SOON MINING LIMITED

ABN: 45 603 637 083

Annual Report For The Year Ended 31 December 2015

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Annual Report For The Year Ended 31 December 2015

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GENERAL INFORMATION

The financial statements cover Soon Mining Limited as a stand-alone entity. The financial statements are presented in Australian dollars, which is Soon Mining Limited's functional and presentation currency.

As at 31 December 2015, Soon Mining Limited was an unlisted public company limited by shares, incorporated and domiciled in Australia. On 18 March 2016, Soon Mining Limited became a listed public company limited by shares. Please see Note 22 for Soon Mining Limited's registered office and principal place of business.

A description of the nature of the Soon Mining Limited'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 31 March 2016.

SOON MINING LIMITED ABN: 45 603 637 083
CHAIRMAN'S REPORT

I have pleasure in presenting this Annual Report for Soon Mining Limited.

Over the past year, Soon Mining has focused on raising funds in an IPO and applying for listing on the Australian Stock Exchange (ASX), to enable it to complete the acquisition of all of the issued capital in Ocean Blue International Limited (OBI).

OBI owns 100% of Soon Mining Company Limited (Soon Mining Ghana), a company incorporated in Ghana. Soon Mining Ghana is a West African gold explorer with the primary purpose of developing the Kwahu Praso Gold Concession in the eastern region of Ghana (Project). The concession is part of the Ashanti belt, which is the key gold mineralisation district and is best known for its extensive alluvial occurrences and gold bearing quartz vein systems. The location of the concession area provides access to infrastructure needed to develop a mining concession.

In March 2016, we achieved a major milestone under the guidance of Soon Mining's management. Company successfully raised $4.5 million through IPO and was admitted to the official list of ASX and completed the acquisition. The Board thanks ASX for their support during the past year.

At the Ghana concession, we have been carrying out the relevant environmental assessments required by the Ghana Environmental Protection Agency and currently it is progressing well.

To enhance the profile of the Soon Mining, the board has been restructured and in addition to the existing directors, myself and Ching-Ling Chi, the Board has been strengthened by the appointments of Garry Edwards and Jeremiah Thum who bring significant knowledge with their expertise in finance, management, and operations to the board. Again, I welcome Garry Edwards and Jeremiah Thum to the board. A new chapter has begun, and the market situation provides a good opportunity for the Company, and Company looks forward to completing the phase of EPA assessment and brings the project into production.

On behalf of the Board I thank you, our Shareholders, for your continued support and look forward to continuing along our successful path together with you.

Yours sincerely,

Oscard Huang
Chairman

SOON MINING LIMITED ABN: 45 603 637 083
DIRECTORS' REPORT

Your directors present their report on the entity Soon Mining Limited ("the Company" or "the Entity") for the financial year ended 31 December 2015.

General Information

Directors

The following persons were directors of Soon Mining Limited during or since the end of the financial year up to the date of this report:

Ching-Tiem Huang (appointed 12/01/2015)
Ching-Ling Chi (appointed 12/01/2015)
Ching-Chen Chi (appointed 12/01/2015, resigned 16/03/2016)
Jiahui Jeremiah Thum (appointed 13/07/2015)
Garry Michael Edwards (appointed 16/03/2016)

Particulars of each Director's experience and qualifications are set out later in this report.

Principal Activities

During the year, the principal activities of the Company were to:
- contract for the acquisition of Ocean Blue International Limited and its gold mining project in Ghana, West Africa; and
- pursue admission to the Australian Stock Exchange ("ASX").

Review of operations

The loss for the Company after providing for income tax amounted to $547,599.

On 31 March 2015, the Company entered into a share purchase agreement ("SPA") with Ocean Blue International Limited ("OBI"), a company incorporated in the British Virgin Islands and controlled by Director Ching-Tiem Huang, to acquire all of the shares issued in OBI. OBI owns all of the issued shares in Soon Mining Company Limited ("Soon Ghana"), a company incorporated in Ghana, West Africa.

The terms of the acquisition were for a scrip for scrip consideration of 125,000,000 Shares in the Company. The SPA was subject to, amongst other things:

a) the Company completing a public raising of at least $3 million; and

b) the Company satisfying the requirements of the ASX Listing Rules and receiving approval to be admitted to the official list of the ASX.

On 3 November 2015 it was agreed to convert the Company's debt owing to director Ching-Tiem Huang to equity, conditional upon a successful listing on the ASX. It was also agreed that the debt of Soon Mining Company Limited ("Soon Ghana") owing to Ching-Tiem Huang would also be converted into equity conditional upon a successful listing and restructuring of OBI and Soon Ghana under the Company. The agreements provided for 3,214,865 ordinary shares to be issued to Ching-Tiem Huang for repayment of his loan to the Company, and an additional 6,337,000 ordinary shares to be issued to Ching-Tiem Huang for payment of his loan to Soon Ghana.

On 10th November 2015, a supplementary prospectus was lodged with Australian Securities and Investments Commission (ASIC) to increase the minimum subscription of the Public Raising to $4.5 million and the maximum to $10 million.

As at 31 December 2015, the Company had received subscriptions for $1,727,811 which was held in trust pending finalisation of the public offer.

As at the date of this report, all the above conditions have been met and Soon Mining Limited had been admitted onto the Official List of the ASX and official quotation of the Company's securities was effective from 21 March 2016.

See heading 'Matters subsequent to the end of the financial year' for further details.

Dividends

There were no dividends paid, recommended or declared during the current financial period.

Significant changes in the state of affairs

Apart from the matters outlined under review of operations and matters subsequent to the year end, there were no significant changes in the state of affairs of the entity during the financial year.

Matters subsequent to the end of the financial year

On 16th March 2016, Ching-Chen Chi resigned as a director and Garry Michael Edwards was appointed as a director.

On 18th March 2016, the Company was admitted to listing on the ASX and the following transactions took place:

- 22,557,000 ordinary shares were allotted for cash at $0.20 per share;

- the Company acquired a 100% interest in Ocean Blue International Limited ("OBI") in exchange for a scrip for scrip consideration of 125,000,000 Company Shares;

- debt owing to Ching-Tiem Huang by OBI's subsidiary Soon Mining Ghana amounting to AUD$1,267,400, being US$901,042 fixed at an exchange rate of $0.7109377 as at 31 October 2015 was settled by the issue of 6,337,000 ordinary shares;

- debt owing by the Company to Ching-Tiem Huang amounting to $642,973 was settled by the issue of 3,214,865 ordinary shares.

Official quotation of the Company's securities on the ASX commenced on 21st March 2016.

Indemnifying Officers or Auditor

The Company has not, during the 2015 financial year, paid an insurance premium in respect of a contract to insure the Auditor or any person who is or has been an officer of the Company. The Company intends to indemnify and pay for an insurance premium for its directors in the 2016 financial year.

Proceedings on Behalf of Company

No person has applied for leave of Court to bring proceedings on behalf of the company or intervene in any proceedings to which the company is a party for the purpose of taking responsibility on behalf of the company for all or any part of those proceedings.

The Company was not a party to any such proceedings during the year.

Non-audit Services

The Board of Directors is satisfied that the provision of non-audit services during the year is compatible with the general standard of independence for auditors imposed by the Corporations Act 2001. The directors are satisfied that the services disclosed below did not compromise the external auditor’s independence for the following reasons:

- all non-audit services are reviewed and approved by the Board of Directors prior to commencement to ensure they do not adversely affect the integrity and objectivity of the auditor; and
- the nature of the services provided does not compromise the general principles relating to auditor independence in accordance with APES 110: Code of Ethics for Professional Accountants set by the Accounting Professional and Ethical Standards Board.

The following fees were paid or payable to PKF (Gold Coast) for non-audit services provided during the year ended 31 December 2015:

Investigating Accountant's Report and Due Diligence	$	35,000
Taxation services	$	2,500
	$	37,500

Auditor’s Independence Declaration

The lead auditor’s independence declaration for the year ended 31 December 2015 has been received and can be found on the following page after this directors' report.

Options

No options over issued shares or interests in the company were granted during or since the end of financial year and there were no options outstanding at the date of this report.

Options (cont'd)

No shares were issued during or since the end of the year as a result of the exercise of an option over unissued shares or interests.

There were mandatory conversion warrants included in debt instruments which triggered upon the successful listing on the Company resulting of an additional 9,551,865 ordinary shares to be issued on the listing date. Further details are described above under matters subsequent to the end of the financial year.

Likely developments and expected results of operations

The Company will continue to pursue its gold mining project in Ghana, West Africa. Further information on likely developments in the operations of the Company and the expected results of the operations have not been included in this report because the directors believe it would be likely to result in unreasonable prejudice to the Company.

Environmental regulation

The Company is subjected to significant environmental regulation in respect to its exploration and mining activities in Ghana, West Africa, which was acquired subsequent to year end.

The Company is not aware of any breach of environmental regulations during or since the end of the financial year.

Information relating to Directors and Company Secretary

Ching-Tiem Huang	—	Chairman and Managing Director
Qualifications	—	Bachelor of Arts
Experience	—	Ching-Tiem Huang is the founder and managing director of Soon Mining Ghana. He has significant experence in Placer gold mining operations in Ghana, having previously held the position of managing director between 2006-2011. During this time, he was responsible for managing Placer's gold mining operations in various regions of Ghana including Kibi, Ashanti, Bibani and Tarkwa.
Current and Former Listed Directorship in last 3 years		Nil.
Interest in Shares and Options	—	1 ordinary share in the Company as at 31 December 2015 and 62,676,865 ordinary shares in the Company subsequent to listing.
Ching-Ling Chi	—	Executive Director and Chief Financial Officer
Qualifications	—	Master of Business Administration
Experience	—	Ching-Ling Chi has over 20 years' experience in financial and corporate management. She has been the Chief Financial Officer for Soon Mining Ghana since 2012. Prior to this, she worked in a senior finance role for 15 years with Pan Overseas Investments Co., Ltd which contols a number of subsidiaries including Pan Overseas Electronic CO., Ltd (previously listed on Taiwan Stock Exchange) and Universal Incorporation (TWSE:UK).
Current and Former Listed Directorship in last 3 years		Nil.
Interest in Shares and Options	—	1 ordinary share in the Company as at 31 December 2015 and 5,000,000 ordinary shares in the Company subsequent to listing.
Ching-Chen Chi	—	Executive Director (Resigned on 16 March 2016)
Qualifications	—	Bachelor of Arts
Experience	—	Ching-Chen Chi has been an executive director of Soon Mining Ghana for 5 years. She has previously worked in Central Weather Bureau, the Ministry of Transportation and Communication of the Republic of China. Chi-Chen Chi was also an executive director of Bvalley Company Limited in Taiwan for 12 years and brings significant corporate governance experience to the Board of Directors.
Current and Former Listed Directorship in last 3 years		Nil.

Information relating to Directors and Company Secretary (cont'd)

Ching-Chen Chi (cont'd)

Interest in Shares and Options	—	1 ordinary share in the Company as at 31 December 2015 and 11,250,000 ordinary shares in the Company subsequent to listing.

Jiahui Jeremiah Thum	—	Non-executive Director and Company Secretary
Qualifications	—	Bachelor of Commerce, Member of Chartered Accountants Australia and New Zealand, Member of Insitute of Internal Auditors and Registered Company Auditor
Experience	—	Jeremiah is the Head of Audit within Powers Financial Group. He has over 10 years' experience in audit and assurance service for public listed companies, private companies and not-for-profit organisations. He has extensive audit and assurance experience across a wide range of industries.
Current and Former Listed Directorship in last 3 years		Nil.
Interest in Shares and Options	—	Nil ordinary shares in the Company as at 31 December 2015 and 10,000 ordinary shares in the Company subsequent to listing.

Garry Michael Edwards	—	Non-executive Director (Appointed 16 March 2016)
Qualifications	—	Master of Business Administration, Fellow of the Australian Institute of Company Directors
Experience	—	Garry has over 30 years' experience in accounting and company secretarial roles, including managing accounting practises for KPMG and antecedent firms in Papua New Guinea. He has also served as Chief Financial Officer for several listed companies.
Current and Former Listed Directorship in last 3 years		Nil.
Interest in Shares and Options	—	Nil ordinary shares in the Company as at 31 December 2015 and 20,000 ordinary shares in the Company subsequent to listing.

Company Secretary

The following person held the position of company secretary at the end of the financial year:
Jiahui Jeremiah Thum BCom, MIIA, CA is the audit partner within Powers Financial Group and has over 10 years of financial accounting and auditing roles, with the last 5 years in middle and top management positions within two audit firms. Jiahui Jeremiah Thum was appointed as company secretary on 13 July 2015.

Meetings of Directors

During the financial year, five meetings of directors (including committees of directors) were held.
Attendances by each director during the year were as follows:

	Directors' Meetings	
	Number eligible to attend	Number attended
Ching-Tiem Huang	6	6
Ching-Ling Chi	6	6
Ching-Chen Chi	6	6
Jiahui Jeremiah Thum	3	3

REMUNERATION REPORT (AUDITED)

Remuneration Policy

The Board's policy for determining the nature and amount of remuneration for KMP of the entity is designed to:

- Attract and retain senior executives and directors;
- Avoid paying excessive remuneration;
- Remunerate fairly having regard to market conditions and individual contribution; and
- Align the interests of employees and directors with that of the Company.

All remuneration paid to KMP is valued at the cost to the company and expensed.

The Board's policy is to remunerate non-executive directors at market rates for time, commitment and responsibilities. The Board determines payments to the non-executive directors and reviews their remuneration annually, based on market practice, duties and accountability. Independent external advice is sought when required. The maximum aggregate amount of fees that can be paid to non-executive directors is subject to approval by shareholders at the annual general meeting. Non-executive directors do not receive performance-based pay. There are no retirement allowances for non-executive directors.

Executive pay and benefits

Executive payments currently consists of consultancy payments to the directors only. Executive directors do not receive performance-based pay.

Throughout the year, all remuneration for key management personnel was fixed and not linked to performance.

There were no cash bonus, performance related bonus, non-monetary benefits or share-based elements of remuneration in the year ended 31 December 2015.

Relationship between remuneration and Company performance

The link between remuneration, company performance and shareholder wealth generation is tenuous, particularly in the exploration and development stage of a mining company.

Share prices are subject to the influence of international economic factors and market sentiment toward the sector; increases and decreases may occur quite independent of executive performance or remuneration.

Employment Details of Members of Key Management Personnel

The following table provides employment details of persons who were, during the financial year, members of KMP of the company. The table also illustrates the proportion of remuneration that was performance and non-performance based.

	Position Held as at 31 December 2015 and any change during the year	Proportions of elements of remuneration related to performance (other than options issued)		Proportions of elements of remuneration not related to performance
		Non-salary cash-based incentives	Shares/ Units	Fixed Salary/Fees
Key Management Personnel		%	%	%
Ching-Tiem Huang	Chairman and Managing Director	-	-	100
Ching-Ling Chi	Executive Director and Chief Financial Officer	-	-	100
Ching-Chen Chi	Non-executive Director	-	-	100
Jiahui Jeremiah Thum	Non-executive Director and Company secretary	-	-	100

Changes in Directors and Executives Subsequent to Year End

On 16 March 2016, Ching-Chen Chi resigned as a Director and Garry Michael Edwards was appointed as a non-executive director.

Remuneration Expense Details for the Year Ended 31 December 2015

The following table of benefits and payments represents the components of the current year remuneration expenses for each member of KMP of the Company. Such amounts have been calculated in accordance with Australian Accounting Standards:

REMUNERATION REPORT (AUDITED) (CONT'D)

Table of Benefits and Payments for the year ended 31 December 2015

	Short-term benefits		**Post-employment Benefits**		
2015	Salary & Fees $	Other $	Pension and superannuation $	Other $	Total $
Key Management Personnel					
Ching-Tiem Huang	130,000	-	-	-	130,000
Ching-Ling Chi	91,000	-	-	-	91,000
Ching-Chen Chi	17,000	-	-	-	17,000
Jiahui Jeremiah Thum	2,700	-	-	-	2,700
Total Key Management Personnel	240,700	-	-	-	240,700

During the year ended 31 December 2015, all KMPs were remunerated by payment of consulting fees through their related corporate entities, hence, there were no statutory superannuation obligations.

Securities received that are not performance-related

No members of KMP are entitled to receive securities that are not performance-based as part of their remuneration package.

Options and Rights granted as remuneration

During the year ended 31 December 2015, no options or rights were granted as remuneration.

KMP Shareholdings

The number of ordinary shares in Soon Mining Limited held by each KMP of the Company during the financial year is as follows:

	Balance at Incorporation Date	**Granted as Remuneration during the Year**	**Issued on Exercise of Options during the Year**	**Other Charges during the Year**	**Balance at End of Year**
Ching-Tiem Huang	1	-	-	-	1
Ching-Ling Chi	1	-	-	-	1
Ching-Chen Chi	1	-	-	-	1
Jiahui Jeremiah Thum	-	-	-	-	-
	3	-	-	-	3

Other Equity-related KMP Transactions

There have been no other transactions involving equity instruments other than those described in the tables above relating to options, rights and shareholdings.

Loans from key management personnel

During the year, the directors have provided unsecured loans to the Company and as detailed below.

	$
Ching-Tiem Huang	
Interest free loan	720,948
Ching Ling Chi	
Interest free loan	5,000
Balance at end of the year	725,948

REMUNERATION REPORT (AUDITED) (CONT'D)

Other transactions with KMP and/or their related parties

There were no transactions conducted between the company and KMP or their related parties, other than those disclosed above relating to equity, compensation and loans, that were conducted other than in accordance with normal employee, customer or supplier relationships on terms no more favourable than those reasonably expected under arm's length dealings with unrelated persons.

Officers of the company who are former partners of PKF (Gold Coast)

There are no officers of the Company who are former partners of PKF (Gold Coast).

Auditor

PKF (Gold Coast) continues in office in accordance with section 327 of the Corporations Act 2001.

This Directors' Report, incorporating the Remuneration Report, is signed in accordance with a resolution of the Board of Directors, pursuant to section 298(2)(a) of the Corporations Act 2001.

On Behalf of the directors

Ching-Tiem Huang
Chairman and Managing Director

31 March 2016
Taipei, Taiwan

Ching-Ling Chi
Director/CFO

31 March 2016
Gold Coast, Australia

PKF Gold Coast

Chartered Accountants
& Business Advisers

Lead auditor's independence declaration under Section 307C of the Corporations Act 2001

To: the directors of Soon Mining Limited ACN 603 637 083

I declare to the best of my knowledge and belief, in relation to the audit of the financial report of Soon Mining Limited for the financial year ended 31 December 2015 there has been:

- no contraventions of the auditor independence requirements as set out in the Corporations Act 2001 in relation to the audit, and
- no contraventions of any applicable code of professional conduct in relation to the audit.

PKF

William Grant Chatham
Partner

31 March 2016
Gold Coast, Australia

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SOON MINING LIMITED ABN: 45 603 637 083
STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2015

	Note	2015 $
Revenue	2	-
Other income	2	8,081
Consulting fees		(245,700)
Professional fees		(199,498)
Management fees		(50,000)
Travelling expenses		(40,505)
Administration expenses		(19,977)
Loss before income tax	3	(547,599)
Tax expense	4	-
Net loss from continuing operations		(547,599)
Discontinued operations		-
Net loss for the year	3	(547,599)
Other comprehensive income:		
Other comprehensive income		-
Other comprehensive income for the year		-
Total comprehensive loss for the year		(547,599)
Earnings per share for loss from continuing operations attributable to the owners of Soon Mining Limited		
Basic earnings per share		(182,533)
Diluted earnings per share	21	(182,533)
Earnings per share for loss attributable to the owners of Soon Mining Limited		
Basic earnings per share		(182,533)
Diluted earnings per share	21	(182,533)

The accompanying notes form part of these financial statements.

SOON MINING LIMITED ABN: 45 603 637 083
STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2015

	Note	2015 $
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	7	1,752,960
Trade and other receivables	8	53,489
Other assets	9	40,000
TOTAL CURRENT ASSETS		1,846,449
TOTAL ASSETS		1,846,449
LIABILITIES		
CURRENT LIABILITIES		
Trade and other payables	10	91,336
Other liabilities	11	1,576,761
Financial liabilities	12	725,948
TOTAL CURRENT LIABILITIES		2,394,045
TOTAL LIABILITIES		2,394,045
NET LIABILITIES		(547,596)
EQUITY		
Issued capital	14	3
Accumulated losses		(547,599)
TOTAL EQUITY		(547,596)

The accompanying notes form part of these financial statements.

SOON MINING LIMITED ABN: 45 603 637 083
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2015

	Note	Share Capital	Accumulated Losses	Total
Balance at incorporation date	14	3	-	3
Comprehensive loss				
Loss for the year			(547,599)	(547,599)
Other comprehensive income for the year		-	-	-
Total comprehensive loss for the year		-	(547,599)	(547,599)
Balance at 31 December 2015		3	(547,599)	(547,596)

The accompanying notes form part of these financial statements.

SOON MINING LIMITED ABN: 45 603 637 083
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2015

	Note	2015 $
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from customers		-
Payments to suppliers and employees		(457,615)
Interest received		8,081
Income tax paid		-
Net cash used in operating activities	16a	(449,534)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from application monies		1,727,814
Loan from related parties		
- proceeds from borrowings		474,680
Net cash provided by financing activities		2,202,494
Net increase in cash held		1,752,960
Cash and cash equivalents at beginning of financial year	7	-
Cash and cash equivalents at end of financial year	7	1,752,960

The accompanying notes form part of these financial statements.

This financial report includes the financial statements and notes of Soon Mining Limited.

The financial statements were authorised for issue on 31 March 2016 by the directors of the company.

Note 1 Summary of Significant Accounting Policies

Basis of Preparation

These general purpose financial statements have been prepared in accordance with the Corporations Act 2001, Australian Accounting Standards and Interpretations of the Australian Accounting Standards Board and International Financial Reporting Standards as issued by the International Accounting Standards Board. The Company is a for-profit entity for financial reporting purposes under Australian Accounting Standards. Material accounting policies adopted in the preparation of these financial statements are presented below and have been consistently applied unless stated otherwise.

Except for cash flow information, the financial statements have been prepared on an accruals basis and are based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities.

(a) New, revised or amending Accounting Standards and Interpretations adopted

The 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.

The adoption of these Accounting Standards and Interpretations did not have any significant impact on the financial performance or position of the entity.

The following Accounting Standards and Interpretations are most relevant to the Company:

AASB 2014-1 Amendments to Australian Accounting Standards (Parts A to C)

The Company has applied Parts A to C of AASB 2014-1 from 1 January 2015. These amendments affect the following standards: AASB 2 'Share-based Payment': clarifies the definition of 'vesting condition' by separately defining a 'performance condition' and a 'service condition' and amends the definition of 'market condition'; AASB 3 'Business Combinations': clarifies that contingent consideration in a business combination is subsequently measured at fair value with changes in fair value recognised in profit or loss irrespective of whether the contingent consideration is within the scope of AASB 9; AASB 8 'Operating Segments': amended to require disclosures of judgements made in applying the aggregation criteria and clarifies that a reconciliation of the total reportable segment assets to the entity's assets is required only if segment assets are reported regularly to the chief operating decision maker; AASB 13 'Fair Value Measurement': clarifies that the portfolio exemption applies to the valuation of contracts within the scope of AASB 9 and AASB 139; AASB 116 'Property, Plant and Equipment' and AASB 138 'Intangible Assets': clarifies that on revaluation, restatement of accumulated depreciation will not necessarily be in the same proportion to the change in the gross carrying value of the asset; AASB 124 'Related Party Disclosures': extends the definition of 'related party' to include a management entity that provides KMP services to the entity or its parent and requires disclosure of the fees paid to the management entity; AASB 140 'Investment Property': clarifies that the acquisition of an investment property may constitute a business combination.

(b) Income Tax

The income tax expense (income) for the year comprises current income tax expense (income) and deferred tax expense (income).

Current income tax expense charged to profit or loss is the tax payable on taxable income. Current tax liabilities (assets) are measured at the amounts expected to be paid to (recovered from) the relevant taxation authority.

Deferred income tax expense reflects movements in deferred tax asset and deferred tax liability balances during the year as well as unused tax losses.

Current and deferred income tax expense (income) is charged or credited outside profit or loss when the tax relates to items that are recognised outside profit or loss.

Except for business combinations, no deferred income tax is recognised from the initial recognition of an asset or liability, where there is no effect on accounting or taxable profit or loss.

Deferred tax assets and liabilities are calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled and their measurement also reflects the manner in which management expects to recover or settle the carrying amount of the related asset or liability. With respect to non-depreciable items of property, plant and equipment measured at fair value and items of investment property measured at fair value, the related deferred tax liability or deferred tax asset is measured on the basis that the carrying amount of the asset will be recovered entirely through sale.

Deferred tax assets relating to temporary differences and unused tax losses are recognised only to the extent that it is probable that future taxable profit will be available against which the benefits of the deferred tax asset can be utilised.

Where temporary differences exist in relation to investments in subsidiaries, branches, associates, and joint ventures, deferred tax assets and liabilities are not recognised where the timing of the reversal of the temporary difference can be controlled and it is not probable that the reversal will occur in the foreseeable future.

Current tax assets and liabilities are offset where a legally enforceable right of set-off exists and it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur. Deferred tax assets and liabilities are offset where: (a) a legally enforceable right of set-off exists; and (b) the deferred tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur in future periods in which significant amounts of deferred tax assets or liabilities are expected to be recovered or settled.

(c) Current and non-current classification

Assets and liabilities are presented in the statement of financial position based on current and non-current classification.

An asset is classified as current when: it is either expected to be realised or intended to be sold or consumed in normal operating cycle; it is held primarily for the purpose of trading; it is expected to be realised within 12 months after the reporting period; or the asset is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period. All other assets are classified as non-current.

A liability is classified as current when: it is either expected to be settled in normal operating cycle; it is held primarily for the purpose of trading; it is due to be settled within 12 months after the reporting period; or there is no unconditional right to defer the settlement of the liability for at least 12 months after the reporting period. All other liabilities are classified as non-current.

Deferred tax assets and liabilities are always classified as non-current.

(d) Financial Instruments

Initial Recognition and Measurement
Financial assets and financial liabilities are recognised when the entity becomes a party to the contractual provisions to the instrument. For financial assets, this is equivalent to the date that the company commits itself to either purchase or sale of the asset (i.e. trade date accounting is adopted).

Financial instruments are initially measured at fair value plus transactions costs, except where the instrument is classified ‘at fair value through profit or loss’, in which case transaction costs are expensed to profit or loss immediately.

Classification and Subsequent Measurement
Financial instruments are subsequently measured at fair value, amortised cost using the effective interest method, or cost.

Amortised cost is calculated as the amount at which the financial asset or financial liability is measured at initial recognition less principal repayments and any reduction for impairment, and adjusted for any cumulative amortisation of the difference between that initial amount and the maturity amount calculated using the effective interest method.

The *effective interest method* is used to allocate interest income or interest expense over the relevant period and is equivalent to the rate that discounts estimated future cash payments or receipts (including fees, transaction costs and other premiums or discounts) over the expected life (or when this cannot be reliably predicted, the contractual term) of the financial instrument to the net carrying amount of the financial asset or financial liability. Revisions to expected future net cash flows will necessitate an adjustment to the carrying amount with a consequential recognition of an income or expense item in profit or loss.

The company does not designate any interests in subsidiaries, associates or joint ventures as being subject to the requirements of Accounting Standards specifically applicable to financial instruments.

(i) Loans and receivables
Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are subsequently measured at amortised cost. Gains or losses are recognised in profit or loss through the amortisation process and when the financial asset is derecognised.

(ii) Held-to-maturity investments
Held-to-maturity investments are non-derivative financial assets that have fixed maturities and fixed or determinable payments, and it is the Company's intention to hold these investments to maturity. They are subsequently measured at amortised cost. Gains or losses are recognised in profit or loss through the amortisation process and when the financial asset is derecognised.

(iii) Financial Liabilities
Non-derivative financial liabilities other than financial guarantees are subsequently measured at amortised cost. Gains or losses are recognised in profit or loss through the amortisation process and when the financial liability is derecognised.

Impairment
A financial asset (or a group of financial assets) is deemed to be impaired if, and only if, there is objective evidence of impairment as a result of one or more events (a "loss event") having occurred, which has an impact on the estimated future cash flows of the financial asset(s).

In the case of available-for-sale financial assets, a significant or prolonged decline in the market value of the instrument is considered to constitute a loss event. Impairment losses are recognised in profit or loss immediately. Also, any cumulative decline in fair value previously recognised in other comprehensive income is reclassified to profit or loss at this point.

In the case of financial assets carried at amortised cost, loss events may include: indications that the debtors or a group of debtors are experiencing significant financial difficulty, default or delinquency in interest or principal payments; indications that they will enter bankruptcy or other financial reorganisation; and changes in arrears or economic conditions that correlate with defaults.

For financial assets carried at amortised cost (including loans and receivables), a separate allowance account is used to reduce the carrying amount of financial assets impaired by credit losses. After having taken all possible measures of recovery, if management establishes that the carrying amount cannot be recovered by any means, at that point the written-off amounts are charged to the allowance account or the carrying amount of impaired financial assets is reduced directly if no impairment amount was previously recognised in the allowance account.

When the terms of financial assets that would otherwise have been past due or impaired have been renegotiated, the company recognises the impairment for such financial assets by taking into account the original terms as if the terms have not been renegotiated so that the loss events that have occurred are duly considered.

Derecognition
Financial assets are derecognised when the contractual rights to receipt of cash flows expire or the asset is transferred to another party whereby the entity no longer has any significant continuing involvement in the risks and benefits associated with the asset. Financial liabilities are derecognised when the related obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability extinguished or transferred to another party and the fair value of consideration paid, including the transfer of non-cash assets or liabilities assumed, is recognised in profit or loss.

(e) Impairment of Assets

At the end of each reporting period, the company assesses whether there is any indication that an asset may be impaired. The assessment will include the consideration of external and internal sources of information, including dividends received from subsidiaries, associates or joint ventures deemed to be out of pre-acquisition profits. If such an indication exists, an impairment test is carried out on the asset by comparing the recoverable amount of the asset, being the higher of the asset's fair value less costs of disposal and value in use, to the asset's carrying amount. Any excess of the asset's carrying amount over its recoverable amount is recognised immediately in profit or loss, unless the asset is carried at a revalued amount in accordance with another Standard (eg in accordance with the revaluation model in AASB 116: *Property, Plant and Equipment*). Any impairment loss of a revalued asset is treated as a revaluation decrease in accordance with that other Standard.

Where it is not possible to estimate the recoverable amount of an individual asset, the entity estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Impairment testing is performed annually for goodwill, intangible assets with indefinite lives and intangible assets not yet available for use.

(f) Foreign Currency Transactions and Balances

Functional and presentation currency

The functional currency of the Company is measured using the currency of the primary economic environment in which that entity operates. The financial statements are presented in Australian dollars, which is the Company's functional currency.

Transaction and balances

Foreign currency transactions are translated into functional currency using the exchange rates prevailing at the date of the transaction. Foreign currency monetary items are translated at the year-end exchange rate. Non-monetary items measured at historical cost continue to be carried at the exchange rate at the date of the transaction. Non-monetary items measured at fair value are reported at the exchange rate at the date when fair values were determined.

Exchange differences arising on the translation of monetary items are recognised in profit or loss, except where deferred in equity as a qualifying cash flow or net investment hedge.

Exchange differences arising on the translation of non-monetary items are recognised directly in other comprehensive income to the extent that the underlying gain or loss is recognised in other comprehensive income, otherwise the exchange difference is recognised in the profit or loss.

The Company

The financial results and position of foreign operations whose functional currency is different from the entity's presentation currency are translated as follows:

— assets and liabilities are translated at exchange rates prevailing at the end of the reporting period;
— income and expenses are translated at average exchange rates for the period; and
— retained earnings are translated at the exchange rates prevailing at the date of the transaction.

Exchange differences arising on translation of foreign operations with functional currencies other than Australian dollars are recognised in other comprehensive income and included in the foreign currency translation reserve in the statement of financial position. The cumulative amount of these differences is reclassified into profit or loss in the period in which the operation is disposed of.

(g) Provisions

Provisions are recognised when the entity has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured.

Provisions are measured using the best estimate of the amounts required to settle the obligation at the end of the reporting period.

(h) Cash and Cash Equivalents

Cash and cash equivalents include cash on hand and deposits available on demand with banks.

(i) Borrowings

Loans and borrowings are initially recognised at the fair value of the consideration received, net of transaction costs. They are subsequently measured at amortised cost using the effective interest method.

(j) Revenue and Other Income

Revenue is measured at the fair value of the consideration received or receivable. Amounts disclosed as revenue are net of returns, trade allowances and duties and taxes paid.

Interest revenue is recognised using the effective interest method.

All revenue is stated net of the amount of goods and services tax.

(k) Trade and Other Payables

Trade and other payables represent the liabilities for goods and services received by the entity that remain unpaid at the end of the reporting period. The balance is recognised as a current liability with the amounts normally paid within 30 days of recognition of the liability.

(l) Segment Reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision maker has been identified as the Board which makes strategic decisions.

(m) Earnings Per Share

Basic earnings per share

Basic earnings per share is calculated by dividing the profit attributable to the owners of Pinnacle Listed Comprehensive Limited, excluding any costs of servicing equity other than ordinary shares, by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the financial year.

Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares and the weighted average number of shares assumed to have been issued for no consideration in relation to dilutive potential ordinary shares.

(n) Contributed Equity

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of shares or options are shown in equity as a deduction, net of tax, from the proceeds.

(o) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO).

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the ATO is included with other receivables or payables in the statement of financial position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to, the ATO are presented as operating cash flows included in receipts from customers or payments to suppliers.

(p) Comparative Figures

No comparative figures are required as this is the first year of operation.

(q) Going Concern

The Company has recorded a net loss of $547,599 during the financial year ended 31 December 2015. Subsequent to year end, the Company completed a successful capital raising to the amount of $4,515,400 which included application monies amounting to $1,727,811 received prior to 31 December 2015, which will be sufficient to cover forecasted cash outflows for 12 months from the date of this financial report. As a consequence, the Company will have adequate resources to continue to be able to meet its obligations as and when they fall due. For this reason, they continue to adopt the going concern basis in preparing the financial report.

(r) Critical Accounting Estimates and Judgements

The directors evaluate estimates and judgements incorporated into the financial statements based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the company.

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events, management believes to be reasonable under the circumstances. The resulting accounting judgements and estimates will seldom equal the related actual results. The judgements, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities (refer to the respective notes) within the next financial year are discussed below.

Key Judgements

(i) Provision for Impairment of Receivables

The provision for impairment of receivables assessment requires a degree of estimation and judgement. The level of provision is assessed by taking into account the recent sales experience, the ageing of receivables, historical collection rates and specific knowledge of the individual debtors financial position.

(ii) Income Tax

The Company is subject to income taxes in the jurisdictions in which it operates. Significant judgement is required in determining the provision for income tax. There are many transactions and calculations undertaken during the ordinary course of business for which the ultimate tax determination is uncertain. The Company recognises liabilities for anticipated tax audit issues based on the Company's current understanding of the tax law. Where the final tax outcome of these matters is different from the carrying amounts, such differences will impact the current and deferred tax provisions in the period in which such determination is made.

(iii) Recovery of Deferred Tax Assets

Deferred tax assets are recognised for deductible temporary differences only if the Company considers it is probable that future taxable amounts will be available to utilise those temporary differences and losses. At this point, the Company has decided not to recognise any deferred tax assets due to the uncertainty of the ability to utilise this tax losses in future years.

(s) New Accounting Standards for Application in Future Periods

Accounting Standards and Interpretations issued by the AASB that are not yet mandatorily applicable to the company, together with an assessment of the potential impact of such pronouncements on the company when adopted in future periods, are discussed below:

— AASB 9: *Financial Instruments* and associated Amending Standards (applicable to annual reporting periods beginning on or after 1 January 2018).

The Standard will be applicable retrospectively (subject to the provisions on hedge accounting outlined below) and includes revised requirements for the classification and measurement of financial instruments, revised recognition and derecognition requirements for financial instruments and simplified requirements for hedge accounting.

The key changes that may affect the company on initial application include certain simplifications to the classification of financial assets, simplifications to the accounting of embedded derivatives, upfront accounting for expected credit loss, and the irrevocable election to recognise gains and losses on investments in equity instruments that are not held for trading in other comprehensive income. AASB 9 also introduces a new model for hedge accounting that will allow greater flexibility in the ability to hedge risk, particularly with respect to hedges of non-financial items. Should the entity elect to change its hedge policies in line with the new hedge accounting requirements of the Standard, the application of such accounting would be largely prospective.

Although the directors anticipate that the adoption of AASB 9 may have an impact on the Company's financial instruments, including hedging activity, it is impracticable at this stage to provide a reasonable estimate of such impact.

— AASB 15: *Revenue from Contracts with Customers* (applicable to annual reporting periods beginning on or after 1 January 2017).

When effective, this Standard will replace the current accounting requirements applicable to revenue with a single, principles-based model. Except for a limited number of exceptions, including leases, the new revenue model in AASB 15 will apply to all contracts with customers as well as non-monetary exchanges between entities in the same line of business to facilitate sales to customers and potential customers. The core principle of the Standard is that an entity will recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for the goods or services. To achieve this objective, AASB 15 provides the following five-step process:

- identify the contract(s) with a customer;
- identify the performance obligations in the contract(s);
- determine the transaction price;
- allocate the transaction price to the performance obligations in the contract(s); and
- recognise revenue when (or as) the performance obligations are satisfied.

The transitional provisions of this Standard permit an entity to either: restate the contracts that existed in each prior period presented as per AASB 108: *Accounting Policies, Changes in Accounting Estimates and Errors* (subject to certain practical expedients in AASB 15); or recognise the cumulative effect of retrospective application to incomplete contracts on the date of initial application. There are also enhanced disclosure requirements regarding revenue.

Although the directors anticipate that the adoption of AASB 15 may have an impact on the company's financial statements, it is impracticable at this stage to provide a reasonable estimate of such impact.

Note 2 Revenue and Other Income

	Note	2015 $
(a) Revenue from continuing operations		
Other income		
— interest income		8,081
Total other income		8,081

Note 3 Loss for the Year

	Note	2015 $
Loss before income tax includes the following specific expenses:		
Professional fees		
Legal fees		110,314

Note 4 Tax Expense

	Note	2015 $
(a) The components of tax (expense)/income comprise:		
Current tax		(39,230)
Tax losses not recognised		39,230
Deferred tax	13	-
		-
(b) Prima facie tax on profit from ordinary activities before income tax is reconciled to the income tax as follows:		
Prima facie tax payable on loss from ordinary activities before income tax at 30%		(164,280)
Net temporary differences and tax losses not recognised		164,280
Income tax attributable to entity		-

Note 5 Key Management Personnel Compensation

Refer to the Remuneration Report contained in the Directors' Report for details of the remuneration paid or payable to each member of the Company's key management personnel (KMP) for the year ended 31 December 2015.

The totals of remuneration paid to KMP of the Company during the year are as follows:

	2015 $
Short-term employee benefits	240,700
Total KMP compensation	240,700

Short-term employee benefits

– these amounts include fees and benefits paid to the non-executive directors as well as all salary, paid leave benefits, fringe benefits and cash bonuses awarded to executive directors and other key management personnel.

Further information in relation to KMP remuneration can be found in the Director's Remuneration Report.

Note 6 Auditors' Remuneration

	2015 $
Audit services	
— Audit and review of financial reports	49,011
Other services	
— Investigating accountant's report and due dilligence	35,000
— Taxation services	2,500
	37,500

Note 7 Cash and Cash Equivalents

		Note	2015 $
Cash at bank and on hand			31,038
Application monies held in Trust	(i)	19	1,721,922
			1,752,960

(i) Application monies held in trust represents restricted cash held by the Company's share registry service on behalf of the Company. These application monies could not be accessed by the Company until it was subsequently listed on the ASX on 18 March 2016 and at which time the application monies were issued for shares in the Company.

Reconciliation of cash

Cash at the end of the financial year as shown in the statement of cash flows is reconciled to items in the statement of financial position as follows:

Cash and cash equivalents	1,752,960
	1,752,960

Note 8 Trade and Other Receivables

	Note	2015 $
CURRENT		
Other receivables		35,200
GST receivables		14,332
Withholding receivables		3,957
Total current trade and other receivables		53,489

Note 8 Trade and Other Receivables (cont'd)

Credit risk

The Company has no significant concentration of credit risk with respect to any single counterparty.

The Company has no significant credit risk exposures to any geographic or business segment.

	2015
AUD	**$**
Australia	35,200
	35,200

The following table details the entity's trade and other receivables exposed to credit risk (prior to collateral and other credit enhancements) with ageing analysis and impairment provided for thereon. Amounts are considered as 'past due' when the debt has not been settled with the terms and conditions agreed between the entity and the customer or counterparty to the transaction. Receivables that are past due are assessed for impairment by ascertaining solvency of the debtors and are provided for where there are specific circumstances indicating that the debt may not be fully repaid to the entity.

The balances of receivables that remain within initial trade terms (as detailed in the table) are considered to be of high credit quality.

	Gross Amount	Past due and impaired	Past due but not impaired (days overdue)				Within initial trade terms
			<30	31-60	61-90	>90	
2015	**$**	**$**	**$**	**$**	**$**	**$**	**$**
Trade and term receivables	35,200	-	-	-	-	35,200	-
Total	35,200	-	-	-	-	35,200	-

Note 9 Other Assets

	2015
	$
CURRENT	
Prepayments	40,000

Note 10 Trade and Other Payables

	Note	2015
		$
CURRENT		
Unsecured liabilities		
Trade payables		78,836
Accruals		12,500
		91,336

Refer to Note 19 for further information on financial instruments.

Note 11 Other Liabilities

	Note	2015
		$
Application monies held in trust	(i)	1,727,811
Less: transaction costs		(151,050)
		1,576,761

(i) These monies represent application monies raised under the Company's prospectus. The Company was subsequently listed on the ASX on 18 March 2016 and at which time the application monies were issued for 8,639,055 shares in the Company at a share price of $0.20 per share.

Note 12 Financial Liabilities

	Note	2015 $
CURRENT		
Loans from directors	(i)	725,948

(i) Loans from directors include $720,948 owing to Ching-Tiem Huang, of which $642,973 was settled by the issue of 3,214,865 ordinary shares in the Company on 18 March 2016, being the date the Company successfully listed on the ASX. Refer to note 18(c)(ii) for further details.

Note 13 Tax

Deferred tax asset of $205,845 in respect of tax losses and temporary differences have not been brought to account. These will be brought to account only if the Company derives future assessable income of a nature and of an amount sufficient to enable the benefit to be realised, the Company continues to comply with deductibility conditions imposed by tax legislation and no changes in tax legislation adversely affects the Company in realising the benefit.

Note 14 Issued Capital

	2015 $
3 fully paid ordinary shares	3
	3

The company has share capital amounting to 3 ordinary shares.

(a) **Ordinary Shares**

	2015 No.
At the beginning of the reporting period:	-
Shares issued at incorporation date	3
Shares bought back during year	-
At the end of the reporting period	3

At the shareholders meetings each ordinary share is entitled to one vote when a poll is called, otherwise each shareholder has one vote on a show of hands.

(b) **Capital Management**

Management controls the capital of the company in order to maintain a sustainable debt to equity ratio, generate long-term shareholder value and ensure that the company can fund its operations and continue as a going concern.

The Company’s debt and capital includes ordinary share capital and financial liabilities, supported by financial assets.

The Company is not subject to any externally imposed capital requirements.

Management effectively manage the Company’s capital by assessing the Company's financial risks and adjusting its capital structure in response to changes in these risks and in the market. These responses include the management of debt levels, distributions to shareholders and share issues.

Gearing will be in a positive position after the conversion of application monies and the directors loans to equity in the Company. Refer subsequent events footnote 17 for details.

Note 15 Operating Segments

Segment Information

Identification of reportable segments

The company has identified its operating segments based on the internal reports that are reviewed and used by the board of directors (chief operating decision makers) in assessing performance and in determining the allocation of resources.

Accordingly, management currently identifies the Company as having only one reportable segment, as at 31 December 2015. There has been no changes in the operating segment during the year. All significant operating decisions are based upon analysis of the Company as one segment. The financial results from this segment are equivalent to the financial statements of the entity as a whole.

Note 16 Cash Flow Information

	2015 $
(a) **Reconciliation of Cash Flows from Operating Activities with Profit after Income Tax**	
Net loss for the year	(547,599)
Adjustments for:	
Transaction costs incurred from	(151,050)
Expenses paid for by director	251,268
Changes in assets and liabilities	
(Increase) in trade and other receivables	(53,489)
(Increase)/decrease in prepayments	(40,000)
Increase in trade and other payables and accruals	91,336
Cash flows from operating activities	(449,534)

Note 17 Events After the Reporting Period

Other than the following, the directors are not aware of any significant events since the end of the reporting period.

On 16th March 2016, Ching-Chen Chi resigned as a director and Garry Michael Edwards was appointed as a

On 18th March 2016, the Company was admitted to listing on the ASX and the following transactions took place:

- 22,557,000 ordinary shares were allotted for cash at $0.20 per share;

- the Company acquired a 100% interest in Ocean Blue International Limited ("OBI") in exchange for a scrip for scrip consideration of 125,000,000 Company Shares;

- debt owing to Ching-Tiem Huang by OBI's subsidiary Soon Mining Ghana amounting to AUD$1,267,400, being US$901,042 fixed at an exchange rate of $0.7109377 as at 31 October 2015 was settled by the issue of 6,337,000 ordinary shares;

- debt owing by the Company to Ching-Tiem Huang amounting to $642,973 was settled by the issue of 3,214,865 ordinary shares.

Official quotation of the Company's securities on the ASX commenced on 21st March 2016.

Note 18 Related Party Transactions

(a) The Company's related parties are as follows:

i. **Key Management Personnel:**

Any person(s) having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any director (whether executive or otherwise) of that entity is considered key management personnel.

For details of disclosures relating to key management personnel, refer to Note 5.

ii. **Other Related Parties**

Other related parties include entities controlled by the ultimate parent entity and entities over which key management personnel have joint control.

(b) Transactions with related parties:

Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated.

The following transactions occurred with related parties, other than those transactions disclosed in Note 5:

	2015
	$
Payment for management fees to Sunlake International Management Consulting Co. (director-related entity)	50,000

(c) Amounts payable to related parties

Trade and Other Payables

i. ***The following balances are outstanding at the reporting date in relation to transactions with related parties:***

Trade payables to Sunlake International Management Consulting Co. Limited (director-related)	45,788
Trade payables to Kirin International Limited (director-related entity)	18,200
Trade payables to Ching-Ling Chi for reimbursement of expenses	5,706
	69,694

ii. ***Loans from Key Management Personnel***

Beginning of the year	-
Loans advanced	725,948
Loan repayment received	-
Interest charged	-
Interest received	-
End of year	725,948

The loans from key management personnel are comprised of $5,000 and $720,948 owing to Ching-Ling Chi and Ching-Tiem Huang respectively. On 3 November 2015, it was agreed to convert the Company's debt owing to director, Ching-Tiem Huang, into equity, conditional upon a successful listing of the Company on the ASX. Subsequent to the year end, on 18 March 2016, when the Company was successfully listed on the ASX, $642,973 of Ching-Tiem Huang's loan was converted into 3,214,865 shares in the Company for partial repayment of his loan. The balance of $77,975 remains outstanding to Ching-Tiem Huang as at the date of this report will be repaid with cash. The amount of $5,000 owing to Ching-Ling Chi will be repaid after financial year end.

ii. ***Other Transactions***

The Company has incurred expenses to facilitate the listing of its related entity, OBI, on the ASX. The Company has also agreed to convert shares in settlement for debts owing to Ching-Tiem Huang by OBI upon the successful reorganisation with the Company. Refer to the directors report for further details.

Note 19 Financial Risk Management

The Company's financial instruments consist mainly of deposits with banks, accounts receivable and payable, loans from related parties.

The totals for each category of financial instruments, measured in accordance with AASB 139: *Financial Instruments: Recognition and Measurement* as detailed in the accounting policies to these financial statements, are as follows:

	Note	2015 $
Financial Assets		
Cash and cash equivalents	7	1,752,960
Other receivables	8	53,489
Total Financial Assets		1,806,449
Financial Liabilities		
Financial liabilities at amortised cost		
— Trade and other payables	10	91,336
— Loan from directors (i)	12	82,975
Total Financial Liabilities		174,311

(i) Financial liabilities exclude application monies amounting to $1,576,761 (net of transaction costs) and debt owing to Ching-Tiem Huang amounting to $642,973 which has subsequently been converted to equity after the year end on 18 March 2016, being the date the Company successfully listed on the ASX.

General Objectives, Policies and Processes

Risk management has focused on limiting debt to a level which could be extinguished by sale of assets or issue of securities if necessary.

The Company's activities expose it to a variety of financial risks; market risk (including interest rate risk and foreign exchange risk), credit risk and liquidity risk. The Company's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the Company.

a. Credit risk

Exposure to credit risk relating to financial assets arises from the potential non-performance by counterparties of contract obligations that could lead to a financial loss to the entity.

Credit risk is managed through the maintenance of procedures (such as the utilisation of systems for the approval, granting and renewal of credit limits, regular monitoring of exposures against such limits and monitoring of the financial stability of significant customers and counterparties), ensuring to the extent possible that customers and counterparties to transactions are of sound credit worthiness. Such monitoring is used in assessing receivables for impairment.

Risk is also minimised through investing surplus funds in financial institutions that maintain a high credit rating or in entities that the Board has otherwise assessed as being financially sound. Where the Company is unable to ascertain a satisfactory credit risk profile in relation to a customer or counterparty, the risk may be further managed through title retention clauses over goods or obtaining security by way of personal or commercial guarantees over assets of sufficient value which can be claimed against in the event of any default.

Credit Risk Exposures

The maximum exposure to credit risk by class of recognised financial assets at the end of the reporting period, excluding the value of any collateral or other security held is equivalent to the carrying amount and classification of those financial assets (net of any provisions) as presented in the statement of financial position.

Trade and other receivables that are neither past due or impaired are considered to be of high credit quality. Aggregates of such amounts are as detailed at Note 8.

Note 19 Financial Risk Management (Cont'd)

b. Liquidity risk

Liquidity risk arises from the possibility that the entity might encounter difficulty in settling its debts or otherwise meeting its obligations related to financial liabilities. The entity manages this risk through the following mechanisms:

- preparing forward-looking cash flow analyses in relation to its operating, investing and financing activities
- obtaining funding from a variety of sources
  - maintaining a reputable credit profile
  - managing credit risk related to financial assets
  - only investing surplus cash with major financial institutions
  - comparing the maturity profile of financial liabilities with the realisation profile of financial assets

The tables below reflect an undiscounted contractual maturity analysis for financial liabilities.

Cash flows realised from financial assets reflect management's expectation as to the timing of realisation. Actual timing may therefore defer from that disclosed. The timing of cash flows presented in the table to settle financial liabilities reflect the earliest contractual settlement dates.

Financial liability and financial asset maturity analysis

	Within 1 Year 2015 $	1 to 5 years 2015 $	Over 5 years 2015 $	Total 2015 $
Financial liabilities due for payment				
Trade and other payables	91,336	-	-	91,336
Amounts payable to related parties	82,975	-	-	82,975
Total contractual	174,311	-	-	174,311
Less bank overdrafts	-	-	-	-
Total expected outflows	174,311	-	-	174,311
	Year 2015 $	**years 2015 $**	**years 2015 $**	**Total 2015 $**
Financial Assets - cash flows realisable				
Cash and cash equivalents	1,752,960	-	-	1,752,960
Trade, term and loans receivables	53,489	-	-	53,489
Total anticipated inflows	1,806,449	-	-	1,806,449
Net (outflow) / inflow on financial instruments	1,632,138	-	-	1,632,138

c. Market Risk

i. *Interest rate risk*

Exposure to interest rate risk arises on financial assets and financial liabilities recognised at reporting date whereby a future change in interest rates will affect future cash flows or the fair value of fixed rate financial instruments. The entity is also exposed to earnings volatility on floating rate instruments. The financial instruments which primarily expose the Company to interest rate risk are borrowings and cash and cash equivalents.

ii. *Foreign exchange risk*

Exposure to foreign exchange risk may result in the fair value or future cash flows of a financial instrument fluctuating due to movement in foreign exchange rates of currencies in which the entity holds financial instruments which are other than the AUD functional currency of the entity.

Due to instruments held by overseas operations, fluctuation in US Dollar may impact on the entity's financial results unless those exposures are appropriately hedged.

No foreign currency hedge is currently in place as at the date of this Financial Report. The Board is constantly reviewing the fluctuation in the relevant foreign currency rates and is prepared to put in place a foreign currency hedge should the need arise.

Note 19 Financial Risk Management (Cont'd)

Fair Values

Fair value estimation

The fair values of financial assets and financial liabilities are presented in the following table and can be compared to their carrying amounts as presented in the statement of financial position.

Differences between fair values and carrying amounts of financial instruments with fixed interest rates are due to the change in discount rates being applied by the market since their initial recognition by the Company. Most of these instruments, which are carried at amortised cost (ie term receivables, held-to-maturity assets, loan liabilities), are to be held until maturity and therefore the fair value figures calculated bear little relevance to the Company.

	Note	Note	2015	
			Carrying Amount $	Fair Value $
Financial assets				
Cash and cash equivalents (i)		7	1,752,960	1,752,960
Trade and other receivables:				
- unrelated parties - trade and term receivables (i)		8	53,489	53,489
Total trade and other receivables		8	53,489	53,489
Total financial assets			1,806,449	1,806,449
Financial liabilities				
Trade and other payables (i)		10	91,336	91,336
Other liabilities		11	1,576,761	1,576,761
Total financial liabilities			91,336	91,336

(i) Cash and cash equivalents, trade and other receivables, and trade and other payables are short-term instruments in nature whose carrying amounts are equivalent to their fair values.

The company does not subsequently measure any liabilities at fair value on a non-recurring basis.

Note 20 Contingencies and Commitments

The Company has entered into various agreements during the financial year which contain contingent commitments for the Company as at 31 December 2015. Details of these commitments and the subsequent payments and conversions are outlined note 17.

Note 21 Diluted Earnings per Share

The dilutive earnings per share calculation does not include the following potential ordinary shares as their effect as at 31 December 2015 is antidilutive as their inclusion would result in a reduction in loss per share:

- Debt owing to Ching-Tiem Huang by OBI's subsidiary Soon Mining Ghana amounting to AUD$1,267,400, being US$901,042 fixed at an exchange rate of $0.7109377 as at 31 October 2015 was settled by the issue of 6,337,000 ordinary shares.

- Debt owing by the Company to Ching-Tiem Huang amounting to $642,973 was settled by the issue of 3,214,865 ordinary shares.

The above mentioned shares were contingent on the Company successfully listing on the ASX which subsequently occurred after the year end on 18 March 2016.

In addition to the above, the Company acquired a 100% interest in OBI on 18 March 2016 in exchange for a scrip for scrip consideration of 125,000,000 Company shares and application monies received at year end have also been converted into equity.

Note 22 Company Details

The registered office of the company is:
Unit 10B/ 8 Metroplex Avenue, Murarrie QLD 4172

The principal place of business is:
Unit 10B/ 8 Metroplex Avenue, Murarrie QLD 4172

SOON MINING LIMITED ABN: 45 603 637 083
DIRECTORS' DECLARATION

In accordance with a resolution of the directors of Soon Mining Limited, the directors of the company declare that:

1. the attached financial statements and notes, are in accordance with the *Corporations Act 2001* and:

    (a) comply with Accounting Standards, which, as stated in accounting policy note 1 to the financial statements, constitutes compliance with International Financial Reporting Standards (IFRS); and

    (b) give a true and fair view of the financial position as at 31 December 2015 and of the performance for the year ended on that date of the company;

2. in the directors' opinion there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable; and

3. the directors have been given the declarations required by section 295A of the *Corporations Act 2001* from the Chief Executive Officer and Chief Financial Officer.

Signed in accordance with a resolution of directors made pursuant to section 295(5)(a) of the *Corporations Act 2001.*

On Behalf of the directors

Ching-Tiem Huang
Chairman and Managing Director

31 March 2016
Taipei, Taiwan

Ching-Ling Chi
Director/CFO

31 March 2016
Gold Coast, Australia

INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF SOON MINING LIMITED ACN 603 637 083

Report on the Financial Report

We have audited the accompanying financial report of Soon Mining Limited ("the Company"), which comprises the statement of financial position as at 31 December 2015, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration.

Directors' Responsibility for the Financial Report

The directors of the Company are responsible for the preparation of the 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 financial report that is free from material misstatement, whether due to fraud or error. In Note 1, the directors also state, in accordance with Accounting Standard AASB 101 *Presentation of Financial Statements*, that the financial statements comply with *International Financial Reporting Standards (IFRS)*.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance about whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the financial report that gives a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Independence

In conducting our audit, 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 provided to the directors as at the date of this auditor's report.

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PKF

Chartered Accountants
& Business Advisers

Auditor's Opinion

In our opinion:

(a) the financial report of Soon Mining Limited is in accordance with the *Corporations Act 2001*, including:

  (i) giving a true and fair view of the Company's financial position as at 31 December 2015 and of its performance for the year ended on that date; and

  (ii) complying with Australian Accounting Standards and the *Corporations Regulations 2001*; and

(b) the financial report also complies with *International Financial Reporting Standards* as disclosed in Note 1.

Report on the Remuneration Report

We have audited the Remuneration Report included in the directors' report for the year ended 31 December 2015. The directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

Auditor's Opinion

In our opinion, the Remuneration Report of Soon Mining Limited for the year ended 31 December 2015 complies with section 300A of the *Corporations Act 2001.*

PKF

William Grant Chatham
Partner

31 March 2016
Gold Coast, Australia

SOON MINING LIMITED ABN: 45 603 637 083
ADDITIONAL INFORMATION FOR LISTED PUBLIC COMPANIES

The following information is current as at 25 April 2016:

1. **Shareholding**

a. **Distribution of Shareholders**

Category (size of holding)	Holders	Number of Shares	% of Issued Capital
1 – 1,000	-	-	-
1,001 – 5,000	5	17,345	0.011
5,001 – 10,000	366	3,652,655	2.325
10,001 – 100,000	37	1,266,500	0.806
100,001 – and over	58	152,192,365	96.858
	466	157,128,865	100.000

b. There are 3 unmarketable shareholders with a total shareholdings of 8,400.

c. The names of the substantial shareholders listed in the holding company's register are:

Shareholder	Number Ordinary	%
TITANOBOA GROUP LIMITED	62,676,865	39.889
BRAINPOWER INVESTMENT MANAGEMENT LIMITED	11,250,000	7.160

d. **Voting Rights**

The voting rights attached to each class of equity security are as follows:

Ordinary shares

– Each ordinary share is entitled to one vote when a poll is called, otherwise each member present at a meeting or by proxy has one vote on a show of hands.

e. 20 Largest Shareholders — Ordinary Shares

Name		Number of Ordinary Fully Paid Shares Held	% Held of Issued Ordinary Capital
1.	TITANOBOA GROUP LIMITED	62,676,865	39.889
2.	BRAINPOWER INVESTMENT MANAGEI	11,250,000	7.160
3.	TSAI YAN HUANG	5,750,000	3.659
4.	KIRIN INTERNATIONAL LIMITED	5,000,000	3.182
5.	CHING YANG HUANG	4,875,000	3.103
6.	KUEI TSUNG HUANG	4,375,000	2.784
7.	CHIEN HUANG	3,750,000	2.387
8.	CHANG TI HUANG	3,750,000	2.387
9.	PI SUI HUANG LAI	3,750,000	2.387
10.	TSAO CHI CHEN	3,750,000	2.387

SOON MINING LIMITED ABN: 45 603 637 083
ADDITIONAL INFORMATION FOR LISTED PUBLIC COMPANIES

1. **Shareholding (cont'd)**

e. **20 Largest Shareholders — Ordinary Shares (cont'd)**

Name		**Number of Ordinary Fully Paid Shares Held**	**% Held of Issued Ordinary Capital**
11.	HUI CHIN LEE	3,750,000	2.387
12.	CHIEN LIN HUANG	3,500,000	2.227
13.	PEN LI LIN	3,125,000	1.989
14.	MS CHI CHING-LU	3,100,000	1.973
15.	MS LEE HUI-CHIN	2,152,550	1.370
16.	CHIANG CHIH KUO	2,083,750	1.326
17.	PANTASTICO GLADWIN	2,000,000	1.273
18.	CHIEN YING CHI	1,667,500	1.061
19.	CHING LU CHI	1,666,250	1.060
20.	YUNG HAO HUANG	1,500,000	0.955
		133,471,915	84.944

2. The name of the company secretary is Jiahui Jeremiah Thum
3. The address of the principal registered office in Australia is Unit 10B/ 8 Metroplex Avenue, Murrarie QLD 4172. Telephone: 07 3906 2883.

4. Registers of securities are held at the following addresses

   New South Wales Level 12, 225 George Street, Sydney

5. **Stock Exchange Listing**

   Quotation has been granted for all the ordinary shares of the company on all Member Exchanges of the Australian Securities Exchange Limited.

6. **On-Market Buy-Back**

   There is no current on-market buy-back.

7. **Other information**

   In accordance with ASX listing rule 4.10.19; the Company advises that it has used the cash, and assets in a form readily converted into cash, that it had at the time of admission, in a way consistent with its business objectives.