

Appendix 4D
Half-year report

1. Company details

Name of entity: Soon Mining Limited
ABN: 45 603 637 083
Reporting period: For the half-year ended 30 June 2020
Previous period: For the half-year ended 30 June 2019

2. Results for announcement to the market

			\$
Revenues from ordinary activities			Nil
Loss from ordinary activities after tax attributed to the owners of Soon Mining Limited	down	21.4% to	383,207
Loss for the half-year attributable to the owners of Soon Mining Limited	down	21.4% to	383,207

The directors do not recommend the payment of a dividend. No dividend was paid during the period.

3. Net tangible assets

	Reporting period Cents	Previous period Cents
Net tangible assets per ordinary security	0.03	0.56

4. Control gained over entities

Not applicable

5. Loss of control over entities

Not applicable

6. Details of associates and joint venture entities

Soon Mining Limited has no investments in associates or joint ventures during the period.

Soon Mining Limited
ABN 45 603 637 083

Appendix 4D
Half-year report

7. Audit qualification or review

The financial statements were subject to a review by the auditors and the review reports is attached as part of the Interim Report.

8. Attachments

The Interim Report of Soon Mining Limited for the half-year ended 30 June 2020 is attached.

9. Signed



Ching-Tiem Huang
Managing Director

06 October 2020
Brisbane QLD

Soon Mining Limited
ABN 45 603 637 083

Appendix 4D
Half-year report

Soon Mining Limited

ABN 45 603 637 083

INTERIM FINANCIAL REPORT

Half-Year Ended 30 June 2020

INTERIM FINANCIAL REPORT

Half-Year Ended 30 June 2020

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General Information

The consolidated financial statements cover Soon Mining Limited (referred to hereafter as the Company) and the entities it controlled (referred to hereafter as the Group) as at 30 June 2020 and for the period then ended. The financial statements are presented in Australian dollars, which is the Group's functional and presentation currency.

Soon Mining Limited is a listed public Company limited by shares, incorporated and domiciled in Australia.

Registered office

Level 1 Suite 1a
33 Queen Street
Brisbane QLD 4000

Principal place of business

Level 1 Suite 1a
33 Queen Street
Brisbane QLD 4000

A description of the nature of the consolidated entity'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 06 October 2020.

Directors' Report

The Directors present their report, together with the financial statements, on the consolidated entity (referred to hereafter as the Group), consisting of Soon Mining Limited ("the Company") and the entities it controlled at the end of, or during, the half-year ended 30 June 2020.

Directors

The names of the Directors in office at any time during, or since the end of, the period are:

Ching-Tiem Huang
Ching-Ling Chi
Frederic Ferges

Directors have been in office since the start of the financial period to the date of this report unless otherwise stated.

Principal activities

During the financial period, the principal activities of the Group consisted of mining and related activities, including exploration and preparation of mine site.

Review of operations

The loss of the Group for the financial period after providing for income tax amounted to \$415,325 (30 June 2019: Loss \$472,592)

The net assets of the Group as at 30 June 2020 amount to \$49,797 (31 December 2019: \$433,004). These net assets are predominately made up of cash and cash equivalents, property, plant and equipment, and capitalised exploration costs.

Significant changes in the state of affairs

On 5 February 2020, the public hearing held in Kwahu Praso had successfully concluded. The public hearing was attended by dozens of chiefs from Kwahu and Asanti, whom were headed by Kwahu Obohene, along with community representatives from 13 major villages in the mining concession and over 1,000 local residents. The EPA promoted the government's policies and position and the Group explained its mining policies and future social responsibility plans for the villages and communities in the mining concession area. This will bring the Group closer to obtaining the EPA permit, allowing the Group to legally and formally carry out its planned mining activities as soon as possible.

On 29 May 2020, the Company has received a letter of intent from Tian-Yuan International Ghana Company Ltd (Tian-Yuan), to cooperate in the mining of the Kwahu Praso mine area. Tian-Yuan was incorporated in 2012 and has focused on the mining of placer gold in the region. Given its experience in Ghana, the Company is familiar with the mining laws and regulations of Ghana and has sufficient machinery and equipment for gold placer mining activities. As such, from Tian-Yuan point of view, a cooperative partnership with the Company may be strategically beneficial. The Board is considering this letter of intent and has asked the Managing Director to negotiate and define the terms of the agreement. The company is also actively expanding its search for other potential partners who can cooperate in mining the Kwahu Praso mining area.

On 8 June 2020, the Company has completed the Environment Impact Statement ("EIS") and has submitted it to the Environmental Protection Agency ("EPA") for review. The EIS is the final report that the Company is required to submit to the EPA as part of the application for the EPA permit. The submission of this report is a major milestone towards obtaining the EPA permit. The Company has also completed the signing of the Corporate Social Responsibility agreement with Kwahu Praso No.1. The Company's ongoing coordination with the initial villages has been recognized by the other villages in the mining area, which will count towards the EPA's review process and the granting of the EPA permit. The Company is now conducting more on-site exploration in the concession, and also actively contacting the local and international mining teams to ensure that the Company can efficiently begin its mining activities upon obtaining the EPA permit.

Directors' Report

Matters subsequent to the end of the financial year

The consolidated entity is aware of the impact that Coronavirus (COVID-19) is having on the Australian and World economy.

The Directors have considered the impact of COVID-19 on the consolidated entity's recorded asset values and the Directors are of the view that there has been no material impact on the consolidated entity's recorded asset values as at or subsequent to the reporting date.

As at the date of these financial statements, the consolidated entity is not aware of any impact that has occurred in relation to any of its staff, contractors or key suppliers.

Given the negative impact that has occurred and is continuing to occur on world financial markets as a result of COVID-19, the Directors are of the view that there is the potential that COVID-19 will have a significant negative impact on the consolidated entity's ability to secure the required debt and equity financing for its proposed current and future projects, including but not limited to, the consolidated entity's proposed Kwahu Praso Gold Project. At the date of these financial statements, this impact is not able to be fully assessed or measured.

No other matter or circumstance has arisen since 30 June 2020 that have significantly affected, or may significantly affect the Group's operations, the results of those operations, or the Group's state of affairs in future financial years.

Likely developments and expected results of operations

The Group will continue to pursue its gold mining project in Ghana, West Africa.

Rounding of amounts

The Company is of a kind referred to in the Corporations Instrument 2016/191, issued by the Australian Securities and Investments Commission, relating to 'rounding-off'. Amounts in this report have been rounded off in accordance with that Corporations Instrument to the nearest dollar.

Auditor's independence declaration

A copy of the auditor's independence declaration as required under section 307C of the *Corporations Act 2001* is set out on page 4.

Auditor

This report is made in accordance with a resolution of directors, pursuant to section 306(3)(a) of the Corporations Act 2001.

On behalf of the directors,



Ching-Tiem Huang

Chairman and Managing Director

Date: 06 October 2020

RSM Australia Partners

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AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the review of the financial report of Soon Mining Limited for the half-year ended 30 June 2020, I declare that, to the best of my knowledge and belief, there have been no contraventions of:

- (i) the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
- (ii) any applicable code of professional conduct in relation to the review.



RSM Australia Partners



Albert Loots

Partner – Assurance & Advisory

Brisbane, Queensland
Dated: 6 October 2020

**Consolidated Statement of Profit or loss and Other
 Comprehensive Income**
 For the Half-Year Ended 30 June 2020

	Half-year ended 30-Jun-20 \$	Half-year ended 30-Jun-19 \$
Other Income	-	46
Employee benefits expense	-	(8,671)
Depreciation and amortisation expense	(49,704)	(46,178)
Other expenses	(365,621)	(417,789)
Loss before income tax expense	<u>(415,325)</u>	<u>(472,592)</u>
Income tax expense	-	-
Loss after income tax expense for the half-year	<u>(415,325)</u>	<u>(472,592)</u>
Other comprehensive income		
<i>Items that will not be reclassified subsequently to profit or loss</i>	-	-
<i>Items that may be reclassified subsequently to profit or loss when specific conditions are met</i>		
Foreign currency translation	32,118	7,356
Other comprehensive income for the half-year, net of tax	<u>32,118</u>	<u>7,356</u>
Total comprehensive loss for the half-year	<u>(383,207)</u>	<u>(465,236)</u>
	Cents	Cents
Loss per share for loss from continuing operations attributable to the owners of Soon Mining Limited		
Basic loss per share	(0.3)	(0.3)
Diluted loss per share	(0.3)	(0.3)

The accompanying notes form part of these consolidated financial statements

Consolidated Statement of Financial Position
 As at 30 June 2020

	Note	30-Jun-20 \$	31-Dec-19 \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents		11,710	86,334
Trade and other receivables		-	499
Other assets	2	40,638	37,100
TOTAL CURRENT ASSETS		<u>52,348</u>	<u>123,933</u>
NON-CURRENT ASSETS			
Property, plant and equipment		315,158	353,838
Exploration and evaluation assets	3	1,002,669	951,627
TOTAL NON-CURRENT ASSETS		<u>1,317,827</u>	<u>1,305,465</u>
TOTAL ASSETS		<u>1,370,175</u>	<u>1,429,398</u>
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables		945,415	639,675
Financial liabilities		374,963	356,719
TOTAL CURRENT LIABILITIES		<u>1,320,378</u>	<u>996,394</u>
TOTAL LIABILITIES		1,320,378	996,394
NET ASSETS		<u>49,797</u>	<u>433,004</u>
EQUITY			
Issued capital	4	6,364,323	6,364,323
Reserves		74,325	42,207
Accumulated losses		(6,388,851)	(5,973,526)
TOTAL EQUITY		<u>49,797</u>	<u>433,004</u>

The accompanying notes form part of these consolidated financial statements

Consolidated Statement of Changes in Equity
 For the Half-Year Ended 30 June 2020

	Share Capital \$	Reserves \$	Accumulated Losses \$	Total Equity \$
Balance at 1 January 2019	6,364,323	31,192	(5,042,917)	1,352,598
Comprehensive loss				
Loss for the period	-	-	(472,592)	(472,592)
Other comprehensive income for the half-year, net of tax	-	7,356	-	7,356
Total comprehensive income/(loss) for the half-year	-	7,356	(472,592)	(465,236)
Balance at 30 June 2019	6,364,323	38,548	(5,515,509)	887,362
Balance at 1 January 2020	6,364,323	42,207	(5,973,526)	433,004
Comprehensive loss				
Loss for the period	-	-	(415,325)	(415,325)
Other comprehensive income for the half-year, net of tax	-	32,118	-	32,118
Total comprehensive income/(loss) for the half-year	-	32,118	(415,325)	(383,207)
Balance at 30 June 2020	6,364,323	74,325	(6,388,851)	49,797

The accompanying notes form part of these consolidated financial statements

Consolidated Statement of Cash Flows
For the Half-Year Ended 30 June 2020

	Half-year ended 30-Jun-20 \$	Half-year ended 30-Jun-19 \$
CASH FLOWS FROM OPERATING ACTIVITIES		
Interest received	-	46
Receipts from customers and other receivables	-	-
Payments to suppliers and employees	(66,316)	(101,010)
Net cash used in operating activities	<u>(66,316)</u>	<u>(100,964)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Payments for exploration and evaluation assets	(32,797)	(72,901)
Net cash used in investing activities	<u>(32,797)</u>	<u>(72,901)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Share issue costs	-	-
Repayment of borrowings	(242,565)	(80,823)
Borrowings received	260,018	100,000
Net cash from financing activities	<u>17,453</u>	<u>19,177</u>
Net decrease in cash held	(81,660)	(154,688)
Cash and cash equivalents at beginning of period	86,334	175,187
Effect of exchange rate changes on cash and cash equivalents	7,036	(8,165)
Cash and cash equivalents at end of period	<u>11,710</u>	<u>12,334</u>

The accompanying notes form part of these consolidated financial statements

Notes to the consolidated financial statements

For the Half-Year Ended 30 June 2020

Note 1 Significant Accounting Policies

These general purpose financial statements for the interim half-year reporting period ended 30 June 2020 have been prepared in accordance with Australian Accounting Standard AASB 134 'Interim Financial Reporting' and the Corporations Act 2001, as appropriate for for-profit entities. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 'Interim Financial Reporting'.

These general purpose financial statements do not include all the notes of the type normally included in annual financial statements. Accordingly, these financial statements are to be read in conjunction with the annual report for the year ended 31 December 2019 and any public announcements made by the company during the interim reporting period in accordance with the continuous disclosure requirements of the Corporations Act 2001.

The principal accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period, unless otherwise stated.

New or amended Accounting Standards and Interpretations adopted

The consolidated entity has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

Going Concern

The financial statements have been prepared on the going concern basis, which contemplates continuity of normal business activities and the realisation of assets and settlement of liabilities in the normal course of business.

As disclosed in the financial statements, the Group incurred a loss of \$415,325 and had net cash outflows from operating and investing activities of \$66,316 and \$32,797 respectively for the half-year ended 30 June 2020. As at 30 June 2020, the Group was in a net current liability position of \$1,268,030.

These factors indicate significant uncertainty as to whether the Group will continue as a going concern and therefore whether it will realise its assets and extinguish its liabilities in the normal course of business and at the amounts stated in the financial report.

The Directors believe that there are reasonable grounds to believe that the Group will be able to continue as a going concern, after consideration of the following factors:

- The Company expects to raise additional capital to fund working capital requirements and;
- The Company has been successful in getting the Directors and Shareholders to subordinate its \$1,282,098 debt owed by the Company for at least 12 months from the date of signing these financial statements.

Notes to the consolidated financial statements
For the Half-Year Ended 30 June 2020

Accordingly, the Directors believe that the Group will be able to continue as a going concern and that it is appropriate to adopt the going concern basis in the preparation of the financial report.

The financial report does not include any adjustments relating to the recoverability and classification of recorded asset amounts or the amounts or classification of liabilities and appropriate disclosures that may be necessary should the Group be unable to continue as a going concern.

The Group has concluded that as a result of the requirement to raise funds in the future there exists a material uncertainty that may cast significant doubt regarding its ability to continue as a going concern and therefore, the Group may be unable to realise its assets and discharge its liabilities in the normal course of business. Nevertheless, after taking into account the current financial position of the Group, and its ability to raise further capital, the Group has a reasonable expectation that it will have adequate resources to fund its future operational requirements and for these reasons it continues to adopt the going concern basis in preparing the financial report.

Should the Group be unable to continue as a going concern, it may be required to realise its assets and extinguish its liabilities other than in the ordinary course of business, and at amounts that differ from those stated in the financial statements. The financial report does not include any adjustments relating to the recoverability and classification of recorded asset amounts or the amounts or classification of liabilities and appropriate disclosures that may be necessary should the Group be unable to continue as a going concern.

Note 2 Other Assets

	30-Jun-20	30-Dec-19
	\$	\$
Deposits	327,508	320,823
Less: Provision for doubtful debts	(291,418)	(285,470)
Prepayments	1,216	1,747
Deposits paid on Land	3,332	-
	<u>40,638</u>	<u>37,100</u>

Note 3 Exploration and Evaluation Assets

	30-Jun-20	31-Dec-19
	\$	\$
Exploration phase costs - at cost	<u>1,002,669</u>	<u>951,627</u>

The capitalised exploration assets carried forward above have been determined as follows:

Balance at the beginning of the period	951,627	856,467
Expenditure incurred during the period- additions	31,214	88,803
Foreign exchange on conversion	19,828	6,357
Balance at the end of the period	<u>1,002,669</u>	<u>951,627</u>

Notes to the consolidated financial statements
For the Half-Year Ended 30 June 2020

Note 4 Issued Capital

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.

	2020	2019
	\$	\$
158,222,821 (2019: 158,222,821) fully paid ordinary shares	6,787,741	6,787,741
Share Issue costs	<u>(423,418)</u>	<u>(423,418)</u>
	<u>6,364,323</u>	<u>6,364,323</u>

Movements in ordinary share capital

2020

	No.	\$
Balance at the beginning of the year		
Issue of shares to the market	158,222,821	6,364,323
Share issue costs	<u>-</u>	<u>-</u>
Balance at the end of the year	<u>158,222,821</u>	<u>6,364,323</u>

2019

	No.	\$
Balance at the beginning of the year		
Issue of shares to the market	158,222,821	6,364,323
Share issue costs	<u>-</u>	<u>-</u>
Balance at the end of the year	<u>158,222,821</u>	<u>6,364,323</u>

Note 5 Fair Value Measurement

Recurring fair value measurements

No financial instruments are subject to recurring fair value measurement as at the end of the reporting period.

Due to their short term nature, the carrying amounts of current receivables and current payables is assumed to approximate their fair value.

Notes to the consolidated financial statements

For the Half-Year Ended 30 June 2020

Note 6 Contingent Liabilities

There have been no changes in contingent liabilities or contingent assets since the end of the previous annual reporting period.

Note 7 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.

Identification of reportable segments

The Group 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 Group as having only one reportable segment, as at 30 June 2020. There have been no changes in the operating segment during the year. All significant operating decisions are based upon analysis of the Group as one segment. The financial results from this segment are equivalent to the consolidated financial statement of the entity as a whole.

Note 8 Events After the Reporting Period

The consolidated entity is aware of the impact that COVID-19 is having on the Australian and World economy.

The Directors have considered the impact of COVID-19 on the consolidated entity's recorded asset values and the Directors are of the view that there has been no material impact on the consolidated entity's recorded asset values as at or subsequent to the reporting date.

As at the date of these financial statements, the consolidated entity is not aware of any impact that has occurred in relation to any of its staff, contractors or key suppliers.

Given the negative impact that has occurred and is continuing to occur on world financial markets as a result of COVID-19, the Directors are of the view that there is the potential that COVID-19 will have a significant negative impact on the consolidated entity's ability to secure the required debt and equity financing for its proposed current and future projects, including but not limited to, the consolidated entity's proposed Kwahu Praso Gold Project. At the date of these financial statements, this impact is not able to be fully assessed or measured.

No other matters or circumstances have arisen since 30 June 2020 that has significantly affected, or may significantly affect the Group's operations, the results of those operations or the Group's affairs in future financial years.

Directors' Declaration

In the directors' opinion:

- the attached financial statements and notes comply with the Corporations Act 2001, Australian Accounting Standard AASB 134 'Interim Financial Reporting', the Corporations Regulations 2001 and other mandatory professional reporting requirements;
- the attached financial statements and notes give a true and fair view of the Group's financial position as at 30 June 2020 and of its performance for the financial half-year ended on that date; and
- there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of directors made pursuant to section 303(5)(a) of the *Corporations Act 2001*.

On behalf of the directors



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Ching-Tiem Huang
Chairman and Managing Director

**INDEPENDENT AUDITOR'S REVIEW REPORT
TO THE MEMBERS OF
SOON MINING LIMITED**

Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial report of Soon Mining Limited which comprises the consolidated statement of financial position as at 30 June 2020, the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and the consolidated statement of cash flows for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the half-year end or from time to time during the half-year.

Material Uncertainty Related to Going Concern

We draw attention to Note 1 in the financial report, which indicates the consolidated entity incurred a loss after tax of \$415,325. It had net cash outflows from operating and investing activities of \$66,316 and \$32,797 respectively for the half-year ended 30 June 2020 and had net current liabilities of \$1,268,030 as at 30 June 2020. As stated in Note 1, these events or conditions, along with other matters as set forth in Note 1, indicate that a material uncertainty exists that may cast significant doubt on the consolidated entity's ability to continue as a going concern. Our conclusion is not modified in respect of this matter.

Directors' Responsibility for the Half-Year Financial Report

The directors of Soon Mining Limited are responsible for the preparation of the half-year 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 half-year financial report that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the consolidated entity's financial position as at 30 June 2020 and its performance for the half-year ended on that date; and complying with Australian Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of Soon Mining Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not

enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Independence

In conducting our review, 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 given to the directors as at the time of this auditor's review report.

Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Soon Mining Limited is not in accordance with the *Corporations Act 2001* including:

- (a) giving a true and fair view of the consolidated entity's financial position as at 30 June 2020 and of its performance for the half-year ended on that date; and
- (b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and *Corporations Regulations 2001*.

RSM

RSM AUSTRALIA PARTNERS

AA

Albert Loots

Partner – Assurance & Advisory

Brisbane, Queensland
Dated: 7 October 2020