

Extractive Sector Transparency Measures Act - Annual Report



Reporting Entity Name	SouthGobi Resources Ltd.				
Reporting Year	From	2017-01-01	To:	2017-12-31	Date submitted 5/30/2018
Reporting Entity ESTMA Identification Number	E775061		<input checked="" type="radio"/> Original Submission <input type="radio"/> Amended Report		
Other Subsidiaries Included (optional field)	SouthGobi Sands LLC, Inner Mongolia SouthGobi Energy Inc., SouthGobi Resources (Hong Kong) Limited				
Not Consolidated					
Not Substituted					
Attestation by Reporting Entity					
<i>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(ies) 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.</i>					
Full Name of Director or Officer of Reporting Entity	Yulan Guo			Date	2018-05-30
Position Title	Executive Director and Chief Executive Officer				

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Reporting Entity Name	SouthGobi Resources Ltd.			
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Subsidiary Reporting Entities (if necessary)				

Payments by Payee

Country	Payee Name ¹	Departments, Agency, etc... within Payee that Received Payments ²	Taxes	Royalties	Fees	Production Entitlements	Bonuses	Dividends	Infrastructure Improvement Payments	Total Amount paid to Payee	Notes ^{3,4}
Mongolia	Umnugobi Province Government		10,000	-	100,000	-	-	-	-	110,000	Rate applied to translate MNT to USD is based on the actual rate on the payment date, weighted average exchange rate is 2,439:1. Payees include: TAX DEPARTMENT OF UMNUGOBI PROVINCE (0.11 M)
Mongolia	Mongolia National Government		7,830,000	2,650,000	130,000	-	-	-	-	10,610,000	Tax paid include the following amounts: - Settlement of a tax penalty to the Government of Mongolian US\$3.3m - Royalties of US\$2.7m - Export duty of US\$2.9m - Air pollution tax of US\$0.8m - Import duty of US\$0.4m Rate applied to translate MNT to USD is based on the actual rate on the payment date, weighted average exchange rate is 2,439:1. Payees include: GENERAL DEPARTMENT OF NATIONAL TAXATION (7.3 M), which included US\$3m of a tax penalty payment CUSTOMS DEPARTMENT AT THE SHIVEE KHUREN BORDER (3.2 M) MINERAL RESOURCES AND PETROLIUM AUTHORITY (0.1 M)
China	Inner Mongolia, Autonomous region of China Government		2,730,000	-	-	-	-	-	-	2,730,000	Rate applied to translate RMB to USD is based on the actual rate on the payment date, weighted average exchange rate is 6.76:1. Payees include: INNER MONGOLIA EJINA CUSTOMS (2.6 M) INNER MONGOLIA LOCAL TAX BUREAU (0.1 M)
Hong Kong	Inland Revenue Department		120,000	-	-	-	-	-	-	120,000	Rate applied to translate HKD to USD is based on the actual rate on the payment date, weighted average exchange rate is 7.79:1. Payees include: THE GOVERNMENT OF THE HKSAR (0.12 M)
Total			10,690,000	2,650,000	230,000	-	-	-	-	13,570,000	

Additional Notes:	
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¹ Enter the proper name of the Payee receiving the money (i.e. the municipality of x, the province of y, national government of z).

² Optional field.

³ When payments are made in-kind, the notes field must highlight which payment includes in-kind contributions and the method for calculating the value of the payment.

⁴ Any payments made in currencies other than the report currency must be identified. The Reporting Entity may use the Additional notes row or the Notes column to identify any payments that are converted, along with the exchange rate and primary method used for currency conversions.

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Subsidiary Reporting Entities (if necessary)			

Payments by Project

Country	Project Name ¹	Taxes	Royalties	Fees	Production Entitlements	Bonuses	Dividends	Infrastructure Improvement Payments	Total Amount paid by Project	Notes ²³
Mongolia	Ovoot Tolgoi	10,690,000	2,650,000	130,000	-	-	-	-	13,470,000	
Mongolia	Soumber	-	-	100,000	-	-	-	-	100,000	
	Total	10,690,000	2,650,000	230,000	-	-	-	-	13,570,000	

Additional Notes³: