

**SOON MINING LIMITED (ASX: SMG)****31 July 2017****QUARTERLY ACTIVITIES REPORT  
FOR THE QUARTER ENDED 30 JUNE 2017****Konongo Joint Venture**

The new government of Ghana has acted to crack down on illegal mining known as “Galamsey” for protection of water resources, farmlands and the rights of legitimate mining companies. The Konongo Project mining preparations have been temporarily delayed due to a nationwide investigation into illegal mining activities. Alluvial gold mining in the country has been suspended whilst the investigation is going on. To date, SMG has not conduct any mining activities in Ghana and has under no circumstance engaged in any unauthorized or illegal mining. Once the temporary nationwide mining suspension is lifted, SMG will recommence preparations to begin mining in Konongo Project joint venture which already has all necessary permits for mining operations.

**Kwahu Praso Project - EPA Progress**

The progress of obtaining EPA approval has been impacted by the government’s focus on investigation of illegal mining and subsequently negotiation with local residents has temporarily slowed. After the investigation and mining suspension ends, Company will seek assistance from the Government Minister and Parliament Member to expedite the process of securing EPA approval for the Company’s Kwahu Praso Project (100% SMG)

**Equipment**

The Company has suffered the loss of a number of pieces of equipment due to theft. Security over the Company’s assets has been strengthened in response to the theft. Replacement equipment is expected to arrive in Ghana in late August 2017. However, this incident will not affect the Company’s ability to commence mining operations even before the replacement equipment arrives in Ghana. Once the Government announces the resumption of mining activities in the country, the Company will be able to commence the mining operation gradually.

The Company looks forward to continuing working with Government to develop the mining sector in Ghana and contribute to the local and national economy.

**Quarterly Activities Report****For the quarter ended 30 June 2017 (Cont'd)****Disclosure of Information relating to Listing Rule 5.3**

5.3.1 See heading 'Quarterly Activities Report' above for more details.

5.3.2 There are no existing activities relating to production as at 30 June 2017.

5.3.3 The Project is located near Kwahu Praso in the Kwahu South District in the Eastern Region of Ghana. It is about 130 km northwest of Accra, the capital of Ghana.

The Project concession covers an area of 82.74 km<sup>2</sup> including 63.0 km<sup>2</sup> within the mining lease area and the surrounding 19.74 km<sup>2</sup> retained under a prospecting license. The mining lease has a mining tenure of 14 years with a current expiry date of 11 July 2027 with mining lease number RL.5/60. The prospecting license has been renewed with expiry date of 2 March 2018. No mining tenements were acquired or disposed of during the quarter.

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

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**ENDS****Ching-Tiem Huang**  
**Managing Director**