

Soon Mining Limited
Appendix 4D
Half-year report

1. Company details

Name of entity:	Soon Mining Limited
ABN:	45 603 637 083
Reporting period:	For the half-year ended 30 June 2016
Previous period:	For the half-year ended 30 June 2015

2. Results for announcement to the market

			\$
Revenues from ordinary activities	up	4,649% to	4,649
Loss from ordinary activities after tax attributable to the owners of Soon Mining Limited	up	1,465% to	981,311
Loss for the half-year attributable to the owners of Soon Mining Limited	up	1,465% to	981,311

The directors do not recommend the payment of a dividend. No dividend was paid during the period.

3. Net tangible assets

	Reporting period Cents	Previous period Cents
Net tangible assets per ordinary security	2.30	(46,886,833.33)

4. Control gained over entities

On 18 March 2016, Ocean Blue International Ltd's original shareholders obtained a majority share interest in Soon Mining Limited after a reverse acquisition transaction.

This transaction did not meet the definition of a business combination in AASB 3 *Business Combinations* as the net assets that existed within Soon Mining Limited as at the date of acquisition did not represent a 'business' (as defined by AASB 3). The transaction has therefore been accounted for in the consolidated financial statements by reference to the accounting requirements of AASB 2 *Share-based payment* and AASB 3, as a deemed issue of shares which is, in effect, a share-based payment transaction whereby Ocean Blue International Ltd original shareholders have acquired the net assets of Soon Mining Limited, together with the listing status of Soon Mining Limited.

The consolidated financial statements represent a continuation of the financial statements of Ocean Blue International Ltd.

5. Attachments

Details of attachments (if any):

The Interim Report of Soon Mining Limited for the half-year ended 30 June 2016 is attached.

6. Signed



Ching-Tiem Huang
Managing Director

12 September 2016
Brisbane QLD

Soon Mining Limited

ABN 45 603 637 083

Interim Report - 30 June 2016

Soon Mining Limited
Directors' report
30 June 2016

The directors present their report, together with the financial statements, on the consolidated entity (referred to hereafter as the 'consolidated entity') consisting of Soon Mining Limited (referred to hereafter as the 'company' or 'parent entity') and the entities it controlled at the end of, or during, the half-year ended 30 June 2016.

Directors

The following persons were directors of Soon Mining Limited during the whole of the financial half-year and up to the date of this report, unless otherwise stated:

Ching-Tiem Huang
Ching-Ling Chi
Jeremiah Thum (non-executive)
Garry Edwards (non-executive) (appointed 16 March 2016)

Principal activities

During the financial period the principal activities of the company consisted of mining and related activities, including exploration, and preparation of mine site.

Review of operations

The loss for the consolidated entity after providing for income tax amounted to \$981,311 (30 June 2015 loss: \$62,689).

The net assets of the consolidated group as at 30 June 2016 amount to \$3,986,750. These net assets are predominately made up of cash and cash equivalents and capitalised exploration costs.

Significant changes in the state of affairs

On 18 March 2016, Soon Mining Limited acquired 100% of the issued capital of Ocean Blue International Ltd (OBI) and its controlled entity, Soon Mining Company Limited (Soon Mining Ghana), a company incorporated in Ghana whose primary purpose is to develop and mine the Kwahu Praso Gold Concession in the eastern region of Ghana. The project is 100% owned by Soon Mining Ghana.

On the same date, 18 March 2016, Soon Mining Limited was listed on the ASX under the code SMG and issued 22,557,000 shares which raised \$4,515,400 of capital before costs.

Auditor's independence declaration

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out immediately after this directors' report.

This report is made in accordance with a resolution of directors, pursuant to section 306(3)(a) of the Corporations Act 2001.

On behalf of the directors



Ching-Tiem Huang
Managing Director

12 September 2016
Brisbane QLD

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AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the review of the financial report of Soon Mining Limited for the half year ended 30 June 2016, I declare that, to the best of my knowledge and belief, there have been no contraventions of:

- (i) the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
- (ii) any applicable code of professional conduct in relation to the review.


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Albert Loots
Partner

Brisbane, Queensland
Dated: 12 September 2016

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General information

The financial statements cover Soon Mining Limited as a consolidated entity consisting of Soon Mining Limited and the entities it controlled at the end of, or during, the half-year. The financial statements are presented in Australian dollars, which is Soon Mining Limited's functional and presentation currency.

Soon Mining Limited is a listed public company limited by shares, incorporated and domiciled in Australia. Its registered office and principal place of business are:

Registered office

Unit 10B
8 Metroplex Avenue
Murarrie
QLD 4172

Principal place of business

Unit 10B
8 Metroplex Avenue
Murarrie
QLD 4172

A description of the nature of the consolidated entity's operations and its principal activities are included in the directors' report, which is not part of the financial statements.

The financial statements were authorised for issue, in accordance with a resolution of directors, on 12 September 2016.

Soon Mining Limited
Statement of profit or loss and other comprehensive income
For the half-year ended 30 June 2016

	Consolidated	
	30 Jun 2016	30 Jun 2015
Note	\$	\$
Revenue	4,649	-
Expenses		
Employee benefits expense	(9,917)	(11,929)
Depreciation and amortisation expense	(9,871)	(22,694)
Listing expenses	(635,631)	-
Other expenses	(330,541)	(28,066)
Loss before income tax expense	(981,311)	(62,689)
Income tax expense	-	-
Loss after income tax expense for the half-year	(981,311)	(62,689)
Other comprehensive income		
<i>Items that may be reclassified subsequently to profit or loss</i>		
Foreign currency translation	(66,566)	-
Other comprehensive income for the half-year, net of tax	(66,566)	-
Total comprehensive loss for the half-year	<u>(1,047,877)</u>	<u>(62,689)</u>
	Cents	Cents
Basic and diluted loss per share	(0.7)	(2,089,633.3)

The above statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes

Soon Mining Limited
Statement of financial position
As at 30 June 2016

		Consolidated	
	Note	30 Jun 2016	31 Dec 2015
		\$	\$
Assets			
Current assets			
Cash and cash equivalents		3,733,485	6,513
Trade and other receivables		207,887	35,179
Total current assets		3,941,372	41,692
Non-current assets			
Property, plant and equipment		10,251	20,333
Exploration and evaluation assets	3	379,175	371,014
Total non-current assets		389,426	391,347
Total assets		4,330,798	433,039
Liabilities			
Current liabilities			
Trade and other payables		249,307	194,256
Borrowings		94,741	1,274,374
Total current liabilities		344,048	1,468,630
Total liabilities		344,048	1,468,630
Net assets/(liabilities)		3,986,750	(1,035,591)
Equity			
Issued capital	4	6,119,006	66,599
Reserves		(48,755)	-
Retained earnings		(2,083,501)	(1,102,190)
Total equity		3,986,750	(1,035,591)

The above statement of financial position should be read in conjunction with the accompanying notes

Soon Mining Limited
Statement of changes in equity
For the half-year ended 30 June 2016

	Issued Capital \$	Reserves \$	Retained Earnings \$	Total Equity \$
Consolidated				
Balance at 1 January 2015	58,749	-	(913,089)	(854,340)
Profit after income tax expense for the half-year	-	-	(62,689)	(62,689)
Other comprehensive income for the half-year, net of tax	-	-	-	-
Total comprehensive income for the half-year	-	-	(62,689)	(62,689)
<i>Transactions with owners in their capacity as owners:</i>				
Issue of share capital net of transaction cost	-	-	-	-
Balance at 30 June 2015	<u>58,749</u>	<u>-</u>	<u>(917,029)</u>	<u>(917,029)</u>
	Issued Capital \$	Reserves \$	Retained Earnings \$	Total Equity \$
Consolidated				
Balance at 1 January 2016	66,599	-	(1,102,190)	(1,035,591)
Profit after income tax expense for the half-year	-	-	(981,311)	(981,311)
Other comprehensive income for the half-year, net of tax	-	(48,755)	-	(48,755)
Total comprehensive income for the half-year	-	(48,755)	(981,311)	(1,030,066)
<i>Transactions with owners in their capacity as owners:</i>				
Issue of share capital net of transaction cost	6,052,407	-	-	6,052,407
Balance at 30 June 2016	<u>6,119,006</u>	<u>(48,755)</u>	<u>(2,083,501)</u>	<u>3,986,750</u>

The above statement of changes in equity should be read in conjunction with the accompanying notes

Soon Mining Limited
Statement of cash flows
For the half-year ended 30 June 2016

	Consolidated	
Note	30 Jun 2016	30 Jun 2015
	\$	\$
Cash flows from operating activities		
Interest received	4,649	-
Payments to suppliers and employees	(528,735)	(31,005)
Net cash from operating activities	(524,086)	(31,005)
Cash flows from investing activities		
Payments for exploration and evaluation assets	(14,156)	-
Payments for deposits	-	(8,887)
Net cash used in investing activities	(14,156)	(8,887)
Cash flows from financing activities		
Proceeds from issue of shares	4,142,030	
Proceeds from related parties	15,605	57,529
Repayment of borrowings	(5,000)	-
Net cash used in financing activities	4,152,635	57,529
Net increase/(decrease) in cash and cash equivalents	3,614,393	17,637
Cash and cash equivalents obtained on acquisition of Ocean Blue International Ltd	162,102	-
Foreign Exchange	(49,523)	
Cash and cash equivalents at the beginning of the financial half-year	6,513	1,280
Cash and cash equivalents at the end of the financial half-year	<u>3,733,485</u>	<u>18,917</u>

The above statement of cash flows should be read in conjunction with the accompanying notes

Note 1. Significant accounting policies

These general purpose financial statements for the interim half-year reporting period ended 30 June 2016 have been prepared in accordance with Australian Accounting Standard AASB 134 'Interim Financial Reporting' and the Corporations Act 2001, as appropriate for for-profit entities. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 'Interim Financial Reporting'.

These general purpose financial statements do not include all the notes of the type normally included in annual financial statements. Accordingly, these financial statements are to be read in conjunction with the annual report for the year ended 31 December 2015 and any public announcements made by the company during the interim reporting period in accordance with the continuous disclosure requirements of the Corporations Act 2001.

The principal accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period, unless otherwise stated.

New, revised or amending Accounting Standards and Interpretations adopted

The consolidated entity has adopted all of the new, revised or amending Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

Any new, revised or amending Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

Note 2. Reverse acquisition accounting

On 18 March 2016, Ocean Blue International Ltd original shareholders obtained a majority share interest in Soon Mining Limited after a reverse acquisition transaction.

This transaction did not meet the definition of a business combination in AASB 3 *Business Combinations* as the net assets that existed within Soon Mining Limited as at the date of acquisition did not represent a 'business' (as defined by AASB 3). The transaction has therefore been accounted for in the consolidated financial statements by reference to the accounting requirements of AASB 2 *Share-based payment* and AASB 3, as a deemed issue of shares which is, in effect, a share-based payment transaction whereby Ocean Blue International Ltd original shareholders have acquired the net assets of Soon Mining Limited, together with the listing status of Soon Mining Limited.

The consolidated financial statements represent a continuation of the financial statements of Ocean Blue International Ltd. The following principles and guidance on the preparation and presentation of consolidated financial statements in a reverse acquisition set out in AASB 3 have been applied:

- fair value adjustments arising at acquisition were made to Soon Mining Limited assets and liabilities, not those of Ocean Blue International Ltd;
- the cost of the acquisition, and amount recognised as issued capital to affect the transaction, is based on the value of the notional amount of shares that Ocean Blue International Ltd would have needed to issue shareholders of Soon Mining Limited to acquire the same shareholding percentage in Soon Mining Limited at the acquisition date;
- retained earnings and other equity balances in the consolidated financial statements at acquisition date are those of Ocean Blue International Ltd;
- an in-substance share-based payment transaction arises whereby Ocean Blue International Ltd is deemed to have issued shares in exchange for the net liabilities of Soon Mining Limited (together with the listing status of Soon Mining Limited). The listing status does not qualify for recognition as an intangible asset. The value of consideration deemed to have been paid in excess of the fair value of the net liabilities acquired has therefore, been expensed in profit or loss as a share based payment listing expense;
- the equity structure in the consolidated financial statements (the number and type of equity instruments issued) at the date of the acquisition reflects the equity structure of Soon Mining Limited, including the equity instruments issued by Soon Mining Limited to effect the acquisition;
- the results for the half year ended 30 June 2016 comprise the consolidated results of Ocean Blue International Ltd together with the results of Soon Mining Limited from 18 March 2016; and
- the comparative results represent the consolidated financial year results of Ocean Blue International Pty Ltd only.

Soon Mining Limited
Notes to the financial statements
30 June 2016

Note 3. Exploration and evaluation assets

	Consolidated	
	30 Jun 2016	30 Jun 2015
	\$	\$
Exploration phase costs – at cost	<u>379,175</u>	<u>371,014</u>
The capitalised explorations assets carried forward above has been determined as follows:		
Balance at the beginning of the period	371,014	371,014
Foreign currency movement	(5,998)	-
Expenditure incurred during the period	<u>14,156</u>	<u>-</u>
Balance at the end of the period	<u>379,175</u>	<u>371,014</u>

Note 4. Share capital

	30 Jun 2016	30 Jun 2016	31 December 2015	31 December 2015
	No.	\$	No.	\$
Balance at the beginning of the period	3	66,599	3	66,599
Issue of shares to OBI vendors	124,999,997	1	-	-
Issue of shares to Chin Tiem Huang	9,551,865	1,910,373	-	-
Issue of shares to the market	22,577,000	4,515,400	-	-
Share issue costs	-	(373,367)	-	-
Balance at the end of the period	<u>157,128,865</u>	<u>6,119,006</u>	<u>3</u>	<u>66,599</u>

Note 5. Fair value measurement

Recurring fair value measurements

No financial instruments are subject to recurring fair value measurement as at the end of the reporting period.

Due to their short term nature, the carrying amounts of current receivables and current payables is assumed to approximate their fair value.

Note 6. Contingent liabilities

There have been no changes in contingent liabilities or contingent assets since the end of the previous annual reporting period.

Note 7. Events after the reporting period

On 4 July 2016 the group entered into an agreement with Sunlake International Management Consulting Co Ltd in relation to the sourcing and purchase of conveyancing equipment. The contract amount was USD\$267,800.

No other matters or circumstances have arisen since 30 June 2016 that has significantly affected, or may significantly affect the consolidated entity's operations, the results of those operations, or the consolidated entity's state of affairs in future financial years.

Soon Mining Limited
Directors' declaration
30 June 2016

In the directors' opinion:

- the attached financial statements and notes comply with the Corporations Act 2001, Australian Accounting Standard AASB 134 'Interim Financial Reporting', the Corporations Regulations 2001 and other mandatory professional reporting requirements;
- the attached financial statements and notes give a true and fair view of the consolidated entity's financial position as at 30 June 2016 and of its performance for the financial half-year ended on that date; and
- there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of directors made pursuant to section 303(5)(a) of the Corporations Act 2001.

On behalf of the directors



Ching-Tiem Huang
Managing Director

12 September 2016
Brisbane QLD

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INDEPENDENT AUDITOR'S REVIEW REPORT**TO THE MEMBERS OF****SOON MINING LIMITED****Report on the Half-Year Financial Report**

We have reviewed the accompanying half-year financial report of Soon Mining Limited which comprises the consolidated statement of financial position as at 30 June 2016, the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the half-year end or from time to time during the half-year.

Directors' Responsibility for the Half-Year Financial Report

The directors of the company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the consolidated entity's financial position as at 30 June 2016 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of Soon Mining Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

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Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations act 2001*, which has been given to the directors of Soon Mining Limited, would be in the same terms if given to the directors as at the time of this auditor's report.

Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Soon Mining Limited is not in accordance with the *Corporations Act 2001* including:

- (a) giving a true and fair view of the consolidated entity's financial position as at 30 June 2016 and of its performance for the half-year ended on that date; and
- (b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and *Corporations Regulations 2001*.


RSM AUSTRALIA PARTNERS


Albert Loots
Partner

Brisbane, Queensland
Dated: 12 September 2016