

Exhibit A1 to White Plume Decl. dated April 14, 2014

Prepared by:

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Summary of Research (internet) on SouthGobi Resources, Ltd.

Several studies, including a UN report, talk of the human rights violations with respect to mining including deprivation and lack of clean drinking water, relocation as a result of the depletion of resources within traditional herding cultures, an absence of any consultation and obviously no free prior informed consent and “the impact of mining on vulnerable communities and the environment, including soil erosion, degradation of pastoral land, water shortages and pollution.”

This is a compilation of the articles and conclusions. The first part consists of “outtakes” from the articles and reports. Part 2 is the actual articles.

Part One

The Company owns the following significant coal projects in Mongolia: the Ovoot Tolgoi open pit coal mine ("Ovoot Tolgoi Mine") and three development projects, the Soumber Deposit, the Zag Suuj Deposit and the Ovoot Tolgoi Underground Deposit. These projects are located in the Umnugobi Aimag (South Gobi Province) of Mongolia, within 150 kilometers ("km") of each other and in close proximity to the Mongolia-China border. <http://www.southgobi.com/s/Home.asp>

Environment[[edit](#)]

There has been some speculation of the effects of Oyu Tolgoi on the livelihood of traditional Mongolian herders in the South Gobi region. It is feared that mining will cause a shortage of water and an increase of dust which will lead to "desertification and the decreasing quality of vegetation" in the region.[19]

Other sources point to a wider concern that pollution will affect the long term health of millions in the capital city Ulaanbaatar[20] as the country grows at an increasing rate.
http://en.wikipedia.org/wiki/Oyu_Tolgoi_mine#Environment

But the mines, located in the vast Gobi desert, are being developed without sufficient scientific information about the potential environmental and social impact of the operations, activist groups say.

“The future of herding in the South Gobi is under threat as the development of extensive mine infrastructure pushes herders out of traditional camps, fragments pasture land and puts pressure on water resources,” a report released on Monday says.

Towns located near the mines lacked adequate services and infrastructure to handle their burgeoning populations, it said.

Increased dust caused by mining and trucks was exacerbating “desertification and the decreasing quality of vegetation”, as well as fuelling the number of asthma and bronchitis cases in the area.

Local residents were also missing out on promised job opportunities, according to the report, which was based on interviews with herders and people living in towns near the mines as well as mining companies and investors.

“An influx of people from outside the region increases competition for jobs, and while herding engages both men and women, mining offers more opportunities for men,” the report said.

While there is currently no surface water available in the immediate area of Ovoot Tolgoi, the company says supplies should be plentiful as a consequence of dewatering the pit.

<http://www.mining-technology.com/projects/south-gobi/>

Impact of mining on human rights[\[edit\]](#)

A report by the United Nations Human Rights Team Group in 2006 noted that while “Mongolia’s mining sector has become an important part of Mongolia’s economic development in the past ten years, this economic development has not been conducted in a manner consistent...with [Millennium] Goal 9 to 'strengthen human rights' in Mongolia.” Among its findings were that the destruction of pasture land and water resources as a result of mining has damaged conditions for herders and that they have not been provided with alternative opportunities for employment and the need to move their herds further from former herding areas, and for longer periods, has caused them to lose access to education, health care, and social services.[\[31\]](#)

The National Human Rights Commission of Mongolia held a three-day conference in Ulaanbaatar in October 2012 to study “the human rights impacts of the country’s booming mining sector.” Government and industry representatives, plus members of international human-rights groups, discussed the fact that “many herders in mining areas have been forced to leave their traditional lands and find alternative means to support themselves” and “the impact of these changes on the human rights of herders, in particular, their right to live in a healthy and safe environment, property rights and the right to preserve one’s culture and traditions.”

In the summer of 2012, the Asian Forum for Human Rights and Development and its Mongolian member organization, the Centre for Human Rights and Development, investigated “the situation of human rights defenders...working on human rights violations in relation to mining activities in Mongolia.” The investigators found that herders living near mines “face numerous human rights violations, including the rights to

live in a safe and secure environment; to access clean water; to choose and protect the source of their livelihood and income; to own property; to participate in decision-making concerning the mineral exploitation on their lands; to access justice and effective remedies; and to preserve their cultural heritage.” The investigators found that human rights defenders were subjected to threats, intimidation, judicial harassment, vilification, and smear campaigns; in their report the investigators noted that even they, though accompanied by local officials, “were harassed by a security guard” at mining site.[35]

http://en.wikipedia.org/wiki/Human_rights_in_Mongolia#Impact_of_mining_on_human_rights

Part 2

Welcome to SouthGobi Resources

SouthGobi Resources Ltd. ("SouthGobi") is an integrated coal mining, development and exploration company, with strategically located coal assets - closest coal to China - focused on exploration and development of its Permian-age metallurgical and thermal coal deposits in Mongolia's South Gobi Region to supply a wide range of coal products to markets in Asia.

SouthGobi is listed on the Toronto and Hong Kong stock exchanges, in which Turquoise Hill Resources Ltd. (formerly Ivanhoe Mines Ltd.) ("Turquoise Hill"), also publicly listed in Toronto and New York, has a 56% shareholding. Turquoise Hill took management control of SouthGobi in September 2012 and made changes to the board and senior management. Rio Tinto has a majority shareholding in Turquoise Hill.

SouthGobi has a 100% shareholding in SouthGobi Sands LLC ("SGS"), the Mongolian registered company that holds the mining and exploration licences in Mongolia and

operates the flagship Ovoot Tolgoi coal mine. Ovoot Tolgoi produces and sells coal to customers in China.

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http://en.wikipedia.org/wiki/Oyu_Tolgoi_mine#Environment

Reference #19

Mining

MINING in southern Mongolia is threatening the livelihoods of herders and straining water supplies, as foreign companies - including Australia's Rio Tinto - race to exploit the country's rich mineral deposits.

Mongolia has opened up its vast reserves of natural resources to foreign investors in the hope of pulling thousands out of poverty, but activist groups say herders, townspeople and the environment are paying a heavy price.

In 2009, Mongolia sealed a long-awaited multi-billion dollar deal with Anglo-Australian miner Rio Tinto and Canada's Ivanhoe Mines to develop Oyu Tolgoi, one of the world's richest copper deposits and a key gold source.

Ulan Bator is also selecting foreign companies to develop the prized Tavan Tolgoi coal deposit, one of the largest on the planet.

But the mines, located in the vast Gobi desert, are being developed without sufficient scientific information about the potential environmental and social impact of the operations, activist groups say.

“The future of herding in the South Gobi is under threat as the development of extensive mine infrastructure pushes herders out of traditional camps, fragments pasture land and puts pressure on water resources,” a report released on Monday says.

The report was published by CEE Bankwatch Network in the Czech Republic, Urgewald in Germany, Bank Information Centre in the United States and Oyu Tolgoi Watch in Mongolia, with the financial assistance of the European Union.

Towns located near the mines lacked adequate services and infrastructure to handle their burgeoning populations, it said.

Increased dust caused by mining and trucks was exacerbating “desertification and the decreasing quality of vegetation”, as well as fuelling the number of asthma and bronchitis cases in the area.

Local residents were also missing out on promised job opportunities, according to the report, which was based on interviews with herders and people living in towns near the mines as well as mining companies and investors.

“An influx of people from outside the region increases competition for jobs, and while herding engages both men and women, mining offers more opportunities for men,” the report said.

PRODUCTION

The coal is being mined using open-pit methods, and will be shipped and sold without processing. Annual production is expected to be 1,000,000t for 2008, rising to 8,000,000t by 2012.

"As of June 2008, all the equipment at the site is diesel powered and the facilities are being run on gen sets."

As of June 2008, all the equipment at the site is diesel powered and the facilities are being run on gen sets. Additional electrical power is available from a powerline distributing power from China to the neighbouring MAK-Qin coal mine and the company plans to sign a deal to bring in power from this line.

While there is currently no surface water available in the immediate area of Ovoot Tolgoi, the company says supplies should be plentiful as a consequence of dewatering the pit.

A \$5m drilling programme is planned to start in the second quarter of 2008, the objective of which will be to delineate an underground resource at the project to increase its total output.

<http://www.mining-technology.com/projects/south-gobi/>

Impact of mining on human rights[[edit](#)]

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The National Human Rights Commission of Mongolia held a three-day conference in Ulaanbaatar in October 2012 to study “the human rights impacts of the country’s booming mining sector.” Government and industry representatives, plus members of international human-rights groups, discussed the fact that “many herders in mining areas have been forced to leave their traditional lands and find alternative means to support themselves” and “the impact of these changes on the human rights of herders, in particular, their right to live in a healthy and safe environment, property rights and the right to preserve one’s culture and traditions.” Also discussed was the fact that “conflict between mining companies and artisanal miners, civil society organisations and local people has been escalating in recent times, occasionally resulting in violence.”^[32] Testimony by persons living in mining districts confirmed that the rapid development of mining has indeed had drastic impacts upon the environment and thus upon local residents' long-term health and survival prospects as well as their economic viability in non-mining occupations.^[33]

A member of the UN Working Group on Human Rights and Business, during a visit to mining areas in Mongolia in 2012, observed “an unfortunate lack of clarity about the respective roles and responsibilities of the government and business with regard to human rights. In many mining communities, I heard residents’ expectations that hospitals and schools would be built in their soums by companies, without any mention of the government’s responsibility to do so. In other conversations, I heard of severe workplace accidents caused by companies unwilling to take safety precautions. These companies were not sanctioned for their actions, and remedies were not available for victims or their families.”^[34]

In the summer of 2012, the Asian Forum for Human Rights and Development and its Mongolian member organization, the Centre for Human Rights and Development, investigated “the situation of human rights defenders...working on human rights violations in relation to mining activities in Mongolia.” The investigators found that herders living near mines “face numerous human rights violations, including the rights to live in a safe and secure environment; to access clean water; to choose and protect the source of their livelihood and income; to own property; to participate in decision-making concerning the mineral exploitation on their lands; to access justice and effective remedies; and to preserve their cultural heritage.” The investigators found that human rights defenders were subjected to threats, intimidation, judicial harassment, vilification, and smear campaigns; in their report the investigators noted that even they, though accompanied by local officials, “were harassed by a security guard” at mining site.[35]

http://en.wikipedia.org/wiki/Human_rights_in_Mongolia#Impact_of_mining_on_human_rights

<http://www.forum-asia.org/uploads/books/2012/december/FA-FFM-2012-Mongolia-HRDsWorkingonMiningIssues-ExecutiveSummary-FINAL.pdf>

see desktop for the source directly above

During my visit, I met with around a dozen nomadic herders. They told me of a time when they only found out a mining operation was coming to their area when the trucks and equipment began arriving. I also talked to Soum (local) and Aimag (regional) government officials who said they too were not involved in the decisions of the central government around exploration and mining activities. They maintained that even though the current law has some requirements about consultation with local government, in practice these laws were selectively applied or simply ignored.

Mining and Human Rights in Mongolia: Gobi Herders speak out

By Michelle Tolson

“No power is vested to the local authorizes to protect the local government.” These words were spoken by Mr. Chandmani Dagva, the Governor of the Dundgovi at the “Mining and Human Rights in Mongolia” conference this week at the Blue Sky Tower in Ulaanbaatar, which ran from October 10-12.

At the height of the mining license boom, the Dundgovi province had 373 licenses which covered 50 percent of the aimag, according to Mr. Chandmani Dagva. He worked to reduce the mining licenses and has been somewhat successful, as now the licenses for the area are now down to 259. “From 2007-2012, on 48 areas the local government was against issuing [licenses], but those licenses were issued without involving the local government.” For all his lack of authority over his aimag, he spoke with a powerful sadness. The room—filled with herders, NGO representatives, government officials and parliament members—was quiet and attentive. The governor said license issues are centralized and registered at the capital, not locally. He also noted that there is a problem smuggling licenses from one company to another. “Also, the company changes names but not owners” as a way around the licensing issue. “The power of the local authority needs to increase.”

The governor also said that the road issue needs to be addressed. Five-hundred trucks use the roads on a daily basis in the Dundgovi. “We surveyed 1800 families who lived along the road. They moved to other places. We sent a letter to the National Human Rights Commission of Mongolia [about this issue].” The families moved due to ever-present dust and water shortage issues. Pictures displayed by power point showed a haze of dust so thick that you could only see a few feet ahead. “Listening to local voices is very important. From our side, we are ready for cooperation with others.”

A representative from the Special Inspection Agency said his agency has inspected the mining sector eight times, but the “methods of accountability are very weak at this moment.”

Mr. Ganbold Duvehigdamba, a civil society representative, was also on the panel and spoke with passion and anger about what he observed in the Omnogovi aimag, directly south of the Dundgovi. He said that ecological security should be incorporated into national security issues. He explained that the rapid pace of development has outrun the laws and government standards which are needed to balance development for the country with the needs of the local people. Mr Ganbold underscored that people who live along the roads live hard lives, explaining that he spent 20 days with them. “They lost their spring which they used for water and have to transport water from far away.”

The dust is an issue. Ganbold said “young people do not want to go back home [to Khan Bogd] due to skin irritations” from pollution and the dust.

Then his commentary got feisty. He said he “accuses the local authorities of taking money and hiding companies so they can continue to mine illegally and get money from them.” He claimed that even government inspectors have no access to the Oyu Tolgoi site. He concluded that Oyu Tolgoi has not been implementing the laws. “The company has more power than the government.”

Though Ganbold did not seem moved by the governor of the Dundgovi's discussion on the problems of regulating mines locally, others were. A woman came up to the microphone and expressed appreciation for the limitations that Chandmani Dagva faced. "I did not understand this [the lack of local authority] before. I am ready to work with you." And she suggested that he take his documentation to the courts, to prosecute mining companies that are not complying with the laws.

Next, a herder dressed in a deel came to the microphone. "There are five mines in my soum. With too many mines, there will be no livelihood in my soum. There will be no camels in my soum. I represent 4,000 people. If that fifth mine opens, there will be no more livelihoods in my soum." His words were few but the room listened in rapt attention to his humble comment and applauded his suggestion that the lives of the locals was not seen as important to a government which was more interested in developing the country, than balancing the needs of the local people.

Many other local representatives, mostly in the Gobi region, came to the microphone to list their grievances which were noted for further discussion on ways to implement changes in rapidly developing area. The first day of the conference was a brainstorming session on the problems residents face.

S. Oyun, the Minister of Environment and Green Development, had opened the session but her commentary framed the issues raised. She stated that the development of the country after the fall of communism had been geared toward survival, not sustainability. When the issue of mineral wealth was addressed, it was done quickly and without regard to the environment. This is changing, she noted, but the perspective that environmental sustainability and development should benefit the needs of all is behind on the development scale and is not yet incorporated into the legal structure. She told the room: "Until 2012, the ministry has revisited the laws and tried to reform the laws. Two new laws were adopted and set up with government support to reform the sector. [The ministry] has done their homework but more is needed—80 new procedures need to be adopted."

The UB Post asked Ms. Oyun about the government's feasibility study to divert rivers to be used for mining in the Gobi, according to a press release issued by Bank Information Center ("Oyu Tolgoi Copper/Silver/Gold Mine Project" on [bicusa\[dot\]org](http://bicusa.org)) and documented by USAID and World Bank. Minister Oyun requested further time to study the issue before issuing an official comment. Oyu Tolgoi denies any connection to the government's research into diverting river water to use for mining, preferring to tap into a saline aquifer not connected to the local aquifer or the local shallow wells. Yet doubt remains as to the water needs of the mine's workers.

Civil society representative Ganbolt had expressed worry that Oyu Tolgoi cannot meet the water needs of its workers, especially in light of the mine's proximity to Tavan Tolgoi. Herders only use a few liters a day, while Oyu Tolgoi will need 3000 liters per second. Minister Oyun promised to look further into the water issue in the Gobi.

The conference illustrated a lack of communication between Gobi residents and the capital, which sets the laws and approves of the mining licenses. This can also be seen in the stories published about Mongolia's development. "There is a disconnect between

investment media and what the locals say—people are really angry,” noted researcher Sarah Jackson, who was not present at the conference but spoke to the UB Post by Skype. She is studying the effects that mining has on people in the Gobi.

Herders are indeed angry and hopefully the conference improves the communication pattern between the central government and the local government. It is also worth noting that the main media outlets are based in Ulaanbaatar.

Short URL: <http://ubpost.mongolnews.mn/?p=1442>

<http://ubpost.mongolnews.mn/?p=1442>

Promoting human rights in Mongolia's mining sector

Photo: [CEE Bankwatch Network](#), Flickr [Creative Commons](#)

A major conference organised by the National Human Rights Commission of Mongolia has examined the human rights impacts of the country's booming mining sector and looked at international best practice in order to better protect the environment and the rights of affected communities.

The three-day conference, held in Ulaanbaatar from 10-12 October 2012, brought together representatives from the Mongolian Government, the mining industry, civil society groups and international human rights and development organisations.

The conference looked specifically at the impact of mining on vulnerable communities and the environment, including soil erosion, degradation of pastoral land, water shortages and pollution.

According to the Commission, many herders in mining areas have been forced to leave their traditional lands and find alternative means to support themselves. It expressed concern about the impact of these changes on the human rights of herders, in particular, their right to live in a healthy and safe environment, property rights and the right to preserve one's culture and traditions.

In addition, it noted that conflict between mining companies and artisanal miners, civil society organisations and local people has been escalating in recent times, occasionally resulting in violence.

The conference discussed these and other matters – such as the rights of workers in the mining industry and public participation in decision-making around mining activities – and heard how similar issues have been addressed in other countries.

It drew on the experiences and perspectives of a broad range of stakeholder groups, including mining operators, the United Nations Working Group on Business and Human Rights, the Philippines Commission on Human Rights and the APF secretariat, as well as research and analysis by independent experts.

A key focus for the Commission is to use the information shared at the conference to develop recommendations to strengthen the national legal framework, including identifying international treaties which Mongolia should ratify.

In addition, the Commission hopes to build a partnership between government, the private sector and civil society aimed at respecting and protecting human rights in connection with mining activities.

A number of conference presentations are available on the Commission's website:
<http://www.mn-nhrc.org/eng/main3/120/48-report.html>.

In addition to attending the conference, the UN Working Group on Business and Human Rights spent 12 days in Mongolia as part of its first official country visit.

Ms. Margaret Jungk, a member of the Working Group, issued the following statement at the conclusion of the country visit on 17 October 2012:

<http://www.ohchr.org/EN/NewsEvents/Pages/DisplayNews.aspx?NewsID=12674&LangID=E>.

Date: 22 October 2012

<http://www.asiapacificforum.net/news/promoting-human-rights-in-mongolias-mining-sector>