SOON MINING LIMITED (ASX: SMG)

Konongo Joint Venture Agreement Executed

Soon Mining Limited ("Soon") is pleased to announce that Soon Mining Ghana ("SMC") has entered into an initial 3-year mining right agreement on the 11th of February 2017 under a joint venture for alluvial gold in the Konongo Project through a Ghanaian consulting company, Tecdrill Company Limited. SMC has the right to mine and process gold freely within the designated area and SMC will retain 85% of gold production. The entry cost for SMG was negligible. The JV will have a positive impact on SMG's cash flow. Over the first year of production approximately US$725,000 of free cash is expected to be generated. The agreement, subject to the performance of the mining programme, may be reviewed and the current 50 acres mine site may be expanded.

The Konongo Project is located at Konongo in the Asante Akim Central of the Ashanti Region of the Republic of Ghana, with similar geographical location and geological conditions to Soon's Kwahu Praso Project. Both Projects are on the world-class Ashanti Gold Belt. The Konongo Project is fully permitted with the mining lease valid until 2023.

The main purpose of the Joint Venture is to derive revenue while waiting for the grant of the EPA permit for Soon's Kwahu Praso Project. The Company's machinery and equipment will initially be assembled, tested and production will then commence on the Konongo Project. This will also provide an opportunity to fine-tune the machinery for local mining operations and familiarize operators. Once the Kwahu Praso Project obtains the EPA permit, the machinery and equipment will move to Kawhu Praso and gold production from that project will follow soon afterwards. Machinery and equipment will be leased separately for use on Konongo Project joint venture so that production can continue uninterrupted.

ENDS
Ching-Tiem Huang
Managing Director