

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 2018
Previous period: For the half-year ended 30 June 2017

2. Results for announcement to the market

The Group has adopted Accounting Standards AASB 9 'Financial Instruments' and AASB 15 'Revenue from Contracts with Customers' for the half-year ended 30 June 2018. The Accounting Standards have been applied retrospectively and comparatives have been restated, where applicable.

			\$
Revenues from ordinary activities	down	81.5% to	1,041
Loss from ordinary activities after tax attributed to the owners of Soon Mining Limited	down	2.9% to	516,908
Loss for the half-year attributable to the owners of Soon Mining Limited	down	2.9% to	516,908

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	0.90	1.30

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.

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 2018 is attached.

9. Signed



Ching-Tiem Huang
Managing Director

12 September 2018
Brisbane QLD

Soon Mining Limited

ABN 45 603 637 083

INTERIM FINANCIAL REPORT

Half-Year Ended 30 June 2018

INTERIM FINANCIAL REPORT

Half-Year Ended 30 June 2018

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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 2018. 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 12 September 2018.

Directors' Report

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 half-year ended 30 June 2018.

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
Jiahui Jeremiah Thum

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, preparation of mine site, and trading of crude oil.

Review of operations

The loss for the Group for the financial period after providing for income tax amounted to \$516,908 (30 June 2017: Loss \$532,272)

The net assets of the Group as at 30 June 2018 amount to \$2,118,516 (31 December 2017: \$2,604,255). 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 15 March 2018, the Petroleum Commission of Ghana issued the Group with a Certificate of Upstream Petroleum Services. The Group now has the ability to engage in upstream petroleum operations in Ghana which include drilling, production services and other petroleum related businesses.

On 11 May 2018, the Company signed a diesel sale and purchase contract with a Singaporean registered oil company. The signed contract will allow the Group to engage in trading of oil in the South-East Asia region which is a great start to the Group's oil trading operation.

Matters subsequent to the end of the financial year

No other matter or circumstance has arisen since 30 June 2018 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 when the mining ban has been lifted including other potential joint venture projects in the region. It was noted that on the 19 June 2018, the Ghanaian Government announced the mining ban will be lifted very soon however no specific date has been confirmed as yet.

In addition to the gold exploration business, crude oil trading is also the key focus for the Group. The Group is committed to the trading of crude oil and other petroleum products as its core oil business.

Soon Mining Limited
ABN 45 603 637 083

Directors' Report

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.

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

12 September 2018
Brisbane QLD

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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 2018, 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

RSM Australia Partners



Albert Loots

Partner – Assurance & Advisory

Brisbane, QLD

Dated: 12 September 2018

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Consolidated Statement of Comprehensive Income
For The Half-Year Ended 30 June 2018

	Half-year ended 30-Jun-18 \$	Half-year ended 30-Jun-17 \$
Other Income	1,041	5,625
Employee benefits expense	(5,209)	(5,471)
Depreciation and amortisation expense	(1,678)	(2,740)
Other expenses	(511,062)	(529,686)
Loss before income tax expense	<u>(516,908)</u>	<u>(532,272)</u>
Income tax expense	-	-
Loss after income tax expense for the half-year	<u>(516,908)</u>	<u>(532,272)</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	63,588	(104,565)
Other comprehensive income/(loss) for the half-year, net of tax	<u>63,588</u>	<u>(104,565)</u>
Total comprehensive loss for the half-year	<u><u>(453,320)</u></u>	<u><u>(636,837)</u></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)	(0.4)
Diluted loss per share	(0.3)	(0.4)

The accompanying notes form part of these consolidated financial statements

Consolidated Statement of Financial Position
As at 30 June 2018

	Note	30-Jun-18 \$	31-Dec-17 \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents		767,256	1,670,367
Trade and other receivables		6,005	5,988
Other assets	2	301,174	41,346
TOTAL CURRENT ASSETS		<u>1,074,435</u>	<u>1,717,701</u>
NON-CURRENT ASSETS			
Property, plant and equipment		421,826	401,368
Exploration and evaluation assets	3	698,507	550,071
TOTAL NON-CURRENT ASSETS		<u>1,120,333</u>	<u>951,439</u>
TOTAL ASSETS		<u>2,194,768</u>	<u>2,669,140</u>
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables		71,244	57,575
Financial liabilities		5,008	7,310
TOTAL CURRENT LIABILITIES		<u>76,252</u>	<u>64,885</u>
TOTAL LIABILITIES		<u>76,252</u>	<u>64,885</u>
NET ASSETS		<u>2,118,516</u>	<u>2,604,255</u>
EQUITY			
Issued capital	4	6,364,323	6,396,742
Reserves		(29,284)	(92,872)
Accumulated losses		(4,216,523)	(3,699,615)
TOTAL EQUITY		<u>2,118,516</u>	<u>2,604,255</u>

The accompanying notes form part of these consolidated financial statements

Consolidated Statement of Changes in Equity For The Half-Year Ended 30 June 2018

	Share Capital \$	Reserves \$	Accumulated Losses \$	Total Equity \$
Balance at 1 January 2017	6,119,006	(19,952)	(2,359,458)	3,739,596
Comprehensive loss				
Loss for the period	-	-	(532,272)	(532,272)
Other comprehensive loss for the half-year, net of tax	-	-	(104,565)	(104,565)
Total comprehensive loss for the half-year	-	-	(636,837)	(636,837)
<i>Transactions with owners, in their capacity as owners:</i>				
Foreign exchange translation reserve	-	(62,395)	-	(62,395)
Total transactions with owners and other transfer	-	(62,395)	-	(62,395)
Balance at 30 June 2017	6,119,006	(82,347)	(2,996,295)	3,040,364
Balance at 1 January 2018	6,396,742	(92,872)	(3,699,615)	2,604,255
Comprehensive loss				
Loss for the period	-	-	(516,908)	(516,908)
Other comprehensive income for the half-year, net of tax	-	63,588	-	63,588
Total comprehensive income/(loss) for the half-year	-	63,588	(516,908)	(453,320)
<i>Transactions with owners, in their capacity as owners:</i>				
Transaction costs (net of tax)	(32,419)	-	-	(32,419)
Total transactions with owners and other transfer	(32,419)	-	-	(32,419)
Balance at 30 June 2018	6,364,323	(29,284)	(4,216,523)	2,118,516

The accompanying notes form part of these consolidated financial statements

Consolidated Statement of Cash Flows
For The Half-Year Ended 30 June 2018

	Half-year ended 30-Jun-18 \$	Half-year ended 30-Jun-17 \$
CASH FLOWS FROM OPERATING ACTIVITIES		
Interest received	1,041	5,625
Receipts from customers and other receivables	-	10,282
Payments to suppliers and employees	(798,907)	(431,616)
Net cash used in operating activities	<u>(797,866)</u>	<u>(415,709)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Payments for exploration and evaluation assets	(117,996)	(141,915)
Purchase of property, plant and equipment	-	(91,043)
Net cash used in investing activities	<u>(117,996)</u>	<u>(232,958)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Share issue costs	(32,419)	-
Net cash used in financing activities	<u>(32,419)</u>	<u>-</u>
Net decrease in cash held	(948,281)	(648,667)
Cash and cash equivalents at beginning of period	1,670,367	3,011,934
Effect of exchange rate changes on cash and cash equivalents	45,170	(120,748)
Cash and cash equivalents at end of period	<u><u>767,256</u></u>	<u><u>2,242,519</u></u>

The accompanying notes form part of these consolidated financial statements

Notes to the consolidated financial statements

For The Half-Year Ended 30 June 2018

Note 1 Significant Accounting Policies

These general purpose financial statements for the interim half-year reporting period ended 30 June 2018 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 2017 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 Group has adopted all of the new, revised or amending Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

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

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

AASB 9 Financial Instruments

The Group has adopted AASB 9 from 1 January 2018. The standard introduced new classification and measurement models for financial assets. A financial asset shall be measured at amortised cost if it is held within a business model whose objective is to hold assets in order to collect contractual cash flows which arise on specified dates and that are solely principal and interest. A debt investment shall be measured at fair value through other comprehensive income if it is held within a business model whose objective is to both hold assets in order to collect contractual cash flows which arise on specified dates that are solely principal and interest as well as selling the asset on the basis of its fair value. All other financial assets are classified and measured at fair value through profit or loss unless the entity makes an irrevocable election on initial recognition to present gains and losses on equity instruments (that are not held-for-trading or contingent consideration recognised in a business combination) in other comprehensive income ('OCI'). Despite these requirements, a financial asset may be irrevocably designated as measured at fair value through profit or loss to reduce the effect of, or eliminate, an accounting mismatch. For financial liabilities designated at fair value through profit or loss, the standard requires the portion of the change in fair value that relates to the entity's own credit risk to be presented in OCI (unless it would create an accounting mismatch). New simpler hedge accounting requirements are intended to more closely align the accounting treatment with the risk management activities of the entity. New impairment requirements use an 'expected credit loss' ('ECL') model to recognise an allowance. Impairment is measured using a 12-month ECL method unless the credit risk on a financial instrument has increased significantly since initial recognition in which case the lifetime ECL method is adopted. For receivables, a simplified approach to measuring expected credit losses using a lifetime expected loss allowance is available.

Notes to the consolidated financial statements
For The Half-Year Ended 30 June 2018

AASB 15 Revenue from Contracts with Customers

The Group has adopted AASB 15 from 1 January 2018. The standard provides a single comprehensive model for revenue recognition. The core principle of the standard is that an entity shall recognise revenue to depict the transfer of promised goods or services to customers at an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. The standard introduced a new contract-based revenue recognition model with a measurement approach that is based on an allocation of the transaction price. This is described further in the accounting policies below. Credit risk is presented separately as an expense rather than adjusted against revenue. Contracts with customers are presented in an entity's statement of financial position as a contract liability, a contract asset, or a receivable, depending on the relationship between the entity's performance and the customer's payment. Customer acquisition costs and costs to fulfil a contract can, subject to certain criteria, be capitalised as an asset and amortised over the contract period.

The directors have assessed the above Accounting Standards and Interpretations and of the opinion that there is no material impact to the Group's financial position as at 1 January 2018 and its financial performance for the half-year ended 30 June 2018 as a result of the adoption of the two new Accounting Standards.

Note 2 Other Assets

	30-Jun-18	31-Dec-17
	\$	\$
Deposit for Diesel Sales and Purchase contract	264,872	-
Other deposits and advances	36,302	41,346
	<u>301,174</u>	<u>41,346</u>

Note 3 Exploration and Evaluation

	30-Jun-18	31-Dec-17
	\$	\$
Exploration phase costs - at cost	<u>698,507</u>	<u>550,071</u>

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

Balance at the beginning of the period	550,071	397,111
Expenditure incurred during the period	117,996	155,436
Foreign exchange movement	30,440	(2,476)
Balance at the end of the period	<u>698,507</u>	<u>550,071</u>

Notes to the consolidated financial statements For The Half-Year Ended 30 June 2018

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.

	30-Jun-18 No.	30-Jun-18 \$	31-Dec-17 No.	31-Dec-17 \$
Balance at beginning of period	158,222,821	6,396,742	157,128,865	6,119,006
Issue of shares to the market	-	-	1,093,956	295,368
Share issue costs	-	(32,419)	-	(17,632)
Balance at end of period	<u>158,222,821</u>	<u>6,364,323</u>	<u>158,222,821</u>	<u>6,396,742</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.

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 2018. There have been no changes in the operating segment during the year. All significant operating decisions are based upon analysis of the Company as one segment. The financial results from this segment are equivalent to the consolidated financial statement of the entity as a whole.

Note 8 Events after the reporting period

No matters or circumstances have arisen since 30 June 2018 that has significantly affected, or may significantly affect the Group's operations, the results of those operations or the Group's of affairs in future financial years.

Soon Mining Limited
ABN 45 603 637 083


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 2018 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



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**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 2018, the consolidated statement of profit or loss and other comprehensive income, the 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.

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 2018 and its performance for the half-year ended on that date; and complying with 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.

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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 2018 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*.

Brisbane, QLD
Dated: 12 September 2018

RSM

RSM Australia Partners



Albert Loots
Partner – Assurance & Advisory