



Notice of Annual General Meeting SOON MINING LIMITED ACN 603 637 083

The 2019 Annual General Meeting of Soon Mining Limited (the Company) will be held:

Date: Monday, 20 May 2019

Time: 10:30 am (Brisbane time)

Venue: The Boardroom
Southport Yacht Club
1 Macarthur Parade
Main Beach

Ordinary business

1. Financial statements and reports

To receive and consider the Financial Report, Director's report and Auditor's report for the financial year ended 31 December 2018.

2. Remuneration Report

To consider, and, if thought fit, pass the following non-binding ordinary resolution:

"That the Remuneration Report for the year ended 31 December 2018 be adopted."

A voting exclusion statement for this resolution is set out on page 4.

Note: The Remuneration Report is contained within the Directors' Report of the 2018 Annual Report and commences on page 9 of the Report. This is a non-binding advisory vote.

3. Election of Director

To consider, and, if thought fit, to pass the following resolution as an ordinary resolution:

"That Ching-Ling Chi, who retires in accordance with clause 12.5(a) of the Company's Constitution and, being eligible, is re-elected as a director of the Company."

Special business

4. Approval of additional 10% placement capacity

To consider and, if in favour, to pass the following resolution as a **special resolution**:

"That for the purpose of Listing Rule 7.1A and for all other purposes, approval is given for the Company to issue Equity Securities up to 10% of the issued capital of the Company (at the time of issue) calculated in accordance with the formula prescribed in Listing Rule 7.1A.2 and otherwise on the terms and conditions set out in the Explanatory Notes."

A voting exclusion statement applies to this item of business, as set out on page 4.

By order of the Board of Soon Mining Limited

Jiahui Jeremiah Thum
Company Secretary
12 April 2019

Explanatory Notes

These Explanatory Notes have been prepared to help Shareholders understand the business to be put to Shareholders at the forthcoming Annual General Meeting (AGM).

1. Financial Statements and Reports

The financial reports and the reports of the Directors and of the auditor for the financial year ended 31 December 2018 will be laid before the AGM, as required by section 317 of the Corporations Act. The Corporations Act does not require a vote of Shareholders on these reports.

The Company's 2018 Annual Report (which includes the Directors', Auditor's and Financial Reports) is available on the Company's website www.soonmining.com.

During this item of business, shareholders will be given a reasonable opportunity to ask questions about, and make comments on, those reports and the business and management of the Company.

Shareholders will also be given a reasonable opportunity to ask a representative of the Company's auditor, RSM, questions relevant to the conduct of the audit, the preparation and the content of the Auditor's Report, the accounting policies adopted by the Company in relation to the preparation of financial statements or the independence of the auditor in relation to the conduct of the audit.

2. Remuneration Report

The Corporations Act requires that the section of the Director's Report dealing with the remuneration of Directors ("Remuneration Report") be put to a vote of Shareholders for adoption by way of a resolution. The Remuneration Report commences on page 9 of the 2018 Annual Report which is available from the Company's website (www.soonmining.com).

The Report:

- describes the policies behind, and the objectives and structure of, the remuneration arrangements of the Company; and
- sets out the remuneration arrangements in place for each Director and for each of the key management personnel (KMP) of the Company.

The Corporations Act provides that the vote on the resolution is advisory only and will not bind the Directors or the Company, however the Board will take the outcome of the vote into consideration when reviewing the remuneration practices and policies.

If more than 25% of the votes are cast against two consecutive annual section 250R(2) resolutions, the Corporations Act requires a shareholder vote on whether to convene a special meeting at which all Directors (other than a managing director) who were in office when the second 250R(2) resolution was passed must stand for re-election.

At the Company's last annual general meeting, the votes cast against the 2017 remuneration report represented less than 25% of the total votes cast.

The Chair will give Shareholders a reasonable opportunity to ask questions about, or to make comments upon, the Remuneration Report before the resolution is put to the vote.

A voting exclusion statement applies to this item of business, as set out on page 4.

Board recommendation

The Directors recommend that Shareholders vote in favour of adopting the Remuneration Report.

3. Election of Directors

Retirement by rotation

The Company's Constitution requires that one-third of the Directors (other than alternate Directors and the Managing Director) must retire at the AGM (retirement by rotation). If eligible, the retiring Director may offer himself or herself for re-election.

Accordingly, Ms Ching-Ling Chi has agreed to retire by rotation as a Director of the Company at the AGM and, being eligible, offers herself for re-election.

Biographical details for Ms Chi follow:

(a) Ms Ching-Ling Chi MBA

Ms Chi is the Chief Financial Officer and Executive Director for Soon Mining, she has over 20 years' experience in financial and corporate management. Previously, Linna worked in a senior finance role with Pan Overseas Investments Co., Ltd which controls 2 listed companies and several subsidiaries. Linna is also a professional Corporate Consultant and is a current Director of Kirin International Limited and Kirin International Management Consultants Limited (Taiwan) and Hu Chi Consulting (Shanghai) Company Ltd. In addition to assisting international planning and management, Kirin International Limited is a professional oil trading company with multi-national oil sales authorizations and Kirin also provides a series of consultancy services for gold and mining products and oil production and procurement.

Ms Chi holds a Master of Business Administration.

Ms Chi was appointed as an Executive Director and Chief Financial Officer on 12 January 2015.

Board recommendation

The Board, other than Ms Chi, considers that it is in the best interests of Shareholders that this Director remains on the Board of the Company and recommends that Shareholders votes in favour of the re-election of Ms Chi.

4. Approval of additional 10% placement capacity

Listing Rule 7.1A

Under Listing Rule 7.1A, certain eligible entities (being companies that are outside the S&P/ASX 300 index and that also have a market capitalisation of \$300 million or less) may issue Equity Securities up to a further 10% of its share capital within a 12 month period without further Shareholder approval if Shareholders have passed a special resolution under Listing Rule 7.1A at the Company's annual general meeting. The 10% capacity is in addition to the 15% placement capacity under Listing Rule 7.1.

The number of Equity Securities that may be issued is to be determined in accordance with the following formula prescribed in Listing Rule 7.1A.2:

(A x D) – E

Where:

A is the number of fully paid Shares on issue 12 months before the date of issue or agreement:

- plus the number of fully paid Shares issued in the 12 months under an exception in Listing Rule 7.2;
- plus the number of partly paid Shares that became fully paid in the 12 months;
- plus the number of fully paid Shares issued in the 12 months with approval of Shareholders under Listing Rule 7.1 and 7.4. This does not include an

issue of fully paid shares under the Company's 15% capacity pursuant to Listing Rule 7.1 without Shareholder approval; and

- less the number of fully paid Shares cancelled in the 12 months;

D is 10%; and

E is the number of Equity Securities issued or agreed to be issued under Listing Rule 7.1A.2 in the 12 months before the date of the issue or agreement to issue that are not issued with the approval of Shareholders under Listing Rule 7.1 or 7.4.

The Company is not a member of the S&P / ASX 300 Index and has a market capitalisation of approximately \$31.64 million (as at market close on 12 April 2019). The Company is therefore an 'eligible entity' for the purpose of Listing Rule 7.1A.

Refer to Annexure A for additional disclosures required in accordance with Listing Rule 7.3A.

A voting exclusion statement applies to this item of business, as set out on page 4.

Board recommendation

The Directors recommend that Shareholders vote in favour of the additional 10% placement capacity.

Definitions

Annual General Meeting or **AGM** means the Company's annual general meeting the subject of this Notice of Meeting.

ASX means ASX Limited ABN 98 008 624 691 or the securities market which it operates, as the context requires.

Company means Soon Mining Limited ACN 603 637 083.

Constitution means the constitution of the Company.

Corporations Act means the *Corporations Act 2001* (Cth).

Director means a director of the Company.

Equity Securities has the meaning given in Chapter 19 of the Listing Rules.

KMP means the key management personnel of the Company, being those persons listed in the Remuneration Report.

Listing Rules mean the official listing rules of the ASX.

Notice of Meeting means the notice of meeting and includes the Explanatory Notes.

Remuneration Report means the section of the Directors' report for the year ended 31 December 2018 that is included under section 300A(1) of the Corporations Act.

Share mean a fully paid ordinary share issued in the capital of the Company.

Shareholder means a holder of one or more Shares.

Voting Exclusion Statements

Resolution 2 – Remuneration Report

The Company will disregard any votes cast on this Resolution by, or on behalf of:

- any of the Company's KMP, whose remuneration details are disclosed in the 2018 Remuneration Report; and
- a closely related party of such a KMP, unless the vote is cast by a person as proxy for a person entitled to vote in accordance with a direction on the proxy form.

A closely related party includes close family Shareholders and companies the KMP controls. However, votes will not be disregarded if cast by the Chairman of the meeting in accordance with a direction of the proxy form or if the proxies are undirected.

Resolution 4 – Approval of additional 10% placement capacity

The Company will disregard any votes cast on resolution 5 by any person who is expected to participate in, or will obtain a material benefit as a result of, the proposed issue (except a benefit solely by reason of being a holder of ordinary shares in the Company) and any of their associates. However, the Company need not disregard a vote if it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form, or if it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides. As at the date of this Notice of Meeting, the Company does not know the identity of persons who may participate in a proposed issue (if any). On that basis, there are currently no known exclusions.

Voting Information

The required quorum for the meeting is at least two members, holding not less than 5% of the votes that may be cast at the meeting, present in person or by proxy. Voting will be decided on a show of hands unless a poll is demanded by the chairperson or a member or members entitled to do so before the vote is taken or before or immediately after the declaration of the result on a show of hands. On a show of hands, every member shall have one vote. On a poll, each member present shall have one vote for each share held by that member and in respect of which that member is entitled to vote.

If shares are jointly held and more than one of the joint holders vote, only the vote of the holder whose name appears first in the register of members will be counted.

Individuals

If you plan to attend the meeting, we ask that you arrive at the venue at least 30 minutes prior to the time designated for the meeting so that we may check the number of your Shares and note your attendance.

Proxy voting by Chairman

The Chairman of the Meeting will vote undirected proxies in favour of all resolutions. This includes resolution 2 even though the resolution is connected with the remuneration of KMP.

Other KMP as proxy

If you appoint a Director (other than the Chairman of the meeting) or another member of the KMP (or a closely related party of a Director or KMP) as your proxy, you should direct them how to vote on the resolution 2 by marking the appropriate box on the proxy form. If you do not do so, your proxy will not be able to vote on your behalf on resolution 2.

Entitlement to vote

The Board has determined that a shareholder's voting entitlement at the Annual General Meeting will be taken to be the entitlement of the person shown on the register of members as at 10:30 am (Brisbane time) on Saturday, 18 May 2019. Accordingly, share transfers registered after that time will be disregarded in determining entitlements to attend and vote at the meeting.

Voting by corporations

In order to vote at the meeting (other than by proxy – see below for instructions), a corporation that is a shareholder must appoint a person to act as its representative. The appointment must comply with the Corporations Act. A letter of representation must be either lodged with the registrar, prior to the commencement of the meeting or the representative must bring to the meeting evidence of his or her appointment including any authority under which it is signed.

Voting by Proxy or Attorney

A member is entitled to appoint a proxy, attorney or representative (who need not be a shareholder in the Company) to vote on his or her behalf at the meeting. A proxy can be either an individual or a body corporate. Should you appoint a body corporate as your proxy, that body corporate will need to ensure that it:

- appoints an individual as its corporate representative to exercise its powers at meetings, in accordance with section 250D of the Corporations Act; and
- provides the Company with satisfactory evidence of the appointment of its corporate representative prior to commencement of the meeting.

If such evidence is not received before the meeting, then the body corporate (through its representative) will not be permitted to act as a proxy.

A member may appoint no more than two proxies or attorneys. Each proxy or attorney must be appointed to represent a specified proportion of the member's voting rights. If no proportion is specified, each proxy or attorney is entitled to exercise half the member's votes. Where a member appoints two proxies or attorneys, neither will be entitled to vote on a show of hands if more than one proxy or attorney attends and each may only exercise the voting rights the proxy or attorney represents on a poll.

A Proxy Form is enclosed with this Notice of Meeting. Proxy voting instructions are outlined on the back of the Proxy Form. To be effective, the Proxy Form (and the authority pursuant to which the instrument is signed) must be received **no later than 10:30am (Brisbane time) on Saturday, 18 May 2019** by:

- email to info@soonmining.com
- post to GPO Box 1841, Brisbane QLD4001
- by hand to Level 1, Suites 1a, 33 Queen Street, Brisbane QLD 4000, Australia

For any **Enquiries** please call: +61 7 3905 9430

Soon Mining Limited 2018 Annual Report

The Company's Annual Report (including the Financial Report) is accessible from the Company's website at www.soonmining.com.

Annexure A – Additional disclosure required under Listing Rule 7.3A

Additional disclosure obligations are imposed when the special resolution is proposed, when the Equity Securities are issued and when any further approval is sought. For the purposes of Listing Rule 7.3A, the Company provides the following information:

Minimum price at which the Equity Securities may be issued	The issue price of each Equity Security must be no less than 75% of the volume weighted average price for the Equity Securities calculated over the 15 trading days on which trades in that class were recorded immediately before: (a) the date on which the price at which the Equity Securities are to be issued is agreed; or (b) if the Equity Securities are not issued within 5 trading days of the date in paragraph (a), the date on which the Equity Securities are issued.
Risk of economic and voting dilution	An issue of Equity Securities under Listing Rule 7.1A involves the risk of economic and voting dilution for existing Shareholders. The risks include: (a) the market price for Equity Securities may be significantly lower on the issue date than on the date of the approval under Listing Rule 7.1A; and (b) the Equity Securities may be issued at a price that is at a discount to the market price for the Shares on the issue date. In accordance with Listing Rule 7.3A.2, a table describing the notional possible dilution, based upon various assumptions as stated, is set out below.
Date by which the Company may issue the Equity Securities	The period commencing on the date of this Annual General Meeting (if resolution 5 is approved) and expiring on the first to occur of the following: (a) the date which is 12 months after the date of this Annual General Meeting; and (b) the date of the approval by holders of the Company’s ordinary securities of a transaction under Listing Rules 11.1.2 or 11.2. The approval under Listing Rule 7.1A will cease to be valid in the event that holders of the Company’s ordinary securities approve a transaction under Listing Rules 11.1.2 or 11.2.
Purposes for which the Equity Securities may be issued, including whether the Company may issue them for non-cash consideration	The Company may issue Equity Securities: (a) for cash consideration to raise additional funds, which may be (without limitation) used for acquisitions of new assets (including any plant and equipment) or investments, expenses associated with such acquisitions, continued exploration or feasibility study expenditure on the Company’s existing gold assets and/or for general working capital in its gold exploration or oil exporting businesses; or (b) for non-cash consideration to acquire new businesses or assets or to pay for services rendered to the Company.
Details of the Company’s allocation policy for issues under approval	The Company’s allocation policy is dependent on the prevailing market conditions at the time of any proposed issue pursuant to Listing Rule 7.1A. The identity of the allottees will be determined on a case-by-case basis having regard to the factors including but not limited to the following: (a) the methods of raising funds that are available to the Company including, but not limited to, rights issues or other issues in which existing Shareholders can participate; (b) the effect of the issue of Equity Securities under Listing Rule 7.1A on the control of the Company; (c) the financial situation and solvency of the Company; and (d) advice from corporate, financial and broking advisers (if applicable). The allottees under the Listing Rule 7.1A facility have not been determined as at the date of this Notice of Meeting but may include existing substantial Shareholders and/or new Shareholders who are not related parties or associates of a related party of the Company. If the Company undertakes an acquisition, it is also possible that the allottees under the Listing Rule 7.1A facility could include the vendors of the relevant target company or companies.
Previous approvals under Listing Rule 7.1A	The Company has not previously sought approval under Listing Rule 7.1A.

Issued capital	50% decrease in market price (\$0.10)		Current market price (\$0.20)		100% increase in market price (\$0.40)	
	10% voting dilution	Funds raised	10% voting dilution	Funds raised	10% voting dilution	Funds raised
Variable “A” (158,222,821 Shares)	15,822,282	\$1,582,228.20	15,822,282	\$3,164,456.40	15,822,282	\$6,328,912.80
50% increase in variable “A” (237,334,232 Shares)	23,733,423	\$2,373,352.30	23,733,423	\$4,746,684.60	23,733,423	\$9,493,369.20
100% increase in variable “A” (316,445,642 Shares)	31,644,564	\$3,164,456.40	31,644,564	\$6,328,912.80	31,644,564	\$12,657,825.60

Notes:

- (a) Variable A refers to the calculation required by Listing Rule 7.1A.2, which equates to the current issued share capital of the Company (as at 12 April 2019).
- (b) The table assumes the Company will issue the maximum number of Shares available under the additional 10% placement capacity pursuant to Listing Rule 7.1A. This is why the voting dilution is shown in each example as 10%.
- (c) The table provides general information only and does not show an example of dilution that may be caused to any particular Shareholder.

- (d) The table shows only the effect of issues of Equity Securities under Listing Rule 7.1A, not under the 15% placement capacity under Listing Rule 7.1.
- (e) The table assumes that the issue of Equity Securities under Listing Rule 7.1A consists only of Shares.
- (f) The current issue price is \$0.20, being the closing price of the Shares trading on ASX on 12 April 2019.