

SOON MINING LIMITED (ASX: SMG)

29 July 2016

Quarterly Activities Report

For the quarter ended 30 June 2016

Highlights

- ❖ Soon Mining Limited ("the Company") is focused on obtaining an Environmental Protection Agency ("EPA") permit for mining operations. The process is currently at the stage of Environmental Impact Assessment ("EIA").
- ❖ The Company has contracted for the purchase of mining equipment.
- ❖ Trial production will commence as soon as all necessary approvals are received.
- ❖ There are several opportunities for the Company to cooperate on projects with other resources companies in the region.

Procurement of Equipment for Ghana Project

- ❖ On 28th April 2016, the Company signed a procurement contract to source equipment for the Ghana project with Sunlake International Management Consulting Co. Ltd., which manage various business advisory related matters including the procurement of equipment for mining companies.
- ❖ After a series of inquiries, comparison of prices and negotiation, the Company agreed to the final quote on July 4th 2016.
- ❖ The selected equipment matches the Processing Plant Design Parameters outlined in section 2.2 of the Independent Geologist Report ("IGR") by KCT consulting. With such equipment, the Company expects to achieve an annual production rate of approximately 13,000oz of placer gold.

Focus on obtaining EPA Permit

- ❖ The company has completed the EPA scoping report and has entered into the stage of EIA. The EPA is currently negotiating with local stakeholders as part of the process to obtain the EPA permit to enable the Company to initiate production.

Quarterly Activities Report

For the quarter ended 30 June 2016 (Cont'd)

Partnerships

- ❖ Based on the managing director's experience within the mining industry in Ghana, there are potential profitable joint ventures with mining projects on or near the Ashanti Gold Belt for the Company.
- ❖ After considering the merits of joint ventures to diversify revenue streams and produce positive cash flows, the Company intends to explore the possibility of cooperating on these projects with other resources companies in the region.
- ❖ Currently, the Company is receiving a lot of interest from resources companies in the region proposing to cooperate on mining projects. The Company is currently reviewing their mining conditions and evaluating proposed partnerships or joint ventures.

Renewal application for prospecting Licence

- ❖ The assigned geological consultant has already submitted the report for renewal of the Company's prospecting license.

Corporate

- ❖ HLB Mann Judd Brisbane has been appointed to provide accounting services including tax advice, financial reporting and lodgment of statutory reports for the Company as required.
- ❖ RSM Brisbane has been appointed as the new auditor of the Company for the financial year ending 31 December 2016.

Disclosure of Information relating to Listing Rule 5.3

- 5.3.1 See heading 'Focus on Obtaining EPA Permit' above for more details.
- 5.3.2 There are no existing activities relating to production as at 30 June 2016.
- 5.3.3 The Project is located near Kwahu Praso in the Kwahu South District in the Eastern Region of Ghana. It is about 130 km northwest of Accra, the capital of Ghana.

The Project concession covers an area of 82.74 km² including 63.0 km² within the mining lease area and the surrounding 19.74 km² retained under a prospecting license. The mining lease has a mining tenure of 14 years with a current expiry date of 11 July 2027. The prospecting license is currently in the process of being renewed.



Quarterly Activities Report

For the quarter ended 30 June 2016 (Cont'd)

No mining tenements were acquired or disposed of during the quarter.

There are no beneficial percentage interests held in farm-in or farm-out agreements at the end of the quarter.

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