



SouthGobi Sands LLC (“SGS”) has recently celebrated its 10<sup>th</sup> anniversary Naadam at its flagship Ovoot Tolgoi mine on 20-21 August 2016. Citizens of Gurvantes, Dalanzadgad, Noyon and Sevrei soums as well as officials from local government and the guests from the non-government organizations, were in attendance at the Naadam.

Mr. Ch. Munkhbat, the President and Executive Director of SGS, gave a speech at the 10<sup>th</sup> Anniversary Naadam opening ceremony. “Since 2008 SGS has mined 18 million tons of coal and exported 17 million tons. In 2016, among 9.6 million tons of coal exported from Mongolia so far, 2.2 million tons were exported by SGS alone,” he said.



Furthermore, Mr. Ch. Munkhbat stated that “SGS started its exploration in 2005 and started its mining production at Ovoot Tolgoi mine since 2008. In these recent years, SGS was awarded as the Top 100 Taxpayer, the Top National Employer-Social Insurance Payer and other national awards. SouthGobi has invested in a wide range of local development, including the 44.6 km three-lane paved coal-haul highway from Nariinsukhait to Shiveekhuren, residential and commercial projects at Shiveekhuren, university scholarship programs, and a kindergarten in Gurvantes Soum which could accommodate 120 children. Since 2007, SGS has allocated approximately MNT 1 billion for local and overseas training programs for its employees, aiming to provide professional training to its mining workers.”



During the Naadam, the First Summit was held among the CEOs of the mining companies in Nariin Sukhait coal deposit including SGS, MAK, Usukh Zoos, Terra Energy and Chinhua MAK. The CEOs discussed the current challenges of the mining sectors and agreed to strengthen and maintain closer cooperation in the future.



Mr. Kh.Badamsuren presented his speech during the opening ceremony.

Mr. Kh. Badamsuren, Deputy Minister of Mining and Heavy Industries, Mr. Kh. Sugir, Head of the Citizens' Representative Khural of Umnugobi aimag, and other officials also took part in the meeting. Mr. Kh. Badamsuren said: "The newly formed government will continue and do its utmost to support mining industry."



Following the opening ceremony of the 10<sup>th</sup> Anniversary Naadam, number of Naadam events were held at the said venue such as children wrestling, the Mongolian horsemanship show, etc.



The fabulous live concert and the astonishing fireworks show in the evening brought the climax of celebrations for SGS 10<sup>th</sup> Anniversary Naadam.



Famous artists including Lumino, Erdenebat, Erdenetsetseg Jargalsaikhan, Chinggis Khan Band, Uyanga, Miner and Pause bands were invited to perform on the stage.

#### About SouthGobi Resources Ltd. ("SouthGobi")

SouthGobi Resources Ltd ("SouthGobi" or the "Company"), which is publicly listed on the Toronto Stock Exchange and the Hong Kong Stock Exchange (TSX: SGQ, HK: 1878). SouthGobi is an integrated coal supplier and its subsidiary, SouthGobi Sands LLC ("SGS") is one of the largest and most recognized enterprise in Mongolia. The Company owns and operates its flagship Ovoot Tolgoi coal mine in Mongolia. It also holds the mining and exploration licenses of its other metallurgical and thermal coal deposits in South Gobi Region of Mongolia. SouthGobi produces and sells coal to customers in China.