

23 October 2017

SOON MINING LIMITED ANNOUNCES PROPOSED EXPANSION INTO OIL TRADING BUSINESS

- **SMG in advanced discussions with the Government of Ghana to obtain authorisations to trade light crude oil**
- **SMG proposes to enter into oil trading business, subject to shareholder approval and re-compliance with Chapters 1 and 2 of the ASX Listing Rules**

Background

Soon Mining Limited (**Company** or **SMG**) was admitted to the official list of the Australian Securities Exchange (**ASX**) in March 2016 as a gold exploration and mining company. The Company's primary project is the development of the Kwahu Praso Gold Concession (**Kwahu Praso Project**) which is located in the world class gold bearing vein, the Ashanti Gold Belt, in the eastern region of Ghana. The project is 100% owned by a wholly owned subsidiary of SMG.

In February 2017, SMG further acquired rights under a 3 year mining right agreement to mine and process gold within the Konongo project area (**Konongo Project**). Similar to the Kwahu Praso Project, the Konongo Project is also located in the Ashanti Gold Belt.

As announced to market on 12 May 2017, the Ghana Government has imposed a temporary nationwide suspension of mining activities due to its investigation into illegal mining activity in Ghana.

SMG remains focused on the production of gold from the Kwahu Praso Project and Konongo Project, as well as the growth of its gold assets to develop a long-term mining plan to find significant gold resources through exploratory drilling. However, in view of the current mining suspension, the SMG board believes that it would be in the best interests of the Company to diversify its business.

Proposed oil trading business

Ghana is one of the top-ten fastest growing economies in the world, and the fastest growing economy in Africa. Two of the largest natural resources in Ghana are gold and crude oil. Ghana's crude oil is graded as sweet light crude oil and is a sought after commodity in the Asian market.

Due to the Company's position as an ASX listed company operating in Ghana with deep knowledge and experience of doing business in the country, as well as the board's understanding of the Asian market, the SMG board has identified the trading of oil and other petroleum products from Ghana as a potential business opportunity.

The SMG board is pleased to announce that the Company is in advanced discussions with the Government of Ghana to obtain the necessary authorisations to enable SMG to trade light crude oil, which may also extend to other petroleum products (**Proposed Business**).

As noted above, SMG remains committed to its gold mining and exploration business and the Company intends to operate the Proposed Business in addition to the gold business.

Proposed significant change to nature or scale of activities

After the Company's consultation, ASX has determined that the addition of the Proposed Business will constitute a significant change to the nature or scale of SMG's activities and accordingly SMG will be required to:

- seek shareholder approval pursuant to ASX Listing Rule 11.1.2; and
- re-comply with Chapters 1 and 2 of the ASX Listing Rules pursuant to ASX Listing Rule 11.1.3,

(Re-Compliance Listing).

ASX will require the Company to issue a prospectus in connection with its re-compliance with Chapters 1 and 2 of the ASX Listing Rules. However, the Company does not intend to raise any capital under the prospectus as part of the Re-Compliance Listing.

No change to the board or senior management is being proposed as part of the Re-Compliance Listing.

Further details regarding the potential effects of the Proposed Business and Re-Compliance Listing on the Company will be set out in the Company's notice of meeting.

Indicative timetable

Event	Indicative date
Notice of general meeting despatched to shareholders	November 2017
Date of general meeting	December 2017
Lodgement of re-listing prospectus with the Australian Securities and Investments Commission	December 2017
Lodgement of re-listing application with ASX	December 2017

Dates are indicative only. SMG reserves the right to vary these dates subject to the requirements of the ASX Listing Rules.

Ching-Tiem Huang

Managing Director

This announcement does not contain or purport to contain all the information that a prospective investor may require. The contents of this announcement does not constitute any form of offer or advice and should not be relied upon in making (or refraining from making) any decisions. Potential investors should make their own decision as to whether an investment in the Company's shares is suitable for them and obtain their own independent advice.

The information in this announcement may include forward-looking statements regarding future events and the future financial performance of the Company. All forward-looking statements are based on the beliefs of SMG's management as well as assumptions made by reference to information currently available to the Company. These statements reflect the Company's current views with respect to future events and are subject to various risks, uncertainties and assumptions, the details of which will be discussed in the prospectus to be lodged with the ASIC in connection with the Company's re-compliance with Chapters 1 and 2 of the ASX Listing Rules.