Soon Mining Limited

ABN 45 603 637 083

Annual Report - 31 December 2022

The directors present their report 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 year ended 31 December 2022.

Directors
The following persons were directors of Soon Mining Limited during the whole of the financial year and up to the date of this report, unless otherwise stated:

Ching-Tiem Huang
Frederic Ferges (resigned on 7 September 2023)
Kay Ban Gan (resigned on 15 June 2023)
Tsai Yan Huang

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

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

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

Review of operations
The loss of the Group after providing for income tax amounted to $482,995 (2021: $773,334).

The net liabilities of the Group as at 31 December 2022 amount to $472,121 (2021: net liabilities of $41,529). These net liabilities are predominately made up of cash and cash equivalents, deposits, fixed assets and capitalised exploration costs and financial liabilities.

Significant changes in the state of affairs

There were no other significant changes in the state of affairs of the consolidated entity during the financial year.

Matters subsequent to the end of the financial year

At this stage, SMG has temporarily shut down operation activities since the third quarter since 2022 due to insufficient cash flow, and expects to reboot when there are new investments.

SMG had previously received notification from ASX that it would be removed from the ASX official on 31 October 2022 if it did not fulfill ASX's requirements to resume share trading. Based on cost and other considerations, SMG did not pay for annual listing fees and was removed from ASX's official list on 26 August 2022.

No other matter or circumstance has arisen since 31 December 2022 that has 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.

Other matters – Impact of Covid-19
The Group is aware of the impact that COVID-19 (Coronavirus) is having on the Australian and World economy.

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

As at the date of these financial statements, the Group 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 the Coronavirus, the Directors are of the view that there is the potential that the Coronavirus will have a significant negative impact on the Group's ability to secure the required debt and equity financing for its proposed current and future projects, including but not limited to, the Group's proposed Kwahu Praso Gold Project. At the date of Annual Report, this impact is not able to be fully assessed or measured.

Likely developments and expected results of operations
The Group will continue to pursue its gold mining project in Ghana, West Africa.

Environmental regulation
The Group is subject to significant environmental regulation with respect to its exploration and mining activities in Ghana, West Africa.

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

Information on directors

Name:	Ching-Tiem Huang
Title:	Chairman and Managing Director
Qualifications:	Master Degree in Earth Sciences
Experience and expertise:	Ching-Tiem Huang is the Founder and Managing Director of Soon Mining Ghana. He has significant experience 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, Bibiani and Tarkwa.
Other current directorships:	None
Former directorships (last 3 years):	None
Special responsibilities:	None
Interests in shares:	64,457,060 ordinary shares in the Company as at 31 December 2022.
Interests in options:	None
Contractual rights to shares:	None

Name:	Frederic Ferges
Title:	Non-executive Director
Qualifications:	BSc Hons Economics, Accounting & Finance, Member of CPA Australia
Experience and expertise:	Frederic is an independent consultant and provides accounting, advisory, outsourced CFO and restructuring services. He has over 15 years of experience in professional services, finance and fund management.
Other current directorships:	None
Former directorships (last 3 years):	None
Special responsibilities:	None
Interests in shares:	185,000 ordinary shares in the Company as at 31 December 2022.
Interests in options:	None
Contractual rights to shares:	None

Name:	Kay Ban Gan
Title:	Non-executive Director and Company Secretary
Qualifications:	Bachelor of Business (Accounting), Member of Institute of Public Accountants, Associate of Institute of Financial Accountants, Accredited SMSF Auditors, Registered Tax Agent and Commissioner of Declaration
Experience and expertise:	Kay Ban Gan is an independent consultant and provides accounting, advisory and tax services. He has over 20 years' experience in professional services, tax and audit management in Asia Pacific region.
Other current directorships:	None
Former directorships (last 3 years):	None
Special responsibilities:	None
Interests in shares:	None
Interests in options:	None
Contractual rights to shares:	None

Name:	Tsai Yan Huang
Title:	Non-executive Director
Qualifications:	Bachelor of Arts
Experience and expertise:	Tsai Yan Huang is a professional with long-term international trading experience, as well as expertise in public relationship and corporate management. In her key manager position for more than 30 years, she has demonstrated outstanding execution and superior business capabilities. She was elected as the president of the Youth Chamber of Commerce, the president of Taichung Kiwanis International and the consultant of the Association of Small and Medium Enterprises. She is currently the head of an international trading company in Taiwan.
Other current directorships:	None
Former directorships (last 3 years):	None
Special responsibilities:	None
Interests in shares:	5,404,341 ordinary shares in the Company as at 31 December 2022.
Interests in options:	None
Contractual rights to shares:	None

Company secretary
The following person held the position of Company Secretary at the end of the financial year:

Kay Ban Gan has resigned as the role of Company secretary on 15 June 2023 and this position is currently vacant.

Meetings of directors
The number of meetings of the company's Board of Directors ('the Board') and of each Board committee held during the year ended 31 December 2022, and the number of meetings attended by each director were:

	Directors' meetings	
	Attended	Held
Ching-Tiem Huang	1	1
Frederic Ferges	1	1
Kay Ban Gan	1	1
Tsai Yan Huang	1	1

Held: represents the number of meetings held during the time the director held office or was a member of the relevant committee.

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

Indemnity and insurance of Auditor
The Company has not, during or since the year end of the financial year, indemnified or agreed to indemnify the auditor of the Company or any related entity against a liability incurred by the auditor.

During the financial year, the Company has not paid a premium in respect of a contract to insure the auditor of the Company or any related entity.

Proceedings on Behalf of the 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.

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 6.

Auditor
Hall Chadwick Queensland continues in office in accordance with section 327 of the Corporations Act 2001.

This report is made in accordance with a resolution of directors, pursuant to section 298(2)(a) of the Corporations Act 2001.

On behalf of the directors

Ching-Tiem Huang
Director
Date:14 December 2023

HALL CHADWICK
CHARTERED ACCOUNTANTS & BUSINESS ADVISORS | QLD

Level 4
240 Queen Street
BRISBANE QLD 4001
GPO Box 389
BRISBANE QLD 4001
07 3221 2416 P
hallchadwickqld.com.au

Auditor's Independence Declaration to the directors of Soon Mining Ltd

As lead auditor for the audit of the financial report of Soon Mining Ltd for the financial year ended 31 December 2022, I declare that, to the best of my knowledge and belief, there have been:

(i) no contraventions of the auditor independence requirements as set out in the Corporations Act 2001 in relation to the audit; and

(ii) no contraventions of any applicable code of professional conduct in relation to the audit.

This declaration is in respect of Soon Mining Ltd and the entities it controlled during the financial year.

M. B. Taylor

Mark Taylor
Director
HALL CHADWICK QLD

Dated at Brisbane this 14th day of December, 2023.

Soon Mining Limited
Contents
31 December 2022

General information

The financial statements cover Soon Mining Limited as a consolidated entity consisting of Soon Mining Limited and the entities it controlled at the end of, or during, the year. The financial statements are presented in Australian dollars, which is Soon Mining Limited's functional and presentation currency.

Soon Mining Limited is a unlisted public company limited by shares, incorporated and domiciled in Australia. Its registered office and principal place of business are:

Registered office	**Principal place of business**
Building 1G 528 Compton Road Stretton QLD 4116	Building 1G 528 Compton Road Stretton QLD 4116

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 14 December 2023. The directors have the power to amend and reissue the financial statements.

Soon Mining Limited
Statement of profit or loss and other comprehensive income
For the year ended 31 December 2022

	Note	Consolidated 2022 $	Consolidated 2021 $
Sales revenue	2	315,901	234,153
Other income	3	40	1
Consulting fees		(205,156)	(356,709)
Professional fees		(132,685)	(180,827)
Travelling expenses		(5,426)	(11,681)
Administration expenses		(85,321)	(102,300)
Directors fees		(64,500)	(81,000)
Unrealised foreign exchange gain/(loss)		(6,581)	5,069
Finance costs		(35,459)	(49,618)
Other expenses		(168,973)	(142,389)
Depreciation expenses		(94,835)	(88,033)
Loss before income tax expense	4	(482,995)	(773,334)
Income tax expense	5	-	-
Loss after income tax expense for the year		(482,995)	(773,334)
Other comprehensive income			
Exchange (loss)/gain on translation of foreign operations		52,403	58,948
Other comprehensive (loss)/income for the year		52,403	58,948
Total comprehensive loss for the year attributable to the owners of Soon Mining Limited		(430,592)	(714,386)

The above statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes

Soon Mining Limited
Statement of financial position
As at 31 December 2022

	Note	Consolidated 2022 $	Consolidated 2021 $
Assets			
Current assets			
Cash and cash equivalents	14	140,365	404,235
Trade and other receivables	7	4,375	3,803
Other	8	-	50,720
Total current assets		144,740	458,758
Non-current assets			
Property, plant and equipment	9	87,925	172,892
Exploration and evaluation	10	1,114,072	1,034,464
Total non-current assets		1,201,997	1,207,356
Total assets		1,346,737	1,666,114
Liabilities			
Current liabilities			
Trade and other payables	12	844,246	557,176
Financial liabilities	15	974,612	1,150,467
Total current liabilities		1,818,858	1,707,643
Total liabilities		1,818,858	1,707,643
Net (liabilities)/assets		(472,121)	(41,529)
Equity			
Issued capital	16	7,490,719	7,490,719
Reserves	17	49,365	(3,038)
Accumulated losses		(8,012,205)	(7,529,210)
Total equity		(472,121)	(41,529)

The above statement of financial position should be read in conjunction with the accompanying notes

Soon Mining Limited
Statement of changes in equity
For the year ended 31 December 2022

Consolidated	Note	Issued capital $	Reserves $	Accumulated losses $	Total equity
Balance at 1 January 2021		6,364,323	(61,986)	(6,755,876)	(453,539)
Loss for the year		-	-	(773,334)	(773,334)
Other comprehensive income for the year	17	-	58,948	-	58,948
Total comprehensive loss for the year		-	58,948	(773,334)	(714,386)
Transactions with owners in their capacity as owners:					
Shares issued during the year	16	1,126,396	-	-	1,126,396
Transaction costs (net of tax)		-	-	-	-
		1,126,396	-	-	1,126,396
Balance at 31 December 2021		7,490,719	(3,038)	(7,529,210)	(41,529)

Consolidated	Note	Issued capital $	Reserves $	Accumulated losses $	Total equity $
Balance at 1 January 2022		7,490,719	(3,038)	(7,529,210)	(41,529)
Loss for the year		-	-	(482,995)	(482,995)
Other comprehensive loss for the year	17	-	52,403	-	52,403
Total comprehensive loss for the year		-	52,403	(482,995)	(430,592)
Transactions with owners in their capacity as owners:					
Shares issued during the year	16	-	-	-	-
Transaction costs (net of tax)		-	-	-	-
		-	-	-	-
Balance at 31 December 2022		7,490,719	49,365	(8,012,205)	(471,121)

The above statement of changes in equity should be read in conjunction with the accompanying notes

Soon Mining Limited
Statement of cash flows
For the year ended 31 December 2022

	Note	Consolidated 2022 $	2021 $
Cash flows from operating activities			
Receipts from customers		315,329	234,153
Payments to suppliers and employees		(340,338)	(385,633)
Interest received		40	1
Interest paid		(35,459)	(49,618)
Net cash used in operating activities	(a)	(60,428)	(201,097)
Cash flows from investing activities			
Payments for property, plant and equipment		-	(7,441)
Payments for exploration and evaluation		(6,014)	(77,244)
Net cash used in investing activities		(6,014)	(84,685)
Cash flows from financing activities			
Repayment of borrowings		(459,005)	(156,422)
Proceeds from borrowings		291,295	591,544
Net cash from financing activities		(167,710)	435,122
Net increase/(decrease) in cash and cash equivalents		(234,152)	149,340
Cash and cash equivalents at the beginning of the financial year	14	404,235	267,809
Effects of exchange rate changes		(29,718)	(12,914)
Cash and cash equivalents at the end of the financial year	14	140,365	404,235

(a) Reconciliation of Cash Flows from Operating Activities with Loss after Income Tax

	2022 $	2021 $
Loss after income tax expense for the year	(482,995)	(773,334)
Adjustments for:		
Depreciation expenses	94,835	88,033
Unrealised foreign exchange loss	6,581	(5,069)
Deposit written off	35,653	-
Change in assets and liabilities		
(Increase)/decrease in trade and other receivables	(572)	(2,248)
(Increase)/decrease in other current assets	-	(20,538)
(Decrease)/increase in trade and other payables	286,070	512,059
Net cash used in operating activities	(60,428)	(201,097)

The above statement of cash flows should be read in conjunction with the accompanying notes

A. Basic Information

Note 1. General Information

The financial report covers Soon Mining Limited (the "Company") and its controlled entities (together referred to as the "Group"). Soon Mining Limited is an unlisted public company, incorporated and domiciled in Australia. The Group is a for-profit entity for the purpose of preparing the financial report.

Functional and presentation currency

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

The following is a summary of the material accounting policies adopted by the Group in the preparation of the financial report. The accounting policies have been consistently applied, unless otherwise stated.

a) Foreign Currency Translation 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.

Group companies

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 reporting period;
- Income and expenses are translated at average 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.

b) 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 Group is a for-profit entity for financial reporting purposes under Australian Accounting Standards. Material accounting policies adopted in the preparation of this consolidated financial report are presented below and have been consistently applied unless stated otherwise.

Except for cash flow information, the consolidated financial report has 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.

The financial report was authorised for issue, in accordance with a resolution of directors, on the 29 March 2022. The directors have the power to amend and reissue the financial report.

c) Going concern

The financial report has been prepared on a going concern basis. This basis presumes that funds will be available to finance future operations and that the realisation of assets and liabilities will occur in the normal course of business.

As disclosed in the financial report:

- the group recorded a loss of $482,995 for the year ended 31 December 2022 (2021:loss $774,334);
- the group recorded cash outflows from operations of $60,428 for the year ended 31 December 2022 (2021:cash outflows from operations of $201,097);
- the group is reporting net liabilities at 31 December 2022 of $472,121 (2021:net liabilities of $41,529;
- the most significant asset of the group at 31 December 2022 is capitalised exploration and evaluation expenditure totalling $1,114,072 (2021:$1,034,464) and, as note below, development of the tenements has currently ceased; and
- the group expects further losses due to the ongoing exploration costs until alluvial gold mining operations are fully established.

The Group's ability to adopt the going concern assumption will depend on the Group being able to manage its liquidity requirements and to recover the carrying value of its capitalised exploration and evaluation expenditure.

The Group is in the process of taking the following actions:
Raising additional funds: The Group is currently in discussions with various parties to provide additional capital or loans.

Deferral and conversion of loans: The financial report records loans from directors, shareholders and a related entity totalling $974,612 (2021:$1,150,467) for which the carrying value and repayment terms at 31 December 2022 have not been confirmed. The Group is currently in discussions with various parties to provide additional capital or loans.

Reducing working capital expenditure: While the trial gold production program successfully began last quarter of 2021, the results/income from gold production are still insufficient to cover operating costs. Hence, the Group has currently ceased the development if its tenements. The Group is actively managing its working capital expenditure and also working with its creditors to extend repayment terms.

Mining activities: The Group has previously obtained an EPA permit and related operating permits to start its mining activities. The permit was not renewed this year due to cessation of mining activities. The Directors believe that the EPA permit will be renewed and extended when mining activities recommence. The Group will continue to search for investments or partners to recover the mining activities.

In the event that the group is unable to secure future funding requirements, either through equity raising, borrowings, or revenue generated from mining activities, there exists a material uncertainty that may cast significant doubt on the group's 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 for a period of at least 12 months from the date of signing this financial report and for these reasons it continues to adopt the going concern basis in preparing the financial report.

d) 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.

In addition, the Group has a number of loans outstanding for which the carrying value and repayment terms as at 31 December 2022 have not yet been confirmed (refer Note 15).

e) Good and Services Tax

Revenue, 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 included with other receivables or payables in the statement of financial position.

Cash flows are presented on 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.

Note 2. Sales Revenue and Other Income

Revenue from contract with customers
Revenue is recognised at an amount that reflects the consideration to which the consolidated entity is expected to be entitled in exchange for transferring goods or services to a customer. For each contract with a customer, the consolidated entity: identifies the contract with a customer; identifies the performance obligations in the contract; determines the transaction price which takes into account estimates of variable consideration and the time value of money; allocates the transaction price to the separate performance obligations on the basis of the relative stand-alone selling price of each distinct good or service to be delivered; and recognises revenue when or as each performance obligation is satisfied in a manner that depicts the transfer to the customer of the goods or services promised.

Variable consideration within the transaction price, if any, reflects concessions provided to the customer such as discounts, rebates and refunds, any potential bonuses receivable from the customer and any other contingent events. Such estimates are determined using either the 'expected value' or 'most likely amount' method. The measurement of variable consideration is subject to a constraining principle whereby revenue will only be recognised to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur. The measurement constraint continues until the uncertainty associated with the variable consideration is subsequently resolved. Amounts received that are subject to the constraining principle are recognised as a refund liability.

Sale of gold
Sale of gold and other metals is recognised at the point of sale, which is where the customer has taken delivery of the goods, the risks and rewards are transferred to the customer and there is a valid sales contract as this is the point at which is considered that the performance obligations have been satisfied. Amounts disclosed as revenue are net of sales returns and trade discounts.

	Consolidated	
	2022	**2021**
	$	**$**
Sales revenue		
Alluvial gold production	315,901	234,153
	315,901	234,153

Note 3. Other Income

Interest income is recognised using the effective interest method.

	Consolidated	
	2022	**2021**
	$	**$**
Other income		
Interest income	40	1
	40	1

Note 4. Loss for the year

Foreign Currency Translation and Balances

	2022 $	2021 $
Foreign currency translation and balances		
Unrealised foreign exchange gain/loss	(6,581)	5,069

Note 5. Income Tax

(a) The components of tax expense comprise:

	Consolidated 2022 $	Consolidated 2021 $
Current tax	-	-
Deferred tax	-	-
Aggregate income tax	-	-

(b) Numerical reconciliation of income tax expense to prima facie tax payable

	Consolidated 2022 $	Consolidated 2021 $
Loss before tax	(482,995)	(773,334)
- Prima facie tax benefit on loss from ordinary activities before income tax at 25% (2021:26%)	(120,749)	(201,067)
Increase/(decrease) in income tax expense due to:		
- Net tax losses not recognised	120,749	201,067
Income tax expense attributable to entity	-	-

Note 5. Income Tax

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

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 is charged or credited outside profit or loss when the tax relates to items that are recognised outside profit or loss. A deferred tax liability shall be recognised for all taxable temporary differences, except to the extent that the deferred tax liability arises from:

- The initial recognition of goodwill; or
- The initial recognition of an asset or liability in a transaction which is not a business combination and, at the time of the transaction, affects neither accounting profit nor taxable profit/(loss).

The Group 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 Group recognises liabilities for anticipated tax audit issues based on the Group'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.

Note 6. 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 31 December 2022.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 report of the entity as a whole.

Note 7. Trade and other receivables

Trade receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any allowance for expected credit losses. Trade receivables are generally due for settlement within 30 days.

The Group has applied the simplified approach to measuring expected credit losses, which uses a lifetime expected loss allowance. To measure the expected credit losses, trade receivables have been grouped based on days overdue.

Other receivables are recognised at amortised cost, less any allowance for expected credit losses.

	Consolidated	
	2022 $	2021 $
GST receivable	4,375	3,803
	4,375	3,803

a) Credit risk

Since the Group is still in the exploration stage there are no trade receivables as of the year end which are exposed to credit risk.

Note 8. Other current assets

	Consolidated	
	2022 $	2021 $
Deposits	291,418	325,553
Less: Provision for Doubtful Deposits	(291,418)	(291,418)
Prepayments	-	16,585
	-	50,720

Note 9. Property, plant and equipment

Plant and equipment

Plant and equipment are measured on the cost basis and therefore carried at cost less accumulated depreciation and any accumulated impairment. In the event the carrying amount of plant and equipment is greater than the estimated recoverable amount, the carrying amount is written down immediately to the estimated recoverable amount and impairment losses are recognised either in profit or loss or as a revaluation decrease if the impairment losses relate to a revalued asset. A formal assessment of recoverable amount is made when impairment indicators are present.

The carrying amount of plant and equipment is reviewed annually by Directors to ensure it is not in excess of the recoverable amount from these assets. The recoverable amount is assessed on the basis of the expected net cash flows that will be received from the asset's employment and subsequent disposal. The expected net cash flows have been discounted to their present values in determining recoverable amounts.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance are recognised as expenses in profit or loss during the financial period in which they are incurred.

Depreciation

The depreciable amount of all fixed assets including capitalised leased assets is depreciated on a straight-line basis over the asset's useful life to the Group commencing from the time the asset is held ready for use. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements.

The depreciation rates used for each class of depreciable assets are:

Class of Fixed Asset	**Depreciation Rate**
Motor vehicles	20%
Plant and equipment	20%-33%

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains and losses are recognised in profit or loss in the period in which they arise.

	Consolidated	
	2022	**2021**
	$	**$**
Plant and equipment:		
At cost	624,160	583,204
Less: Accumulated depreciation	(542,778)	(416,001)
	81,832	167,203
Motor vehicles:		
At cost	30,508	28,485
Less: Accumulated depreciation	(30,508)	(28,485)
	-	-
Land:		
At cost	6,093	5,689
Total property, plant and equipment	87,925	172,892

Movements in Carrying Amounts
Movements in carrying amounts for each class of property, plant and equipment between the beginning and the end of the financial year:

Consolidated	Plant and equipment $	Motor vehicles $	Land $	Total $
Balance at 1 January 2021	238,600	-	2,969	241,569
Additions	4,991	-	2,450	7,441
Disposals	-	-	-	-
Depreciation expense	(88,033)	-	-	(88,033)
Foreign exchange on conversion	11,645	-	270	11,915
Balance at 31 December 2021	167,203	-	5,689	172,892
Balance at 1 January 2022	167,203	-	5,689	172,892
Additions	-	-	-	-
Disposals	-	-	-	-
Depreciation expense	(94,835)	-	-	(94,835)
Foreign exchange on conversion	9,464	-	404	9,868
Balance at 31 December 2022	81,832	-	6,093	87,925

Note 10. Exploration and Evaluation

a) Exploration, evaluation and development expenditure

Exploration, evaluation and development expenditure incurred is capitalised in respect of each identifiable area of interest. These costs are only capitalised to the extent that they are expected to be recovered through the successful development of the area or where activities in the area have not yet reached a stage that permits reasonable assessment of the existence of economically recoverable reserves.

Accumulated costs in relation to an abandoned area are written off in full against profit or loss in the year in which the decision to abandon the area is made. When production commences, the accumulated costs for the relevant area of interest are amortised over the life of the area according to the rate of depletion of the economically recoverable reserves.

A regular review is undertaken of each area of interest to determine the appropriateness of continuing to capitalise costs in relation to that area.

b) Key judgements

Exploration, evaluation and development expenditure

The Group has capitalised exploration expenditure of $1,114,072 (2021: $1,034,464). This amount includes costs directly associated with exploration. These costs are capitalised until assessment and/or drilling of the permit is complete and the results have been evaluated. These costs include employee remuneration, materials, rig costs, delay rentals and payments to contractors. The expenditure is carried forward until such a time as the area of interest moves into the development phase, is abandoned, sold or sub-blocks relinquished.

Given exploration activities have not yet reached a stage which permits a reasonable assessment of the existence or expenditure, there is uncertainty as to the carrying value of exploration expenditure. The ultimate recovery of the carrying value of exploration expenditure is dependent upon the successful development and commercial exploitation or, alternatively, sale of interest in the tenements. There are no factors or circumstances which suggest that the carrying amount of remaining exploration and evaluation of assets may exceed recoverable amounts.

	Consolidated	
	2022	**2021**
	$	**$**
Exploration phase costs – at cost	1,114,072	1,034,464

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

Balance at the beginning of the year	1,034,464	899,198
Expenditure incurred during the year - additions	6,014	79,460
Foreign exchange on conversion	73,594	55,806
Balance at the end of the year	1,114,072	1,034,464

Note 11. Deferred Tax Assets and Liabilities

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: (i) a legally enforceable right of set-off exists; and (ii) 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.

Deferred tax assets of $1,387,323 (2021: $1,346,822) in respect of tax losses and temporary differences have not been brought to account as at balance date. These will be brought to account only if the Group derives future assessable income of a nature and of an amount sufficient to enable the benefit to be realised. The Group continues to comply with deductibility conditions imposed by tax legislation and no changes in tax legislation adversely affects the Group in realising the benefit.

	Consolidated	
	2022	**2021**
	$	**$**
Deferred tax asset		
The balances comprises temporary difference attributable to:		
Tax losses in Australia	1,386,973	1,346,458
Prepaid ASX fees	-	-
Foreign exchange gain	-	-
Unamortised black hole expenditure	350	364
Total deferred tax assets	1,387,323	1,346,822
Deferred tax liability	-	-
Net deferred tax asset	1,387,323	1,346,822
Deferred tax not recognised in the books	(1,387,323)	(1,346,822)
Deferred tax recognised in the books	-	-

Note 12. 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.

	Consolidated	
	2022	**2021**
	$	**$**
Unsecured liabilities:		
Trade payables	841,370	554,077
Other payables	2,876	3,099
	844,246	557,176

Financial liabilities at amortised cost classified as trade and other payables

	Consolidated	
	2022	**2021**
	$	**$**
Trade and other payables:		
- Total current	844,246	557,176
- Total non-current	-	-
	844,246	557,176

Note 13. Financial instruments

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

Financial instruments (except for trade receivables) are initially measured at fair value plus transaction 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. Where available, quoted prices in an active market are used to determine fair value. In other circumstances, valuation techniques are adopted.

Trade receivables are initially measured at the transaction price if the trade receivables do not contain a significant financing component or if the practical expedient was applied as specified in AASB 15.

Classification and subsequent measurement

Financial liabilities
Financial instruments are subsequently measured at:
- Amortised cost; or
- Fair value through profit or loss

A financial liability is measured at fair value through profit and loss if the financial liability is:
- A contingent consideration of an acquirer in a business combination to which AASB 3: Business Combinations applies;
- Held for trading; or
- Initially designated as at fair value through profit or loss.

All other financial liabilities are subsequently measured at amortised cost using the effective interest method.

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest expense in profit or loss over the relevant period. The effective interest rate is the internal rate of return of the financial asset or liability. That is, it is the rate that exactly discounts the estimated future cash flows through the expected life of the instrument to the net carrying amount at initial recognition.

Financial assets

Financial assets are subsequently measured at:
- Amortised cost;
- Fair value through other comprehensive income; or
- Fair value through profit or loss.

Measurement is on the basis of two primary criteria:
- The contractual cash flow characteristics of the financial asset; and
- The business model for managing the financial assets.

A financial asset that meets the the following conditions is subsequently measured at amortised cost:
- The following conditions is subsequently measured at amortised cost:
- The contractual terms within the financial asset give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding on specified dates.

A financial asset that meets the following conditions is subsequently measured at fair value through other comprehensive income:
- The contractual terms within the financial asset give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding on specified dates;
- The business model for managing the financial assets comprises both contractual cash flows collection and the selling of the financial asset.

By default, all other financial assets that do not meet the measurement conditions of amortised cost and fair value through other comprehensive income are subsequently measured at fair value through profit or loss.

The initial designation of the financial instruments to measure at fair value through profit or loss is a one-time option on initial classification and is irrevocable until the financial asset is derecognised.

Derecognition

Derecognition refers to the removal of a previously recognised financial asset or financial liability from the statement of financial position.

Derecognition of financial liabilities

A liability is derecognised when it is extinguished (i.e. when the obligation in the contract is discharged, cancelled or expires). An exchange of an existing financial liability for a new one with substantially modified terms, or a substantial modification to the terms of a financial liability is treated as an extinguishment of the existing liability and recognition of a new financial liability.

The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

Derecognition of financial assets

A financial asset is derecognised when the holder's contractual rights to its cash flows expires, or the asset is transferred in such a way that all the risks and rewards of ownership are substantially transferred.

All of the following criteria need to be satisfied for the derecognition of financial asset:
- The right to receive cash flows from the asset has expired or been transferred;
- All risk and rewards of ownership of the asset have been substantially transferred; and
- The Group no longer controls the asset (i.e. the Group has no practical ability to make a unilateral decision to sell the asset to a third party).

On derecognition of a financial asset measured at amortised cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss.

Impairment

The Group recognises a loss allowance for expected credit losses on:
- financial assets that are measured at amortised cost.

Expected credit losses are the probability-weighted estimate of credit losses over the expected life of a financial instrument. A credit loss is the difference between all contractual cash flows that are due and all cash flows expected to be received, all discounted at the original effective interest rate of the financial instrument

The Group uses the following approaches to impairment, as applicable under AASB 9: *Financial Instruments:*
- The simplified approach.

Simplified approach

The simplified approach does not require tracking of changes in credit risk at every reporting period, but instead requires the recognition of lifetime expected credit loss at all times. This approach is applicable to:
- trade receivables or contract assets that result from transactions within the scope of AASB 15: Revenue from Contracts with Customers and contain a significant financing component; and
- lease receivables.

In measuring the expected credit loss, a provision matrix for trade receivables was used taking into consideration various data to get to an expected credit loss (i.e. diversity of customer base, appropriate groupings of historical loss experience, etc).

	Note	2022 $	2021 $
Financial Assets			
Cash and cash equivalents	14	140,365	404,235
Total Financial Assets		140,365	404,235

	Note	2022 $	2021 $
Financial Liabilities			
Financial liabilities at amortised cost:			
Trade and other payables	12	844,246	557,176
Loan from directors	15	187,426	264,674
Loan from shareholders	15	196,780	334,525
Loan from related entity	15	590,406	551,268
Total Financial Liabilities		1,818,858	1,707,643

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 Group'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 Group'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 Group.

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 Group 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.

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 table 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.

2022	Within 1 year $	1-5 years $	Over 5 years $
Financial liabilities due for payment			
Trade and other payables	844,246	-	-
Amounts payable to related parties and shareholders	974,612	-	-
Total contractual	1,818,858	-	-
Less: Bank overdrafts	-	-	-
Total expected outflows	1,818,858	-	-
Financial assets – cash flows realisable			
Cash and cash equivalents	140,365	-	-
Total anticipated inflows	140,365	-	-
Net outflow of financial instruments	(1,678,493)	-	-

2021	Within 1 year $	1-5 years $	Over 5 years $
Financial liabilities due for payment			
Trade and other payables	557,176	-	-
Amounts payable to related parties and shareholders	1,150,467	-	-
Total contractual	1,707,643	-	-
Less: Bank overdrafts	-	-	-
Total expected outflows	1,707,643	-	-
Financial assets – cash flows realisable			
Cash and cash equivalents	405,235	-	-
Total anticipated inflows	405,235	-	-
Net outflow of financial instruments	(1,302,408)	-	-

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 Group 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 14. Cash and cash equivalents

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

	Consolidated	
	2022	**2021**
	$	**$**
Cash at bank and on hand	140,365	404,235
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	140,365	404,235
	140,365	404,235

Note 15. Financial liabilities

		Consolidated	
		2022	**2021**
	Note	**$**	**$**
Loans from directors	24	187,426	264,674
Loans from shareholders	24	196,780	334,525
Loan from related entity	24	590,406	551,268
		974,612	1,150,467

Note 16. 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.

	Consolidated	
	2022	**2021**
	$	**$**
163,854,803 (2021:163,854,803) fully paid ordinary shares	7,914,137	7,914,137
Share Issue costs	(423,418)	(423,418)
	7,490,719	7,490,719

Movements in ordinary share capital

Movements in ordinary share capital	**2022**	
	No.	**$**
Balance at the beginning of the year	163,854,803	7,490,719
Issue of shares to the market	-	-
Share Issue costs	-	-
	163,854,803	7,490,719

Movements in ordinary share capital	**2021**	
	No.	**$**
Balance at the beginning of the year	158,222,822	6,364,323
Issue of shares to the market	5,631,981	1,126,396
Share Issue costs	-	-
	163,854,803	7,490,719

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

The Group's debt and capital includes ordinary share capital and financial liabilities, supported by financial assets.

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

Management effectively manages the Group's capital by assessing the Group'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.

Note 17. Reserves

Foreign Currency Translation Reserve
The foreign currency translation reserve records exchange differences arising on translation of a foreign controlled subsidiary.

	Consolidated 2022 $	Consolidated 2021 $
Foreign currency translation reserve		
Balance at the beginning of the year	(3,038)	(61,986)
Exchange differences on translation of foreign operations	52,403	58,948
Closing balance at the end of the year	49,365	(3,038)

Note 18. Parent Entity Disclosures

As at, and throughout the financial year ended 31 December 2022, the parent entity of the Group was Soon Mining Limited.

	2022 $	2021 $
Result of parent entity		
Profit/(loss) for the year after tax	(375,710)	(615,514)
Total comprehensive profit/(loss) for the year	**(375,710)**	**(615,514)**
Financial position of parent entity at year end		
Current assets	2,806,743	3,045,064
Non-Current assets	-	-
Total Equity	**2,806,743**	**3,045,064**
Current liabilities	1,139,537	1,002,148
Total liabilities		
	1,139,537	1,002,148
Net Assets	**1,667,206**	**2,042,916**
Total Equity of parent entity comprising of:		
Issued capital	7,425,195	7,425,195
Accumulated losses	(5,757,989)	(5,382,279)
Total Equity	**1,667,206**	**2,042,916**

Contingent liabilities

The parent entity has no contingent liabilities as at 31 December 2022.

Note 19. Interest in Subsidiaries

Name of entity	County of incorporation	Class of shares	2022	2021
Ocean Blue International Limited	British Virgin Islands	Ordinary	100%	100%
Soon Mining Co Ltd	Republic of Ghana	Ordinary	100%	100%

Note 20. Events after the Reporting Period

No other matter or circumstance has arisen since 31 December 2022 that has 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.

Note 21. Contingencies and Commitments

There are no material contingent liabilities as of the end of the reporting period (2021: Nil).

Note 22. Key Management Personnel

Compensation
The aggregate compensation made to directors and other members of key management personnel of the consolidated entity is set out below:

	Consolidated	
	2022 $	2021 $
Short-term employee benefits	160,253	252,974
Post-employment benefits	-	-
Total KMP compensation	160,253	252,974

Short-term employee benefits
These amounts include fees and benefits paid to non-executive Directors as well as all salary, paid leave benefits, fringe benefits and cash bonuses awarded to executive Directors and other KMP.

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

Note 23. Auditor's Remuneration

During the financial year the following fees were paid or payable for services provided by the current and prior year, auditor of the company, its network firms and related firms:

	Consolidated	
	2022 $	2021 $
Audit services –Hall Chadwick Queensland		
Fees for Audit or review of the financial statements	33,657	31,116
Other services –Hall Chadwick Queensland		
Fees for other services	-	-
Total fees	33,657	31,116

Note 24. Related party transactions

a) The Group's related parties are as follows:

(i) Parent entity

The parent entity of the Group is Soon Mining Limited which is incorporated in Australia.

(ii) Subsidiaries

Interests in subsidiaries are set out in note 19.

(iii) 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 Remuneration Report.

(iv) Other Related Parties

Other related parties include entities controlled by the ultimate parent entity and entities over which key management personnel have 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 22:

	Consolidated	
	2022 $	2021 $
Payment for consulting fees to Brainpower Investment Management Limited:		
Company owned by Ching-Chen Chi	30,000	51,250
Payment for consulting fees to Sunlake International Management Consulting Co. Ltd:		
Company owned by Huang Ching Yang	82,800	141,600
Payment for accounting fees, rent and ASIC filing fee to Tao-k Pty Ltd:		
Company owned by Kay Ban Gan	36,023	27,900
	148,823	220,750

c) Amounts payable to related parties

The following balances are outstanding at the reporting date:

i) Trade payables with related parties:

	Consolidated	
	2022 $	2021 $
Trade payables to Kirin International Limited (Company owned by Ching-Ling Chi)	-	-
Trade payables to Titanoboa Group Limited (Company owned by Ching-Tiem Huang)	234,000	156,000
Trade payables to Brainpower Investment Management Limited (Company Owned by Ching-Chen Chi)	84,120	52,723
Trade payables to the Ferges Trust (Frederic Ferges)	59,000	35,000
Trade payables to Sunlake International Management Consulting Co. Ltd (Huang Ching Yang)	258,006	172,194
Trade payables to Independent Audit Services Pty Ltd (Company owned by Jeremiah Thum)	32,738	32,738
Trade payables to Tao-k Pty Ltd (company owned by Kay Ban Gan)	57,750	30,800
Trade payables to Tsai Yan Huang	33,000	17,000
Trade payables to Ching-Tiem Huang	12,763	8,404
Tade payables to Queenee Investments Management Limited (Company owned by Ching-Chen Chi)	20,664	19,294
	792,041	524,153

ii) Loans from Key Management Personnel

	Consolidated	
	2022 $	2021 $
Balance at the beginning of the year	264,674	119,170
Loans advanced	235,871	287,352
Loan repayment made	(319,801)	(147,956)
Unrealised exchange (loss)/gain	6,682	6,108
Balance at the end of the year	187,426	264,674

iii) Loans from Shareholders

	Consolidated 2022 $	Consolidated 2021 $
Balance at the beginning of the year	334,525	342,359
Loans advance	821	895
Loan repayment made	(150,430)	(895)
Unrealised exchange (loss)/gain	11,864	(7,834)
Balance at the end of the year	196,780	334,525

iv) Loans from Related Parties

	Consolidated 2022 $	Consolidated 2021 $
Balance at the beginning of the year	551,268	259,673
Loans advanced	566	266,721
Loan repayment received	(566)	(569)
Unrealised exchange (loss)	39,138	25,443
Balance at the end of the year	590,406	551,268

Terms and conditions
Loans have been made to the Company either on normal commercial terms and conditions at 7% interest rates, or repayable at call at 0% interest rates.

Note 25. Critical Accounting Estimates and Judgements

The Directors evaluate estimates and judgements incorporated into the financial report 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 Group.

The preparation of the financial report requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial report. 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.

Note 26. New Accounting Standards and Interpretations not yet mandatory or early adopted

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet mandatory, have not been early adopted by the Group for the annual reporting period ended 31 December 2022. The Group has not yet assessed the impact of these new or amended Accounting Standards and Interpretations.

Note 27. Company Details

The registered office of the Company is:
Building 1G, 528 Compton Road, Stretton Qld 4116

The principal place of business is:
Level 1 Suite 1a, 33 Queen Street, Brisbane Qld 4000

Soon Mining Limited
Directors' declaration
31 December 2022

In the directors' opinion:

- the attached financial report and notes comply with the *Corporations Act 2001*, the Accounting Standards, the *Corporations Regulations 2001* and other mandatory professional reporting requirements;

- the attached financial report and notes comply with International Financial Reporting Standards as issued by the International Accounting Standards Board as described in note 1 to the financial report;

- the attached financial report and notes give a true and fair view of the Group's financial position as at 31 December 2022 and of its performance for the financial year ended on that date; and

- there are reasonable grounds to believe that the Group will be able to pay its debts as and when they become due and payable.

The directors have been given the declarations required by section 295A of the Corporations Act 2001.

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
Director
Date: 14 December 2023

HALL CHADWICK
CHARTERED ACCOUNTANTS & BUSINESS ADVISORS | QLD

Level 4
240 Queen Street
BRISBANE QLD 4001

GPO Box 389
BRISBANE QLD 4001

07 3212 2500 P

hallchadwickqld.com.au

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SOON MINING LTD

Report on the Audit of the Financial Report

Qualified Opinion

We have audited the financial report of Soon Mining Ltd, including the company and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 31 December 2022, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity, the consolidated statement of cash flows for the year then ended, notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

In our opinion, except for the effects of the matter described in the Basis of Qualified Opinion section of our report, the accompanying financial report of Soon Mining Ltd and controlled entities is in accordance with the Corporations Act 2001, including:

(a) giving a true and fair view of the Group's financial position as at 31 December 2022 and of its financial performance for the year then ended; and

(b) complying with Australian Accounting Standards and the Corporations Regulations 2001.

Basis for Qualified Opinion

The company has a number of loans outstanding that are reported as current financial liabilities in Note 15 of the financial report. We were unable to obtain sufficient appropriate audit evidence about the carrying value or repayment terms of those loans at 31 December 2022. Consequently, we were unable to determine whether any adjustments to those amounts were necessary.

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. Our responsibilities under those standards are further described in the Auditor's Responsibilities section of our report. We are independent of the Group in accordance with the auditor independence requirements of the Corporations Act 2001 and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the corporations Act 2001, which has been given to the directors of the company, would be in the same terms if given to the directors as at the time of this auditor's report.

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

Material uncertainty related to going concern

We draw attention to Note 1(c) in the financial report which indicates that the group reported a net loss for the current and prior years, net cash outflows from operating activities for the current and prior years, and a net asset deficiency at 31 December 2022 and 31 December 2021. The note also refers to the going concern assumption being dependent upon recoverability of capitalised exploration and evaluation expenditure. As stated in Note 1(c), these events or conditions, along with other matters as set forth in Note 1(c), indicate that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Other Information

The Directors are responsible for the other information. The other information comprises the information included in the Group's annual report for the year ended 31 December 2022 but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors 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 gives a true and fair view and is free from material misstatement, whether due to fraud or error. In note 1, the Directors also state, in accordance with Australian Accounting Standards AASB 101 Presentation of Financial Statements, that the financial report complies with International Financial Reporting Standards.

In preparing the financial report, the Directors are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibility for the audit of the financial report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit.

We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error design and perform audit procedures responsive to those risks and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control.

- Obtain an understanding of internal control relevant to the audit 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 Groups internal control

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors

- Conclude on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

We communicate with the Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

HALL CHADWICK
CHARTERED ACCOUNTANTS & BUSINESS ADVISORS | QLD

We also provide the Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Hall Chadwick

Mark Taylor
Director
HALL CHADWICK QLD

Dated at Brisbane this 14th day of December, 2023.