

2 May 2019

Responses to ASX regarding Appendix 5B Queries

Soon Mining Limited ("SMG") had received an enquiry letter from ASX on 1 May 2019 regarding information disclosed in the Appendix 5B lodged on the ASX Market Announcements Platform on 30 April 2019.

The Board of Directors had reviewed the questions posed by ASX and our responses are as follows:

1. Does SMG expect that it will continue to have negative operating cash flows for the time being and, if not, why not?

SMG response: SMG does expect to have a small negative operating cash flows for a short period of time until we receive funding either through shareholders' loan, Loan Note or investments from external sources. Once SMG commences with its mining activity, it will be able to turnaround and generate positive cash flows very shortly.

2. Has SMG taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?

SMG response: SMG had already issued Loan Note to current and prospective investors and the Company had also seek funding from existing investors in the form of a shareholder loan. One of the Directors has also been actively in the market seeking partnership or investment from related industry organisations to assist SMG in meeting its short time working capital needs. SMG is under the impression that discussions with potential investors are reaching its final stages and that funds will be injected into the Company within a short period of time.

3. Does SMG expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?

SMG response: SMG strongly believes that it will be able to continue its operations and to meet its business objectives. This can be evident through our constant efforts in Ghana, West Africa, and the recent market releases. For example, once the Company has received its short term funding, it will be able to immediately commence its production of gold with the Joint Venture (JV) project as the commissioning of machinery has already been completed.

In addition, through the Company's constant efforts with its own project (Kwahu Praso), the progress of EPA has finally come to the final stages of signing the corporate social responsibility agreement with the local community. We will be able to receive the final approval to mine once the next phase of Environmental Impact Assessment (EIA) and public hearing are completed. All the above activities could happen once the required funding is received which we believe will come in shortly.

The main focus now will be to seek funding and commence the JV project initially as this will allow us to generate positive cash flows in a short amount of time while continuing with the progress of the EPA approval.

4. Please confirm that SMG is complying with Listing Rule 3.1 and that there is no information about its financial condition that should be given to ASX in accordance with that rule that has not already been released to the market.

SMG response: SMG confirms that it is complying with Listing Rule 3.1 and that all relevant information relating to its financial condition have been released to the market accordingly.

5. Please confirm that SMG's responses to the questions above have been authorised and approved under its published continuous disclosure policy or otherwise by its board or an officer of SMG with delegated authority from the board to respond to ASX on disclosure matters.

SMG response: SMG confirms the release of this letter has been discussed by the Board and approved.

It has been a very rough journey for the company and the board since our listing on ASX as we overcome the many hurdles in Ghana, West Africa, due to unforeseen circumstances which includes Government changes and new legislations. However, SMG is currently progressing well into its project as well as other adhoc projects within the region and confident that we will be able to generate a positive cash flow soon.

ENDS

Ching-Tiem Huang

Managing Director



1 May 2019

Mr Jeremiah Thum
Company Secretary
Soon Mining Limited
Level 1, Suite 1a
33 Queen Street
Brisbane QLD 4000

By email:

Dear Mr Thum

Soon Mining Limited ('SMG'): Appendix 5B Query

ASX refers to SMG's Appendix 5B quarterly report for the period ended 31 March 2019 lodged with ASX Market Announcements Platform on 30 April 2019 (the 'Appendix 5B').

ASX notes that SMG has reported:

- negative net operating cash flows for the quarter of \$79000;
- cash at the end of the quarter of \$50000; and
- estimated cash outflows for the next quarter of \$40000.

It is possible to conclude, based on the information in the Appendix 5B that if SMG were to continue to expend cash at the rate indicated by the Appendix 5B, SMG may not have sufficient cash to continue funding its operations.

In view of that, ASX asks SMG to respond separately to each of the following questions and requests for information:

1. Does SMG expect that it will continue to have negative operating cash flows for the time being and, if not, why not?
2. Has SMG taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?
3. Does SMG expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?
4. Please confirm that SMG is complying with Listing Rule 3.1 and that there is no information about its financial condition that should be given to ASX in accordance with that rule that has not already been released to the market.
5. Please confirm that SMG's responses to the questions above have been authorised and approved under its published continuous disclosure policy or otherwise by its board or an officer of SMG with delegated authority from the board to respond to ASX on disclosure matters.

When and where to send your response

This request is made under Listing Rule 18.7. Your response is required as soon as reasonably possible and, in any event, by no later than **4:00 PM AEST Friday, 3 May 2019**. If we do not have your response by then, ASX will have no choice but to consider suspending trading in SMG's securities under Listing Rule 17.3. You should note that if the information requested by this letter is information required to be given to ASX under Listing Rule 3.1 and it does not fall within the exceptions mentioned in Listing Rule 3.1A, SMG's obligation is to

disclose the information “immediately”. This may require the information to be disclosed before the deadline set out in the previous paragraph.

ASX reserves the right to release a copy of this letter and your response on the ASX Market Announcements Platform under Listing Rule 18.7A. Accordingly, your response should be in a form suitable for release to the market.

Your response should be sent to me by e-mail at ListingsComplianceSydney@asx.com.au. It should not be sent directly to the ASX Market Announcements Office. This is to allow me to review your response to confirm that it is in a form appropriate for release to the market, before it is published on the ASX Market Announcements Platform.

Listing Rule 3.1 and Listing Rule 3.1A

Listing Rule 3.1 requires a listed entity to give ASX immediately any information concerning it that a reasonable person would expect to have a material effect on the price or value of the entity’s securities. Exceptions to this requirement are set out in Listing Rule 3.1A. In responding to this letter, you should have regard to SMG’s obligations under Listing Rules 3.1 and 3.1A and also to Guidance Note 8 *Continuous Disclosure: Listing Rules 3.1 – 3.1B*. It should be noted that SMG’s obligation to disclose information under Listing Rule 3.1 is not confined to, nor is it necessarily satisfied by, answering the questions set out in this letter.

Trading halt

If you are unable to respond to this letter by the time specified above, you should discuss with us whether it is appropriate to request a trading halt in SMG’s securities under Listing Rule 17.1. If you wish to request a trading halt, you must tell us:

- the reasons for the trading halt;
- how long you want the trading halt to last;
- the event you expect to happen that will end the trading halt;
- that you are not aware of any reason why the trading halt should not be granted; and
- any other information necessary to inform the market about the trading halt, or that we ask for.

We may require the request for a trading halt to be in writing. The trading halt cannot extend past the commencement of normal trading on the second day after the day on which it is granted.

You can find further information about trading halts in Guidance Note 16 *Trading Halts & Voluntary Suspensions*.

Enquiries

If you have any queries or concerns about any of the above, please contact me immediately.

Kind regards



Alex Sutton

Listings Adviser - Geology, Listings Compliance (Sydney)