

31 December 2016**SOON MINING LIMITED (ASX: SMG)****QUARTERLY ACTIVITIES REPORT
FOR THE QUARTER ENDED 31 DECEMBER 2016****Kwahu Praso Project (Ghana) (100% SMG)****EPA Permit Progress**

The company has sought the assistance of the Mineral Commission to promote and engage with local villagers on the impacts and benefits of the project. There are still stages of the EPA to be completed but the company does expect to obtain the EPA permit by the end of April 2017.

Upon receipt of the EPA permit, the company will commence preparation for the expected trial production starting in June. This will include construction of the necessary infrastructure, the plant and mine site. It is expected the capital works will be completed in June. Based on this timetable, the company is hopeful gold production will follow immediately afterwards.

The Renewal Application for Prospecting License

The application for the renewal of the company's prospecting license is still in the process of being finalised by the Minerals Commission Ghana.

Use of Equipment

The mining machinery & equipment purchased by Soon Mining has been delivered to Ghana. It will initially be used in the proposed Konongo joint venture mining project.

Konongo Joint Venture

The company is in the process of entering its first joint venture to mine parts of an adjacent permitted project named the Konongo Project. Under the proposed agreement the company will retain 85% of the gold produced.

Quarterly Activities Report

For the quarter ended 31 Dec 2016 (Cont'd)

The decision to enter in to the proposed joint venture was made after the board considered varying aspects including the geographical location, the geologic similarity, the results from pits samplings (conducted in December 2016) and the management's experience of mining alluvial gold.

Corporate

The company has had several approaches for similar joint ventures and M&A activity both in Ghana and Australia. These projects will be considered based on the proposed terms and conditions of each through its stringent due diligence process.

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. 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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ENDS

Ching-Tiem Huang

Managing Director