



SOUTHGOBI SANDS LLC COMMUNITY RELATIONS POLICY STATEMENT

SouthGobi Sands LLC (SGS) aspires to be a leader in community relation, treating the local citizens with dignity and respect, and developing good relationship and mutual trust with local government, as well as implementing industry best practice and environmentally friendly technology for coal exploration and mining operations in Mongolia.

We believe that conducting our activities in a responsible manner without any complication for the local citizens is integral to good business management.

We will utilize appropriate management systems including regular meeting with the local government representatives and citizens, reporting operations transparently, and operating a representative office in Gurvantes soum of Umnugobi aimag, to support the concept of continued improvement.

All employees of SGS and its contractors will, at all level, treat local citizens with dignity and respect for human rights and national traditions.

SGS shall fulfill its commitment to the community by:

- ❖ Complying with all applicable legislation and regulations in its geological exploration and mining operations;
- ❖ Respecting national traditions for making all planning and operational decisions, and listening to local herders to identify, assess and manage their requests and concerns;
- ❖ Ensuring all employees and contractors maintain friendly relationship with the local citizens by developing requirements and organizing training;
- ❖ Reviewing development program of Gurvantes soum, where the Ovoot Tolgoi mine is located, to support the soum implement its development goals;
- ❖ Developing relocation plan that considers the local herders' opinion, who live in the zone affected by mine operations, and implementing the plan without burden to the herders.
- ❖ Supporting the government policy on creating jobs in remote areas of the country by training and hiring Gurvantes soum residents for jobs at the mine site.

David Bartel
President and Executive Director
SouthGobi Sands LLC