Announcement 24/08/23 - Viking Hits High-Grade At Kinks - 40m At 0.75% V₂O₅ Updated

³ Viking Mines (ASX:VKA) ASX Announcement 20/11/23 - VKA Resource Update Delivers Over 100% Growth at Canegrass

⁴ Viking Mines (ASX:VKA) ASX Announcement 18/03/24 - VKA Delivers Successful Pit Optimisation 61Mt at 0.81% V₂O₅

⁵ Viking Mines (ASX:VKA) ASX Announcement 20/05/24 - Viking Produces Vanadium Pentoxide Flake from Canegrass



Viking Mines Managing Director & CEO Julian Woodcock said:

"The transaction which we have negotiated brings 100% of the Canegrass Battery Minerals Project under Vikings' direct ownership and control for the benefit of our shareholders.

"The Project has continuously exceeded our expectations as we have completed extensive technical advancements throughout Stage 1 and 2 of the Farm-In.

"Highlights include a substantial MRE upgrade, which in turn delivered a highly positive Pit Optimisation Study. This has reaffirmed the Company's belief that there is substantial inherent value within this exceptional Vanadium and Magnetite Project.

"Metallurgical testwork continues to derisk the Project with the delivery for the first time for the Project Vanadium Pentoxide (V₂O₅) flake, unlocking the pathway to a flowsheet for production. Additionally, testwork continues to examine the opportunity of producing concentrates of Cu, Ni, Co and Ti using various methods on both the magnetic concentrate and non-magnetic tail.

"The Company believes there is significant upside potential for the Canegrass Project, with the vanadium sector continuing to grow through the adoption of Vanadium Redox Flow Batteries (VRFB's) as critical long-term energy storage solution for the growing renewable energy sector."

TRANSACTION TERMS

The transaction negotiated sees Viking attain 100% ownership of the Project via the acquisition of Red Hawks subsidiary Flinders Canegrass Pty Ltd.

With the completion of Stage 2 of the FIA, the Project tenure is held across 2 entities, Viking Critical Minerals (49%) and Flinders Canegrass Pty Ltd (51%).

Flinders Canegrass Pty Ltd is being purchased by Viking via a binding Share Sale Agreement ("**SSA**") entered in to with Red Hawk for the consideration of:

- \$175,000 cash payment;
- 33,333,333 shares in Viking (50% held in voluntary escrow for 3 months and 50% for 6 months); and
- 15,000,000 options* exercisable at 2c with expiry 3 years from the date of issue.
*The terms and conditions of the options are included in a schedule to this announcement.

The new shares and options issued to Red Hawk will utilise the Company's existing placement capacity under Listing Rule 7.1 and will rank equally with existing VKA shares on issue. The issued shares will see Red Hawk become a top 20 shareholder with 3.15% of the increased capital in the Company.

-END-

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

Julian Woodcock
Managing Director and CEO
Viking Mines Limited

For further information, please contact:
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Competent Persons Statement - Mineral Resources

The information in this announcement that relates to the Mineral Resource estimate is derived from information compiled by Mr Dean O'Keefe, a Fellow of the Australasian Institute of Mining and Metallurgy (AusIMM, #112948), and Competent Person for this style of mineralisation. Mr O'Keefe is a consultant to Viking Mines Limited, and is employed by MEC Mining, an independent mining and exploration consultancy. Mr O'Keefe has sufficient experience relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as Competent Person as defined in the 2012 edition of the Australasian Code for the Reporting of Exploration Results, Mineral Resources, and Ore Reserves (JORC Code). The Company confirms that the form and context in which the results are presented and all material assumptions and technical parameters underpinning the estimates in the original market announcement continue to apply and have not materially changed from the original announcement and that the form and context in which the Competent Person's findings are presented have not been materially modified from the original announcement on 20 November 2023.



CANEGRASS BATTERY MINERALS PROJECT

The Canegrass Battery Minerals Project is located in the Murchison region, 620km north-east of Perth, Western Australia. It is accessed via sealed roads from the nearby township of Mt Magnet to within 22km of the existing Resources. The Project contains a large JORC (2012) Global Inferred Mineral Resource Estimate (MRE) of **146Mt at 0.70% V₂O₅, 31.8% Fe & 6.6% TiO₂ (>0.5% V₂O₅ cut-off)**, see ASX announcement 20 November 2023.

Viking completed a Pit Optimisation Study (POS) on the Canegrass Global MRE, which proved highly successfully delivering a large high-grade pit constrained MRE totalling **61Mt @ 0.81% V₂O₅ & 35.9% Fe**, see ASX Announcement 18 March 2024. The Fold Nose Deposit delivered the largest pit constrained resource totalling **39Mt @ 0.81% V₂O₅ & 36% Fe**, which the Company has opted to make a priority target for follow up work.

PIT OPTIMISATION STUDY RESULTS - BASE CASE SCENARIO

The optimisation generates pits on each of the three deposits at Fold Nose, Kinks and Kinks South with a breakdown provided in the Table below.

Base Case Canegrass Project MRE broken out by deposit and reported within pit constrained mineral resources. Results are reported to JORC (2012) guidelines and are in-situ tonnage and grades

Deposit	Cut-off % V ₂ O ₅	JORC (2012) Classification	Tonnage (Mt)	V ₂ O ₅ %	Fe %	Cu %	Ni %	Co %	TiO ₂ %
Fold Nose	0.7	Inferred	39.0	0.81	36.0	0.068	0.070	0.018	7.6
Kinks	0.7	Inferred	15.9	0.77	35.5	0.080	0.080	0.018	7.4
Kinks South	0.7	Inferred	6.3	0.85	36.7	0.074	0.074	0.018	7.8
Total	0.7	Inferred	61.2	0.81	35.9	0.071	0.069	0.018	7.6

VIKING MINES FARM-IN AGREEMENT

Viking, via its wholly owned subsidiary, Viking Critical Minerals Pty Ltd, commenced with a Farm-In arrangement (FIA) with Red Hawk Mining Ltd (formerly Flinders Mines Ltd) (ASX:RHK) on 28 November 2022 to acquire an equity interest in the Canegrass Battery Minerals Project. Through the terms of the Farm-In, Viking can acquire up to 99% of the Project through completion of 4 stages via a combination of exploration expenditure of \$4M and staged payments totalling \$1.25M over a maximum period of 54 months. As of July 2024, Viking has acquired 49% of the Project through the FIA.

The acquisition of Flinders Canegrass Pty Ltd sees Viking attaining 100% ownership of the Project.

The Project has a legacy 2% Net Smelter Royalty over the project from when Red Hawk Mining acquired it from Maximus Resources in 2009.

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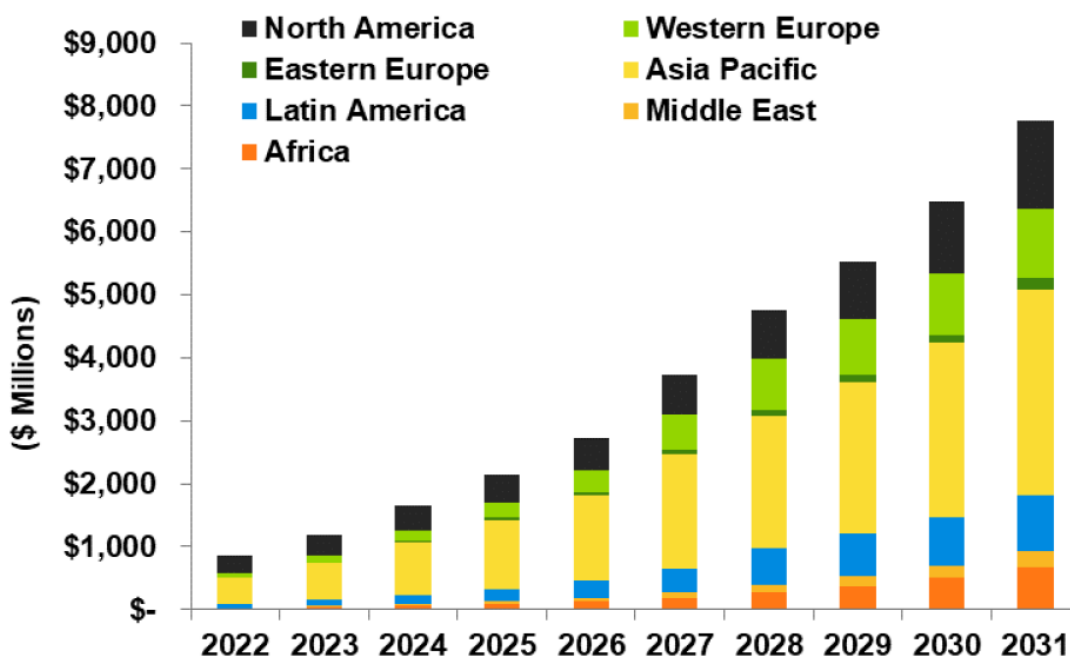


VANADIUM REDOX FLOW BATTERIES - GREEN ENERGY FUTURE

Viking Mines recognise the significant importance of Vanadium in decarbonisation through the growth of the Vanadium Redox Flow Battery (“VRFB’s”) sector.

VRFB’s are a developing market as an alternate solution to lithium-ion (“Li-ion”) in specific large energy storage applications. Guidehouse Insights Market Intelligence White Paperⁱ published in 2Q 2022 forecasts the VRFB sector to grow >900% by 2031 through the installation of large, fixed storage facilities (Figure 1).

Annual Installed VRFB Utility-Scale and Commercial and Industrial Deployment Revenue by Region, All Application Segments, World Markets: 2022-2031



(Source: Guidehouse Insights)

Figure 1; Forecast growth of the VRFB Sector through to 2031 (source – Guidehouse Insightsⁱ)

The reason for this forecast growth is that VRFB’s have unique qualities and advantages over Li-ion in the large energy storage sector to complement renewable energy sources to store the energy produced. They are durable, maintain a long lifespan with near unlimited charge/discharge cycles, have low operating costs, safe operation (no fire risk) and have a low environmental impact in both manufacturing and recycling. The Vanadium electrolyte used in these batteries is fully recyclable at the end of the battery’s life.

Importantly, and unlike Li-ion, the battery storage capacity is only limited by the size of the electrolyte storage tanks. This means that with a VRFB installation, increasing energy storage capacity is only a matter of adding in additional electrolyte (via the installation of additional electrolyte storage tanks) without needing to expand the core system components. Increasing the energy storage directly reduces the levelized cost per kWh over the installation’s lifetime. This is not an option with Li-ion batteries.

It is for these reasons that VRFB’s are an ideal fit for many storage applications requiring longer duration discharge and more than 20 years of operation with minimal maintenance.

i) Guidehouse Insights White Paper Vanadium redox Flow Batteries Identifying Market Opportunities and Enablers Published 2Q 2022 https://vanitec.org/images/uploads/Guidehouse_Insights-Vanadium_Redox_Flow_Batteries.pdf

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SCHEDULE 1 - Consideration Option Terms

1. (**Entitlement**): Each Consideration Option entitles the holder to subscribe for one Viking Share upon exercise of the Consideration Option.
2. (**Expiry Date**): Each Consideration Option will expire at 17:00 WST on 3 years from the date of issue (**Expiry Date**). A Consideration Option not exercised before the Expiry Date will automatically lapse on the Expiry Date.
3. (**Exercise Period**): The Consideration Options are exercisable at any time prior to the Expiry Date.
4. (**Exercise Price**): The Consideration Options are exercisable at \$0.02 each (**Exercise Price**).
5. (**Quotation of the Consideration Options**): The Consideration Options will not be quoted and Viking will not apply for quotation of the Consideration Options on any securities exchange.
6. (**Transferability**): The Consideration Options are not transferable, except with the prior written approval of Viking at its sole discretion and subject to compliance with the Corporations Act and Listing Rules.
7. (**Notice of Exercise**): The Consideration Options held by the holder may be exercised in whole or in part. A Consideration Option may be exercised by notice in writing to Viking in the manner specified on the Option certificate specifying the number of Consideration Options being exercised (**Notice of Exercise**) and payment of the aggregate Exercise Price for the number of Consideration Options being exercised in Australian currency by electronic funds transfer or other means of payment acceptable to Viking.

Any Notice of Exercise of a Consideration Option received by Viking will only be effective on and from the later of the date of receipt of the Notice of Exercise and the date of receipt of the payment of the Exercise Price for each Consideration Option being exercised in cleared funds (**Exercise Date**).

8. (**Timing of issue of Shares on exercise**): Within five Business Days after the Exercise Date Viking will, subject to paragraph 11:
 - a) allot and issue the number of Viking Shares required under these terms and conditions in respect of the number of Consideration Options specified in the Notice of Exercise and for which cleared funds have been received by Viking; and
 - b) subject to paragraph 9, give ASX a notice that complies with section 708A(5)(e) of the Corporations Act, with such notice to comply with section 708A(6) of the Corporations Act; and
 - c) if admitted to the official list of ASX at the time, apply for official quotation on ASX of Viking Shares issued pursuant to the exercise of the Consideration Options.
9. (**Restrictions on transfer of Shares**): If Viking is unable to give ASX a notice that complies with section 708A(5)(e) of the Corporations Act, or such a notice for any reason is not effective to ensure that an offer for sale of the Viking Shares does not require disclosure to investors, then Viking must, no later than 20 Business Days after the Exercise Date, lodge with ASIC a prospectus prepared in accordance with the Corporations Act and do all such things necessary to satisfy section 708A(11) of the Corporations Act to ensure that an offer for sale of the Viking Shares forming part of the Viking Shares issued on exercise of the Consideration Options by the holder after the Exercise Date does not require disclosure to investors.
10. (**Shares issued on exercise**): Viking Shares issued on exercise of the Consideration Options will upon allotment, rank, from the date of allotment, equally in all respects with the then issued shares of Viking.



11. **(Takeovers prohibition):**
- a) the issue of Viking Shares on exercise of the Consideration Options is subject to and conditional upon the issue of the relevant Viking Shares not resulting in any person being in breach of section 606(1) of the Corporations Act; and
 - b) Viking will not be required to seek the approval of its members for the purposes of item 7 of section 611 of the Corporations Act to permit the issue of any Viking Shares on exercise of the Consideration Options.
12. **(Reconstruction of capital):** If at any time the issued capital of Viking is reconstructed, all rights of an Option holder are to be changed in a manner consistent with the Corporations Act and the Listing Rules at the time of the reconstruction.
13. **(Participation in new issues):** There are no participation rights or entitlements inherent in the Consideration Options and holders will not be entitled to participate in new issues of capital offered to Viking Shareholders during the currency of the Consideration Options without exercising the Consideration Options.
14. **(Entitlement to dividends):** The Consideration Options do not confer any entitlement to a dividend, whether fixed or at the discretion of the directors, during the currency of the Consideration Options without exercising the Consideration Options.
15. **(Entitlement to capital return):** The Consideration Options do not confer any right to a return of capital, whether in a winding up, upon a reduction of capital or otherwise, and similarly do not confer any right to participate in the surplus profit or assets of Viking upon a winding up, in each case, during the currency of the Consideration Options without exercising the Consideration Options.
16. **(Adjustments for reorganisation):** If there is any reorganisation of the issued share capital of Viking, the rights of the Option holder will be varied in accordance with the Listing Rules.
17. **(Change in exercise price):** There will be no change to the Exercise Price of the Consideration Options or the number of Viking Shares over which the Consideration Options are exercisable in the event of Viking making a pro-rata issue of Viking Shares or other securities to the holders of Viking Shares in Viking (other than a bonus issue).
18. **(Adjustment for bonus issues of Shares):** If Viking makes a bonus issue of Viking Shares or other securities to existing Viking Shareholders (other than an issue in lieu or in satisfaction of dividends or by way of dividend reinvestment):
- a) the number of Viking Shares which must be issued on the exercise of a Consideration Option will be increased by the number of Viking Shares which the Option holder would have received if the Option holder had exercised the Consideration Option before the record date for the bonus issue; and
 - b) no change will be made to the Exercise Price.
19. **(Voting rights):** The Consideration Options do not confer any right to vote at meetings of members of Viking, except as required by law, during the currency of the Consideration Options without first exercising the Consideration Options.
20. **(Constitution)** Upon the issue of the Viking Shares on exercise of the Consideration Options, the holder will be bound by Viking's Constitution.

