

**HD** RWE (CM) SouthGobi Resources Announces Second Quarter 2014 Financial and...

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RWE (CM) SouthGobi Resources Announces Second Quarter 2014 Financial and Operating Results

Sydney - Monday - August 11 (RWE) - SouthGobi Resources Ltd [TSX:SGQ] today announced its financial and operating results for the three and six months ended June 30, 2014.

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All figures are in US Dollars unless otherwise stated.

Significant Events and Highlights The **company**'s significant events and highlights for the three months ended June 30, 2014 and subsequent period to August 11, 2014 are as follows: The **company** continues to operate under difficult market conditions.

**Coal** prices in **China** declined further in the second quarter compared to the first quarter of 2014 in response to excess seaborne and **Chinese** domestic supply.

The decline in **coal** prices has been partially offset by the increase in the **company**'s volumes in the second quarter compared to the seasonally slow first quarter.

Production decreased to 0.55 **million** tonnes of raw **coal** in the second quarter of 2014 compared to production of 0.64 **million** tonnes of raw **coal** in the first quarter of 2014.

This decrease in production is due to the **company**'s decision in June in response to current market conditions to reduce its production and place approximately half of its workforce in furlough.

This furlough is anticipated to remain in place until the end of August subject to market conditions.

On May 25, 2014, the **company** announced it obtained a \$10 **million** revolving credit facility from Turquoise Hill Resources Ltd to meet its short term working capital requirements with a maturity date of August 30, 2014.

At June 30, 2014 the **company** had drawn down \$3.8 **million** under this facility.

The **company** completed the **sale** of Tsagaan Tolgoi **mining** license in the second quarter of 2014.

The net proceeds generated for the **company** after taxes and disposal costs was \$1.3 **million** and was received in April 2014.

The trial date for the tax investigation case against the **company**'s Mongolian subsidiary SouthGobi Sands LLC and three of its former employees as detailed in the **company**'s announcement of June 24, 2014 has been deferred until August 25, 2014.

ENDS

**CO** asgldc : SouthGobi Resources Ltd | craaus : Rio Tinto Ltd | inchgl : Turquoise Hill Resources Ltd. | rtz : Rio Tinto PLC

**IN** i1 : Energy | i111 : Coal Mining | ibasicm : Basic Materials/Resources | imet : Mining/Quarrying

**NS** cnatrd : Natural Reserves/Resources Discovery | c24 : Capacity/Facilities | ccat : Corporate/Industrial News

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