

Extractive Sector Transparency Measures Act Report

Reporting Year From: 1/1/2016 To: 31/12/2016
Reporting Entity Name SouthGobi Resources Ltd.
Reporting Entity ESTMA Identification Number E775061

Subsidiary Reporting Entities (if necessary) -

Attestation: Please check one of the the boxes below and provide the required information

Attestation (by Reporting Entity)

In accordance with the requirements of the ESTMA, and in particular section 9 thereof, I attest I have reviewed the information contained in the ESTMA report for the entity listed above. Based on my knowledge, and having exercised reasonable diligence, the information in the ESTMA report is true, accurate and complete in all material respects for the purposes of the Act, for the reporting year listed above.

Attestation (through independent audit)

In accordance with the requirements of the ESTMA, and in particular section 9 thereof, I attest that I engaged an independent auditor to undertake an audit of the ESTMA report for the entity(ies) and reporting year listed above. Such an audit was conducted in accordance with the Technical Reporting Specifications issued by Natural Resources Canada for independent attestation of ESTMA reports.

*The auditor expressed an unmodified opinion, dated [ENTER DATE: YYYY-MM-DD], on the ESTMA report for the entity(ies) and period listed above.
The independent auditor's report can be found at [INSERT WEBLINK TO AUDIT OPINION POSTED ONLINE – link should be on same page as report link]*

Director or Officer of Reporting Entity Full Name: Yulan Guo **Date:** 30/5/2017
Position Title: Executive Director and Chief Financial Officer

Reporting Year
Reporting Entity Name

From: 1/1/2016 To: 31/12/2016
SouthGobi Resources Ltd.

Reporting Entity ESTMA
Identification Number

E775061

Subsidiary Reporting Entities (if
necessary)

Payments by Payee (USD)

Country	Payee Name	Taxes	Royalties	Fees	Production Entitlements	Bonuses	Dividends	Infrastructure Improvement Payments	Total Amount paid to Payee	Notes
Mongolia	Umnugobi Province Government	220,000.00		90,000.00					310,000.00	Rate applied to translate MNT to USD is based on the actual rate on the payment date, weighted average exchange rate is 2362:1. Payees include: TAX DEPARTMENT OF UMNUGOBI PROVINCE (0.31 M)
Mongolia	Mongolia National Government	5,710,000.00	1,250,000.00	1,030,000.00					7,990,000.00	Tax paid include cash and in kind amounts paid in settlement of a tax penalty to the Mongolian State Government. A US\$2,070,000 of the tax penalty to the Mongolian State Government was settled with provision of mining services at the Mongolian State-owned Tavan Tolgoi deposit. The in kind payment was disclosed in this report at cost of the mining services of US\$3,080,000. Rate applied to translate MNT to USD is based on the actual rate on the payment date, weighted average exchange rate is 2332:1. Payees include: GENERAL DEPARTMENT OF NATIONAL TAXATION (7.78 M) MINERAL RESOURCES AND PETROLIUM AUTHORITY (0.12 M)
China	Inner Mongolia, Autonomous region of China Government	610,000.00							610,000.00	Rate applied to translate RMB to USD is based on the actual rate on the payment date, weighted average exchange rate is 6.77:1. Payees include: INNER MONGOLIA EJINA CUSTOMS (0.61 M) INNER MONGOLIA LOCAL TAX BUREAU (0.01 M)
		\$ 3,460,000.00	\$ 1,250,000.00	\$ 4,200,000.00					\$ 8,910,000.00	

Extractive Sector Transparency Measures Act - Annual Report

Reporting Year
Reporting Entity Name
Reporting Entity ESTMA
Identification Number

From: 1/1/2016 **To:** 31/12/2016
 SouthGobi Resources Ltd.
 E775061

Subsidiary Reporting Entities (if necessary)

Payments by Project (USD)

Country	Project Name	Taxes	Royalties	Fees	Production Entitlements	Bonuses	Dividends	Infrastructure Improvement Payments	Total Amount paid by Project	Notes
Mongolia	Soumber			120,000.00					120,000.00	
Mongolia	Ovoot Tolgoi	6,540,000.00	1,250,000.00	1,000,000.00					8,790,000.00	
		\$ 3,460,000.00	\$ 1,250,000.00	\$ 4,200,000.00					\$ 8,910,000.00	