



MINISTRY OF INDUSTRY
AND MINERAL RESOURCES

EITI
Extractive Industries
Transparency Initiative

UHY GROWTH FINANCE
GROWTH FINANCE AUDIT LLC



MONGOLIA NINETEENTH EITI RECONCILIATION REPORT 2024

Mongolia Extractive Industries
Transparency Initiative



MONGOLIA'S EXTRACTIVE INDUSTRIES TRANSPARENCY INITIATIVE **NINETEENTH** OR 2024 RECONCILIATION REPORT


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MONGOLIA'S EXTRACTIVE INDUSTRIES TRANSPARENCY INITIATIVE **NINETEENTH** OR 2024 RECONCILIATION REPORT



THIS REPORT AND ITS ANNEXES HAVE BEEN PREPARED AT THE REQUEST OF THE SECRETARIAT RESPONSIBLE FOR IMPLEMENTING THE MONGOLIA EITI WITHIN THE COUNTRY, AND ARE INTENDED FOR THE NATIONAL COUNCIL OF MONGOLIA'S EITI, THE MULTI-STAKEHOLDER WORKING GROUP, AND THE GENERAL PUBLIC, IN ACCORDANCE WITH THE OBJECTIVES OF THE EITI INITIATIVE.

In accordance with the EITI requirements and the terms of reference, the information required to be disclosed for transparency is presented in the annexes. As some annexes contain large volumes of data, summarized versions are included in this report. The full detailed annexes have been made publicly available on the EITI Secretariat's official website in Microsoft Excel format.

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CONTENT

ABBREVIATIONS	7
LIST OF GRAPHS	9
LIST OF FIGURES	9
LIST OF TABLES	9
CHAPTER ONE. INTRODUCTION	14
1.1 RELEVANT INFORMATION	15
1.2 ROLE OF THE INDEPENDENT ADMINISTRATOR-COMPILER	16
1.3 PARTICIPANTS	17
1.4 CHALLENGES	17
1.5 ACKNOWLEDGMENT	18
CHAPTER TWO. RECONCILIATION METHODOLOGY AND DATA COVERAGE	20
2.1 DATA COVERAGE	20
2.1.1. Inception report process	21
2.1.2. Materiality of payments and revenues.....	21
2.2 DATA COLLECTION METHODOLOGY	24
2.2.1. Forms used in the 2024 reconciliation.....	25
2.2.2. Level of disaggregation.....	25
2.3 VERIFICATION	26
2.3.1. Audit and verification environment in Mongolia	26
2.3.2. EITI report verification process	27
2.4 ACCURACY OF INFORMATION	28
2.4.1. Reporting and response status	28
2.4.2. Transparency requirements for state participation	30
CHAPTER THREE. RECONCILIATION RESULTS	33
3.1 SCOPE OF RECONCILIATION	33
3.2 TOTAL GOVERNMENT REVENUE	34
3.2.1. Total revenue from the extractive industry in 2024	34
3.2.2. Reconciliation of government-reported revenue.....	35
3.2.3. Comparison of government and company revenue streams after reconciliation.....	35
3.2.4. Summary of extractive sector revenue.....	36
3.3 SUMMARY OF INITIALLY REPORTED FLOWS	37
3.4 INITIAL UNRECONCILED DIFFERENCES AND NON-REPORTING COMPANIES	38
3.5 REMAINING UNRECONCILED DIFFERENCES	39
3.6 DETAILED RECONCILIATION RESULTS	42

CHAPTER FOUR. OVERVIEW OF MONGOLIA'S EXTRACTIVE SECTOR	49
4.1 LEGAL FRAMEWORK AND FISCAL POLICY OVERVIEW (Requirement 2.1)	49
4.1.1 Summary of legal framework changes	49
4.1.2 Fiscal policy and budget legislation.....	54
4.2 IMPACT ON THE ECONOMY (Requirement 3.1 and Requirement 6.3)	55
4.2.1 Revenue Collected (Requirement 4.1).....	56
4.2.2 Export revenue (Requirement 3.3).....	58
4.2.3 Production (Requirement 3.2).....	61
4.3 MINERAL RESOURCES, UTILIZATION, AND LICENSING POLICY	65
4.3.1 Overview of Uranium	65
4.3.2 Strategic deposits	66
4.3.3 Artisanal and small-scale mining.....	69
4.3.4 Licensing procedures for mineral exploration and extraction (Requirements 2.2 and 2.3) 71	
4.4 OVERVIEW OF THE PETROLEUM SECTOR	80
4.4.1 Petroleum reserves and state involvement	80
4.4.2 Petroleum exploration and licensing (Requirement 2.2.a).....	81
4.4.3 Production sharing agreements (Requirement 2.4).....	83
4.4.4 Petroleum production and economic indicators.....	83
4.4.5 Overview of natural gas sector.....	86
4.5 STATE PARTICIPATION IN THE EXTRACTIVE SECTOR (Requirements 2.6, 4.5, 6.2)	86
4.5.1 Government and SOE ownership in extractive companies and changes in ownership transfer	87
4.5.2 Financial relations and transactions between the Government and SOEs (Requirements 2.6, 4.2, 4.5)	89
4.5.3 Public disclosure of SOEs' financial statements (Requirement 2.6.b)	90
4.5.1 Operations, asset utilization, procurement, and governance regulation of SOEs (EITI Requirement 2.6.c).....	92
4.5.2 Payments similar to budget expenditures	95
4.6 BUDGET PROCESS AND REVENUE ALLOCATION	96
4.6.1 Revenue allocation	96
4.6.2 Cases of unrecorded or unreported local payments in the budget (Requirement 4.6 and Requirement 5.1)	97
4.6.3 Revenue management and expenditure (Requirement 4.1 and Requirement 4.7) 99	
CHAPTER FIVE. OTHER MATTERS	102

5.1	ULTIMATE BENEFICIAL OWNERSHIP AND ITS TRANSPARENCY (Requirement 2.5)	102
5.2	CONTRACT TRANSPARENCY	104
5.3	INVESTMENT IN INFRASTRUCTURE AND BARTER ARRANGEMENTS (Requirement 4.3)	106
5.4	TRANSPORTATION REVENUE (Requirement 4.4).....	107
5.5	ENVIRONMENTAL REHABILITATION INFORMATION (requirement 6.4)	109
5.6	ELECTRONIC REPORTING SYSTEM.....	112
5.7	WATER USE INFORMATION.....	114
5.8	WASTE MANAGEMENT INFORMATION	114
5.9	GREENHOUSE GAS EMISSIONS AND PROJECT COSTS (requirements 3.4 and 4.10)	115
5.9.1	Oyu Tolgoi LLC greenhouse gas emissions	115
5.9.2	Oyu Tolgoi LLC project expenditures	117
5.9.3	Badrakh Energy LLC project expenditures.....	118
CHAPTER SIX. IMPLEMENTATION OF RECOMMENDATIONS		120
6.1	IMPLEMENTATION OF RECOMMENDATIONS FROM PREVIOUS CONSOLIDATED REPORTS.....	120
6.2	ACTION PLAN TO IMPLEMENT THE RECOMMENDATIONS PROVIDED IN THE 2022 VALIDATION REPORT	128
6.3	RECOMMENDATIONS ON EITI REPORTING AND ITS IMPLEMENTATION	135
ANNEXES		138

ABBREVIATIONS

ABBR	ENGLISH DEFINITION	MONGOLIAN DEFINITION
ACC	Accounting	Нягтлан бодох бүртгэл
APE	Annual Performance Evaluation	Жилийн гүйцэтгэлийн үнэлгээ
BO	Beneficial owner	Эцсийн өмчлөгч
BOD	Board of Directors	Төлөөлөн удирдах зөвлөл
CIT	Corporate Income Tax	Аж ахуйн нэгжийн орлогын албан татвар
CGA	Customs General Administration	Гаалийн ерөнхий газар
ERS	Electronic reporting system	Цахим тайлангийн систем
ENT	Entity	Аж ахуйн нэгж
ENV	Environment	Байгаль орчин
EPP	Environmental protection plan	Байгаль орчныг хамгаалах төлөвлөгөө
EEC	Exploration Expenditure Cost	Хайгуулын ажлын зардал
EITI	Extractive Industry Transparency Initiative	Олборлох үйлдвэрлэлийн ил тод байдлын санаачилга
FIC	Foreign invested company	Гадаадын хөрөнгө оруулалттай компани
GASR	General Authority for State Registration	Улсын бүртгэлийн ерөнхий газар
GBG	General budget governor	Төсвийн ерөнхийлөн захирагч
GDSI	General Department of Social Insurance	Нийгмийн даатгалын ерөнхий газар
GDT	General Department of Taxation	Татварын ерөнхий газар
GLMT	General Law of Mongolia on Taxation	Татварын ерөнхий хууль
GOV	Government	Засгийн газар
GAPCSP	Government agency for policy coordination on state property	Төрийн өмчийн бодлого, зохицуулалтын газар
GO	Governor's office	Засаг даргын тамгын газар
GDP	Gross Domestic Product	Дотоодын нийт бүтээгдэхүүн
IAS	International Accounting Standards	Нягтлан бодох бүртгэлийн олон улсын стандарт
ISA	International Standards on Auditing	Аудитын Олон Улсын Стандарт
ISFR	International Standards on Financial Reporting	Санхүүгийн тайлагналын олон улсын стандарт
JSC	Joint Stock Company	Хувьцаат компани
LFEEMR	License fee for exploitation and exploration of mineral resources	Ашигт малтмалын нөөц ашигласны төлбөр
LLC	Limited Liability Company	Хязгаарлагдмал хариуцлагатай компани
LDCF	Local Development Consolidated Fund	Орон нутгийн хөгжлийн нэгдсэн сан
LDF	Local Development Fund	Орон нутгийн хөгжлийн сан
MM	Micro mining	Бичил уул уурхай
MPC	Mineral Professional Council	Эрдэс баялгийн мэргэжлийн зөвлөл
MRPA	Mineral Resources and Petroleum Authority	Ашигт малтмал газрын тосны газар
MET	Ministry of Environment and Tourism	Байгаль орчин, уур амьсгалын өөрчлөлтийн яам

ABBR	ENGLISH DEFINITION	MONGOLIAN DEFINITION
MEGDT	Ministry of Environment, Green Development and Tourism	Байгаль орчин, ногоон хөгжил, аялал жуулчлалын яам
MFLSP	Ministry of Family, labour and social protection	Гэр бүл, хөдөлмөр, нийгмийн хамгааллын яам
MOF	Ministry of Finance	Сангийн яам
MOJHA	Ministry of Justice and Home Affairs	Хууль зүй, дотоод хэргийн яам
MMHI	Ministry of Mining and Heavy Industry	Аж үйлдвэр, эрдэс баялгийн яам
MNAO	Mogolian National Audit office	Үндэсний аудитын газар
MN	Mongolia	Монгол улс
MEITI	Mongolia Extractive Industry Transparency Initiative	Монголын олборлох үйлдвэрлэлийн ил тод байдлын санаачилга
MNMA	Mongolian National Mining Association	Монголын уул уурхайн үндэсний ассоциаци
MSWG	Multi-Stakeholder Working Group	Олон талт оролцогчдын ажлын хэсэг
NAP	National action plan	Үйл ажиллагааны үндэсний төлөвлөгөө
NSM	National statistics of Mongolia	Үндэсний статистикийн хороо
NGO	Non-governmental Organization	Төрийн бус байгууллага
OSF	Open Society Forum	Нээлттэй нийгэм форум
PM	Parliament of Mongolia	Улсын их хурал
PA	Petroleum Authority	Газрын тосны газар
PSA	Product Sharing Agreement	Бүтээгдэхүүн хуваах гэрээ
PWYP	Publsih What You Pay	Төлсөн Авснаа Нийтэл
ROC	Republic of China	Бүгд Найрамдах Хятад Ард Улс
ROK	Republic of Korea	Бүгд Найрамдах Солонгос улс
RF	Russia Federation	Оросын холбооны улс
SIF	Social Insurance Fund	Нийгмийн даатгалын сан
SPIA	State Professional Inspection Agency	Мэргэжлийн хяналтын ерөнхий газар
SOC	State-Owned Companies	Төрийн өмчит компани
SOE	State-Owned Entities	Төрийн өмчит аж ахуйн нэгж
SOJSC	State-Owned Joint Stock Company	Төрийн өмчит хувьцаат компани
SE	Stock Exchange	Хөрөнгийн бирж
SAM	Sustainable artisanal mining	Тогтвортой бичил уурхай
TEFS	Technical and Economic Feasibility Study	Техник эдийн засгийн үндэслэл
TP	Thermal Power	Дулааны цахилгаан станц
kt	Thousand tonnes (kilo tonnes)	Мянган тонн
UK	United Kingdom of Great Britain and Northern Ireland	Их Британи болон Хойд Ирландын Нэгдсэн Вант Улс
UBR JSC	Ulaanbaatar Railway Joint Stock Company	Улаанбаатар төмөр зам хувь нийлүүлсэн нийгэмлэг
USD	United States Dollars	Америкийн нэгдсэн улсын мөнгөн тэмдэгт (доллар)
USA	United States of America	Америкийн нэгдсэн улс
VAT	Value Added Tax	Нэмэгдсэн өртгийн албан татвар
ACC	Accounting	Нягтлан бодох бүртгэл

LIST OF GRAPHS

Graph 1. Payments and revenues received by government institutions, in million MNT	22
Graph 2. GDP and Mining Sector Output and Share (at current prices), 2020–2024, in billion MNT	56
Graph 3. Revenue collected from the mineral resources sector, 2020–2024, in billion MNT	56
Graph 4. Revenue collected from the mineral resources sector by subsector, 2023–2024, in billion MNT	57
Graph 5. Export performance of key mineral products, 2024	58
Graph 6. Valuation and volume of mineral sector exports, 2024, in million USD	59
Graph 7. Gold purchased by the Bank of Mongolia, 2020–2024 (kg)	70
Graph 8. Gold purchased by the Bank of Mongolia by month, 2024 (kg).....	70
Graph 9. Number and total area of valid mineral licenses, thousand hectares, 2020–2024	71
Graph 10. Petroleum product reserve balance by type, (tons), 2023–2024	81
Graph 11. Petroleum production (thousand barrels), 2021-2024	84
Graph 12. Crude oil exports (thousand barrels), 2021-2024.....	85
Graph 14. Number of contracts published in the transparency database	105
Graph 15. Balance of the environmental protection and rehabilitation guarantee account	110
Graph 17. User guide for the EITI electronic reporting system	113
Graph 18. Implementation of Recommendations by status and year	120

LIST OF FIGURES

Figure 1. Process diagram of the Independent Administrator-Compiler's role	17
Figure 2. Sectors of companies included in the reconciliation report	22
Figure 3. Stakeholders' participation in the electronic reporting system	25
Figure 4. EITI Report Verification and Preparation Process	27
Figure 5. Locations of petroleum exploration and prospecting areas.....	82
Figure 6. Petroleum export plan and performance, 2024	84
Figure 7. Open information on state budget and audit activities	100
Figure 8. Process of conducting the Baseline Environmental Assessment (BEA)	111
Figure 9. Stages of the Environmental Management Plan	112
Figure 10. Principles followed in developing the electronic reporting system	113
Figure 11. Scope 1 and Scope 2 greenhouse gas emissions, 2024	116

LIST OF TABLES

Table 1. Government-reported revenues and number of companies, in billion MNT.....	21
------------------------------------------------------------------------------------	----

Table 2. 45 companies selected based on CSO recommendations.....	23
Table 3. Information submitted by companies	28
Table 4. Completion status of selected organizations' forms	29
Table 5. Companies that declined participation in the report	31
Table 6. List of entities not registered in the electronic reporting system	34
Table 7. Government revenue received, by institution, in million MNT.....	34
Table 8. Reconciliation of government-reported revenue, in million MNT	35
Table 9. Adjusted reconciliation of government and company revenue streams, in million MNT	35
Table 10. Reconciliation results – Top 5 taxpayers, 2020–2024, in million MNT	36
Table 11. Top 20 highest tax paying companies among the 110 companies included, in million MNT and percentage	36
Table 12. Lowest 20 tax paying companies among the 110 companies included, in million MNT and percentage.....	36
Table 13. Companies among the 110 that did not pay taxes in 2024.....	37
Table 14. Initially reported payments, revenue flows, and adjustments, in million MNT	38
Table 15. Summary of initial reported payments and revenues with adjustments, in million MNT	38
Table 16. Unadjusted discrepancies, in million MNT	38
Table 17. Remaining unreconciled differences by revenue stream, in million MNT	39
Table 18. Remaining unreconciled differences by company, in million MNT	40
Table 19. Main local-level revenue streams, in million MNT	42
Table 20. Main national-level revenue streams, in million MNT	42
Table 21. National-level reconciliation results by revenue stream, in million MNT	43
Table 22. Summary of legal amendments in the extractive sector in 2024	50
Table 23. Summary of parliamentary resolutions related to the extractive sector in 2024.....	50
Table 24. Summary of amendments to Government resolutions in the extractive sector in 2024	51
Table 25. Budget legislation	54
Table 26. Budget revenue by sector, 2023–2024, in billion MNT	57
Table 27. Average export prices of mineral products	58
Table 28. Sales volume of entities included in the 2024 reconciliation report	59
Table 29. Industrial sector production volume	61
Table 30. Extraction volume of enterprises included in the 2024 reconciliation report	62
Table 31. Extraction volume of enterprises included in the 2024 reconciliation report	63
Table 32. Amendments to the Nuclear Energy Law in 2024	65
Table 33. Active uranium exploration and mining licenses.....	66

Table 34. Mineral deposits of strategic importance (Appendix 1 of the State Great Khural Resolution No. 27 of 2007)	66
Table 35. Mineral deposits of strategic importance (Appendix 2 of the State Great Khural Resolution No. 27 of 2007)	67
Table 36. Areas with approved conclusions for artisanal mineral extraction	71
Table 37. Number of mineral licenses with changes, by type, 2020–2024.....	72
Table 38. Information on license fees, by the 110 companies covered, 2024	74
Table 39. Summary of the “Mongol Refinery” SOE Project.....	80
Table 40. Petroleum reserves of Mongolia, in million tons	81
Table 41. Petroleum and natural gas sales revenue, 2023–2024	84
Table 42. Petroleum and natural gas production value, 2023–2024	84
Table 43. Assessment of government agencies’ participation in EITI.....	87
Table 44. Shareholder information of SOEs	88
Table 45. Transparency of transactions between SOEs	90
Table 46. Compliance with reporting standards and transparency of SOEs	91
Table 47. Transparency of financial statements of state-owned enterprises	91
Table 48. Disclosure status of SOE audit reports	92
Table 49. Disclosure status of internal regulations and charters of SOEs.....	93
Table 50. Amendments and additions to laws and regulations related to the transparency of SOE procurement	93
Table 51. Disclosure status on the Glass Accounts website	94
Table 52. Transparency of procurement.....	94
Table 53. SOE Glass Accounts information	95
Table 54. Updates in the 2024 budget process	96
Table 55. Changes in loans to the extractive sector, in billion MNT	97
Table 56. Amount of financial support approved for allocation to provinces in Mongolia’s 2024 state budget, in million MNT.....	97
Table 57. Approved amount of 2024 revenue transfers to the Local Development Consolidated Fund, in million MNT	98
Table 58. 2024 performance	99
Table 59. Measures implemented by the EITI International Board on Beneficial Ownership ...	102
Table 60. Ultimate beneficial owners of license-holding companies	102
Table 61. Beneficial owners registered in the EITI electronic reporting system	103
Table 62. Legal provisions related to contract disclosure	104
Table 63. Contracts published in the database.....	106
Table 64. Top 12 companies with the highest transportation revenues	107
Table 65. Export freight transported by road, cumulative total	107

Table 66. Export freight transported by rail, cumulative total	108
Table 67. Total export freight, cumulative total.....	109
Table 68. Summary of companies authorized to conduct land rehabilitation, 2024.....	110
Table 69. Water usage	114
Table 70. TOP 10 companies paying the highest water use fees in 2024, in million MNT.....	114
Table 71. Waste management data, m ³	114
Table 72. TOP 10 companies paying the highest waste management fees, thousand MNT	115
Table 73. Oyu Tolgoi LLC project expenditures	117
Table 74. Badrakh Energy LLC project expenditures, thousand MNT	118
Table 75. Status of implementation of the Action Plan based on recommendations from the 2018, 2019, 2020, 2021, 2022, and 2023 EITI Mongolia Consolidated Reports — as of October 6, 2025	120
Table 76. Action plan to implement the recommendations provided in the 2022 Validation Report	128



INTRODUCTION



CHAPTER ONE



CHAPTER ONE. INTRODUCTION

EXTRACTIVE INDUSTRY TRANSPARENCY INITIATIVE (EITI)

It is an international voluntary standard and partnership aimed at making information related to revenues, taxes, payments, and **profit sharing generated** from the extraction of natural resources such as minerals, oil, and natural gas transparent and open to the public, and **ensuring that they are properly managed for the public good.**



GOALS

- To **reduce corruption, weak oversight**, and lack of transparency associated with revenues from natural resources;
- To **provide citizens with reliable information** on revenues and expenditures, thereby strengthening public oversight;
- To promote good governance through **equal participation** of the government, private sector, and civil society.



CORE PRINCIPLES

- 1) **Corporate Reporting:** Extractive sector companies report the taxes and payments they have made.
- 2) **Government Reporting:** The government reports the revenues it has received and the related expenditures.
- 3) **Independent validation:** An independent administrator and reconciler verifies and consolidates the data, and presents a transparent report to the public.
- 4) **Multi-Stakeholder Participation:** A multi-stakeholder group, composed of representatives from the government, companies, and civil society, provides leadership and coordination.

Since joining the EITI in 2006, Mongolia has prepared and publicly disclosed a **total of 18 reports.** **For this 19th report,** the consortium of “SICA” LLC and “Growth Finance Audit” LLC has been selected as the Independent Administrator/Reconciler for the fourth time.

2016	The standard has been approved, and the reporting and stakeholder monitoring mechanisms have been improved.
2019	Additional requirements and extensions have been introduced to include environmental, social, and gender equality aspects.
2023	Full contract transparency and mandatory disclosure of beneficial ownership information have been required.



SIGNIFICANCE

- To enhance public welfare through revenues derived from natural resources;
- To **strengthen stable relations and trust among the government, companies, and civil society;**
- **To promote the sustainable, transparent,** and responsible development of the mining and extractive sector.

1.1 RELEVANT INFORMATION

In 2006, the Government of Mongolia announced its commitment to implement the initiative and began the work in stages. Within this framework, a **National Council** and a **Multi-Stakeholder Working Group (MSG)** comprising representatives from the government, mining companies, and civil society were established to implement the EITI.

*The EITI **STANDARD** is a document that defines the principles and requirements for implementing the initiative, and it was approved at the international EITI conference held in Lima, Peru, from February 24 to 25, 2016. Since then, the standard has been revised and adopted three times in **2016, 2019, and 2023.***

The **standard** encourages countries to use their existing reporting systems when collecting EITI data and requires that the results be transparent and publicly accessible. It also mandates that all member countries disclose information about individuals benefiting from extractive activities and requires companies involved in such projects to publicly report their ultimate beneficial owners.

- ✓ Under the **2016** Standard, **the validation system** for assessing how member countries implement the EITI requirements became more advanced. Although the procedure itself was not changed, the evaluation now takes a broader account of countries' differing circumstances, their efforts to go beyond the minimum requirements, and their ongoing processes of improvement.
- ✓ The **2019** Standard expanded transparency to include issues of global concern, such as environmental, social, and gender equality impacts. Specifically, it required member countries to disclose information on mineral sales, adopt project-level reporting systems, and ensure that all contracts signed from 2023 onward are made public.
- ✓ The **2023** revision further expanded the scope of EITI transparency by setting **more detailed requirements for reporting, contract transparency, and disclosure of beneficial ownership information** for participating countries. Specifically:
 - **Full contract transparency** – all contracts and their amendments signed after 2023 must be made publicly accessible.
 - **Disclosure of ultimate beneficial owners** – full reporting of the ultimate ownership and beneficial interests of individuals and entities involved in extractive projects.
 - **Expanded open reporting** – requirement to disclose information on environmental, social, gender equality, and corporate social responsibility investments.
 - **Enhanced implementation oversight** – continuous improvement of national reporting, monitoring, and validation systems.
- ✓ Through this revision, the EITI has evolved into a comprehensive standard that integrates transparency not only in taxes and payments but also in **environmental, social, and beneficiary-related aspects**.

1.2 ROLE OF THE INDEPENDENT ADMINISTRATOR-COMPILER

Within the framework of the EITI, the Independent Administrator /Reconciler plays a key role as the **main mechanism ensuring the accuracy and transparency** of the report. The Independent Administrator carries out its duties in the following areas.

01 DATA COLLECTION

- Taxes and payments made by extractive sector companies;
- Revenues and expenditures received and managed by the government;
- Non-revenue information such as license conditions, contracts, and beneficial ownership, and to compile these into a comprehensive report;

02 VERIFICATION OF DATA ACCURACY

- To compare and verify the data provided by companies and the government, identifying any discrepancies, inconsistencies, or errors.
- To detect omissions, duplications, or incomplete information and propose necessary corrections;

03 ASSESSMENT OF COMPLIANCE WITH THE STANDARD

- To assess and conclude whether the requirements and principles of the EITI Standard — such as transparent reporting, disclosure of beneficial ownership, and contract transparency — have been duly met;

04 PUBLIC DISCLOSURE OF THE REPORT

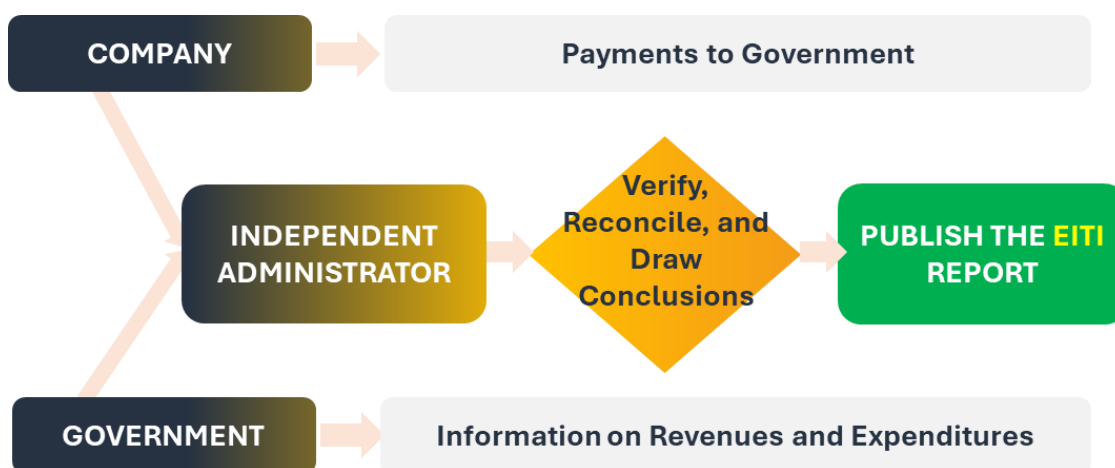
- To prepare the verified report in accordance with the EITI Standard for public disclosure and to enhance the credibility and trustworthiness of the report;

05 PROVIDING RECOMMENDATIONS AND PROPOSALS FOR IMPROVEMENT

- To contribute to strengthening transparency by providing recommendations to companies on improvement measures, reporting, and monitoring systems, based on Mongolia's experience and alignment with the EITI Standard requirements.

The following diagram illustrates how the Independent Administrator-Compiler conducts **centralized verification**, identifying and reconciling discrepancies or errors between company and government data. In the case of Mongolia, the joint team of "SICA LLC" and "Growth Finance Audit LLC" has been performing this role in recent years.

Figure 1. Process diagram of the Independent Administrator-Compiler's role



1.3 PARTICIPANTS

The parties involved in the EITI reporting process consist of three main groups and their representatives, namely:

- 1) **Government / State institutions** – Relevant government agencies participate and they are responsible for reporting taxes, payments, and license fees paid by companies, and submitting the collected data to the Independent Administrator-Compiler. They also verify the accuracy of reports, operational revenues, and locally centralized income.
- 2) **State-owned and private extractive companies** – Mining, petroleum, and natural gas companies participate and are required to report taxes, payments, license fees, project investments, and beneficial ownership information. *Details of the state-owned and private companies included in the reconciliation report can be found in Annex 1.*
- 3) **Civil society representatives** – Local civil society organizations participate in monitoring the accuracy and transparency of the reports, disseminating information to the public, providing recommendations, and actively engaging in the consultation and oversight processes of the Multi-Stakeholder Group.

This **tripartite participation** establishes the core mechanism that ensures multi-stakeholder oversight and transparency.

1.4 CHALLENGES

The Independent Administrator-Compiler has been preparing this report for the fourth consecutive year, and the difficulties encountered during the reconciliation process have continued to increase. **Specifically, the declining participation of extractive sector companies, which are involved on a voluntary basis, has resulted in delays in data collection and a decrease in data quality.** These challenges include:

1. DATA COLLECTION PROCESS

- ✓ The number of entities and government agencies submitting information through the reporting system has decreased, reflecting a decline in voluntary participation;
- ✓ Insufficient contact information and reluctance of selected companies to provide data when approached.;
- ✓ Incomplete or inconsistent data in company reports, reducing the overall accuracy of the consolidated report;
- ✓ Information on beneficial owners remains only partially disclosed and, in some cases, confidential;

- ✓ Provincial revenue and budget expenditure data are either not consolidated or inconsistent with each other;

2. LEGAL ENVIRONMENT FOR DATA COLLECTION

- ✓ Lack of clear regulations governing transparency, reporting, and public disclosure of contract information;
- ✓ Unclear definition of roles and responsibilities between local and national government institutions;
- ✓ Insufficient availability of automated systems and software to compile and integrate data in accordance with reporting standards;

3. DIFFERENCES IN CAPACITY AND UNDERSTANDING AMONG STAKEHOLDERS

- ✓ Time-consuming procedures for obtaining necessary data from relevant government agencies;
- ✓ Varying levels of knowledge and experience among government, company, and civil society representatives in data collection and reporting;
- ✓ Limited understanding of the importance of transparency, leading to reduced quality and accuracy of reports;
- ✓ Errors in data entry into government information systems by state institutions responsible for reporting data from extractive companies and government entities;

Compared to previous years, the number of entities and local administrations that submitted reports to the system decreased. Of the 110 entities required to participate in the reconciliation report, 103 received official letters of inclusion, and only 60 of them responded. Additional efforts were made to obtain information from the remaining entities that neither submitted data nor replied. Furthermore, there is no legal framework mandating mining-related companies to participate in the EITI reconciliation report. In other words, due to the absence of specific laws or regulations, several entities required for the 19th reconciliation report declined to participate, causing difficulties in report preparation.

1.5 ACKNOWLEDGMENT



We express our sincere gratitude to all private and public institutions, agencies, and sector-related organizations that supported the “SICA” LLC research process by facilitating the acquisition and delivery of necessary permits, official letters, and documents, and for their active cooperation and timely submission of information during the preparation of this reconciliation report.



RECONCILIATION METHODOLOGY AND DATA COVERAGE



**CHAPTER
TWO**



CHAPTER TWO. RECONCILIATION METHODOLOGY AND DATA COVERAGE

The joint team of “SICA” LLC and “Growth Finance Audit” LLC is **responsible for executing the reconciliation report in accordance with the requirements set out in the contract assignment**. This reconciliation compares the payments made by extractive sector companies with the revenues received by the Government, and detailed information is provided in this section. The reconciliation was carried out in accordance with the principles of cash-based accounting.

- ➔ If neither the **paying entity nor the receiving entity** has fully reported the material amount of payment or revenue in the electronic reporting system, such information cannot be included in this reconciliation report and there is a risk that it may be omitted from the report.
- ➔ However, if either **the Government or the company** has reported the respective payment or revenue, it is possible to obtain the missing information and include it in the reconciliation; otherwise, the unreported payment or revenue information will not be reflected in this report.
- ➔ The **reconciliation work was carried out based on the forms, data, and explanations submitted by the reporting entities**. No audit was performed on the **accuracy or completeness of the numerical data in this reconciliation, and it is assumed that the information received from the reporting entities is accurate**.

2.1 DATA COVERAGE

In determining the scope of entities to be included in Mongolia’s 2024 19th EITI Reconciliation Report, the selection was made in collaboration with the MSG, taking into account the following factors:

To define the scope of the basic information of the mining sector to be covered by the report;

To determine the scope of additional information to be collected from the companies included in the report;

To determine the companies that made material payments covered by the report;

To determine the government entities that received material payments covered by the report;

To identify the financial flows involving material payments covered by the report;

Options for verifying that the reported data are accurate.

2.1.1. Inception report process

At the initial stage, the content and terms of reference required for the 2024 EITI report were thoroughly reviewed in accordance with the requirements, **and the completeness of electronic reporting was verified**. The companies, government agencies, and payment and revenue flows to be included in the report were identified, and the transparency and organization of stakeholder information were reviewed and clarified.

THE OBJECTIVE of the initial phase is to properly define the scope of the EITI reporting process, determine reporting templates, organize data collection activities, and ensure the approval of the schedule for preparing, finalizing, and publishing the EITI report.

- ◆ On June 20, 2025, **an inception report meeting was held with the participation of MSG members** to discuss the scope, content, and materiality thresholds of payments and revenues for the 2024 EITI report. During this seminar, the comments and proposals from stakeholders were incorporated, including the NGO's recommendation to include 45 additional entities and **the MSG members approved the final scope** of the 2024 EITI report.

2.1.2. Materiality of payments and revenues

In calculating the materiality of payments and revenues, the principle was to include **more than 98 percent of the total payments and revenues** reported in the Government's report. According to this methodology, the payments and revenues of non-mining companies were **excluded from the Government's total reported amount, and by selecting companies with payments and revenues exceeding 300 million MNT, it became possible to cover 98 percent of total payments and revenues**. This indicator was discussed at the inception workshop and officially approved by the MSG, and **based on the NGO's proposal, an additional 45 companies were included**. Analysis of this information is as follows.

Table 1. Government-reported revenues and number of companies, in billion MNT

№	Category	Number of companies		Government reported amount		Percentage of total	
		2023	2024	2023	2024	2023	2024
1	Over 100 billion	11	7	6,975.6	6,779.3	85.5%	87.5%
2	1 billion-100 billion	101	63	1,072.5	906.5	13.1%	11.7%
3	500 million-1 billion	72	28	51.8	23.2	0.6%	0.3%
4	300 million-500 million	51	30	20.1	15.5	0.2%	0.2%
5	Up to 300 million	958	725	42.9	23.2	0.5%	0.3%
TOTAL		1,193	853	8,163.1	7,747.8	100%	100%

In addition, based on the total government revenue received—including mineral resource usage fees and license payments—**55 companies** engaged in gold, copper, and coal operations were initially selected. **In total, 110 companies** were approved for inclusion in the report.

2.1.3. Selection of companies included in the report

The 2024 reconciliation report *covered all types of payment and revenue flows without setting any materiality threshold, following the principle of reconciling all discrepancies.* In accordance with the EITI Standard requirements, the following key principles were implemented:

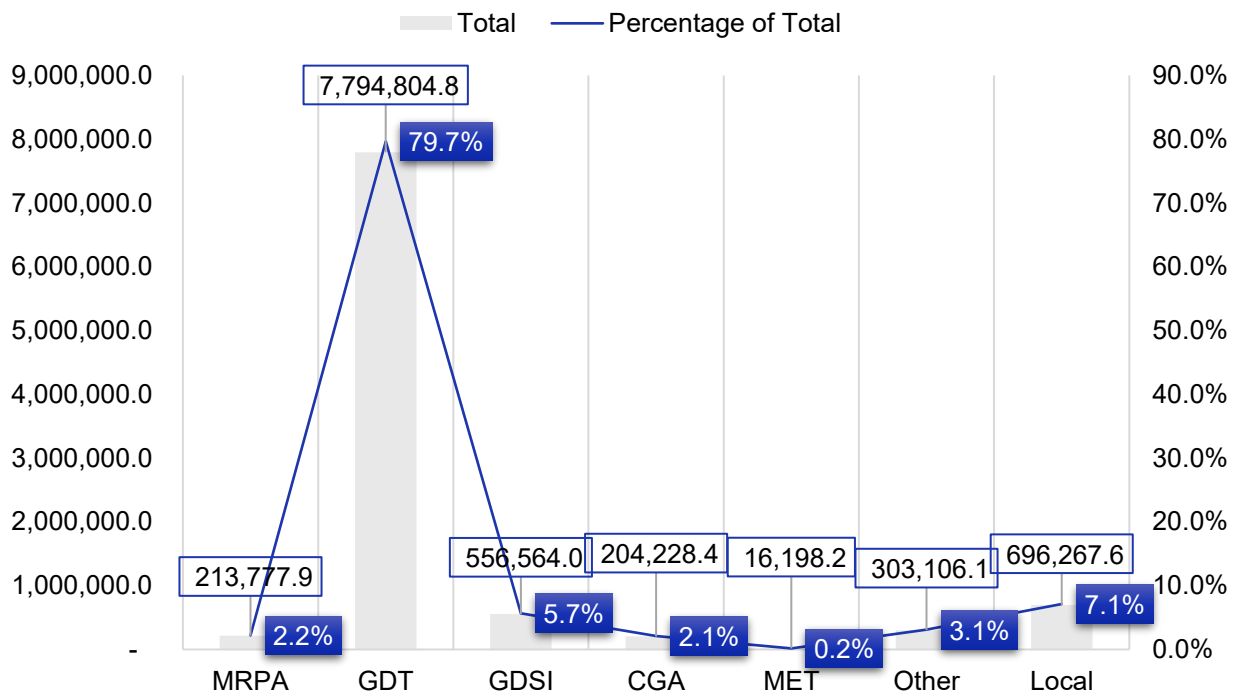
- ✓ **4.1** – Ensuring comprehensive transparency of taxes and revenues;
- ✓ **4.5** – Disclosing transactions related to state-owned enterprises (SOEs);
- ✓ **4.6** – Presenting local-level payments and revenues transparently.

Figure 2. Sectors of companies included in the reconciliation report



According to the 2024 reconciliation results, extractive companies paid a total of **MNT 9.7 trillion** to the Government, of which **79.7%—the largest portion—was collected by the General Department of Taxation**, while the remaining amounts were paid to other relevant agencies and local budgets.

Graph 1. Payments and revenues received by government institutions, in million MNT



From the 101 license holders proposed by the MSG for inclusion in the EITI reconciliation report, the following **45 companies** were selected and included in the report.

Table 2. 45 companies selected based on CSO recommendations

Nº	Registry number	Province	Company name	Ownership type	Type of mineral	Proposed CSO
1	5098564	Sukhbaatar	ADAE FILLC	Privately	Fluorite	Ikh Baga Bayan Sharga CSO
2	5051118	Sukhbaatar	Andiin Ilch FILLC	Privately	Coal	Ikh Baga Bayan Sharga CSO
3	5215919	Sukhbaatar	Badmaaragkhash FILLC	Privately	Coal	Ikh Baga Bayan Sharga CSO
4	6690912	Sukhbaatar	Bichigt Shim Mining LLC	Privately	Granite	Ikh Baga Bayan Sharga CSO
5	5477301	Sukhbaatar	Blakemount Mining LLC	Privately	Mixed Metals	Ikh Baga Bayan Sharga CSO
6	4065115	Khovd	Westernhold LLC	Privately	Limestone	Khovdiin Toli CSO
7	5122392	Sukhbaatar	Harrison-Asia FILLC	Privately	Gold	Ikh Baga Bayan Sharga CSO
8	5060222	Sukhbaatar	GoldenHales FILLC	Privately	Molybdenum, Tantalum	Ikh Baga Bayan Sharga CSO
9	6194559	Sukhbaatar	Guo Mao Jia He FILLC	Privately	Coal	Ikh Baga Bayan Sharga CSO
10	2074737	Sukhbaatar	Gurvansaikhan FILLC	Privately	Uranium	Ikh Baga Bayan Sharga CSO
11	5070287	Sukhbaatar	Dorniin Chuluulag LLC	Privately	Coal	Ikh Baga Bayan Sharga CSO
12	5463599	Sukhbaatar	Cascade Mining FILLC	Privately	Iron	Ikh Baga Bayan Sharga CSO
13	2708345	Sukhbaatar	LandMongolia FILLC	Privately	Gold	Ikh Baga Bayan Sharga CSO
14	5070651	Sukhbaatar	Minii Toonot LLC	Privately	Tantalum	Ikh Baga Bayan Sharga CSO
15	5036496	Sukhbaatar	Molimetal FILLC	Privately	Copper, Molybdenum	Ikh Baga Bayan Sharga CSO
16	5253535	Sukhbaatar	Mongol Mining and Exploration LLC	Privately	Gold	Ikh Baga Bayan Sharga CSO
17	5150884	Sukhbaatar	Mongol Uranium Resource LLC	Privately	Coal	Ikh Baga Bayan Sharga CSO
18	5051304	Sukhbaatar	MongolJuyuanli FILLC	Privately	Fluorite	Ikh Baga Bayan Sharga CSO
19	5401801	Khovd	Mongolian National Rare Earth Corp FILLC	Privately	Rare Earth Elements, Radioactive Materials	Khovdiin Toli CSO
20	5197783	Sukhbaatar	MT Mining LLC	Privately	Gold, Copper	Ikh Baga Bayan Sharga CSO
21	5106656	Sukhbaatar	Nagaaranz LLC	Privately	Coal	Ikh Baga Bayan Sharga CSO
22	5966302	Sukhbaatar	Nuurs Khimi Technology LLC	Privately	Coal	Ikh Baga Bayan Sharga CSO
23	2337231	Sukhbaatar	Olgoibulag LLC	Privately	Coal	Ikh Baga Bayan Sharga CSO
24	2801019	Sukhbaatar	Polymetal Resource LLC	Privately	Zinc, Iron Ore	Ikh Baga Bayan Sharga CSO
25	5615631	Sukhbaatar	Premiumcoal Corporation LLC	Privately	Coal	Ikh Baga Bayan Sharga CSO
26	5180945	Sukhbaatar	Sidakuangei FILLC	Privately	Coal	Ikh Baga Bayan Sharga CSO
27	5084903	Sukhbaatar	Soronzontolgoi LLC	Privately	Iron	Ikh Baga Bayan Sharga CSO
28	5524997	Sukhbaatar	SunkhunGold FILLC	Privately	Fluorite	Ikh Baga Bayan Sharga CSO
29	5774047	Khovd	Talstmolor LLC	Privately	Tungsten / Tantalum	Khovdiin Toli CSO
30	2016931	Sukhbaatar	Taliin Gal JSC	Privately	Coal	Ikh Baga Bayan Sharga CSO
31	5301769	Sukhbaatar	Taliin Elch FILLC	Privately	Coal	Ikh Baga Bayan Sharga CSO

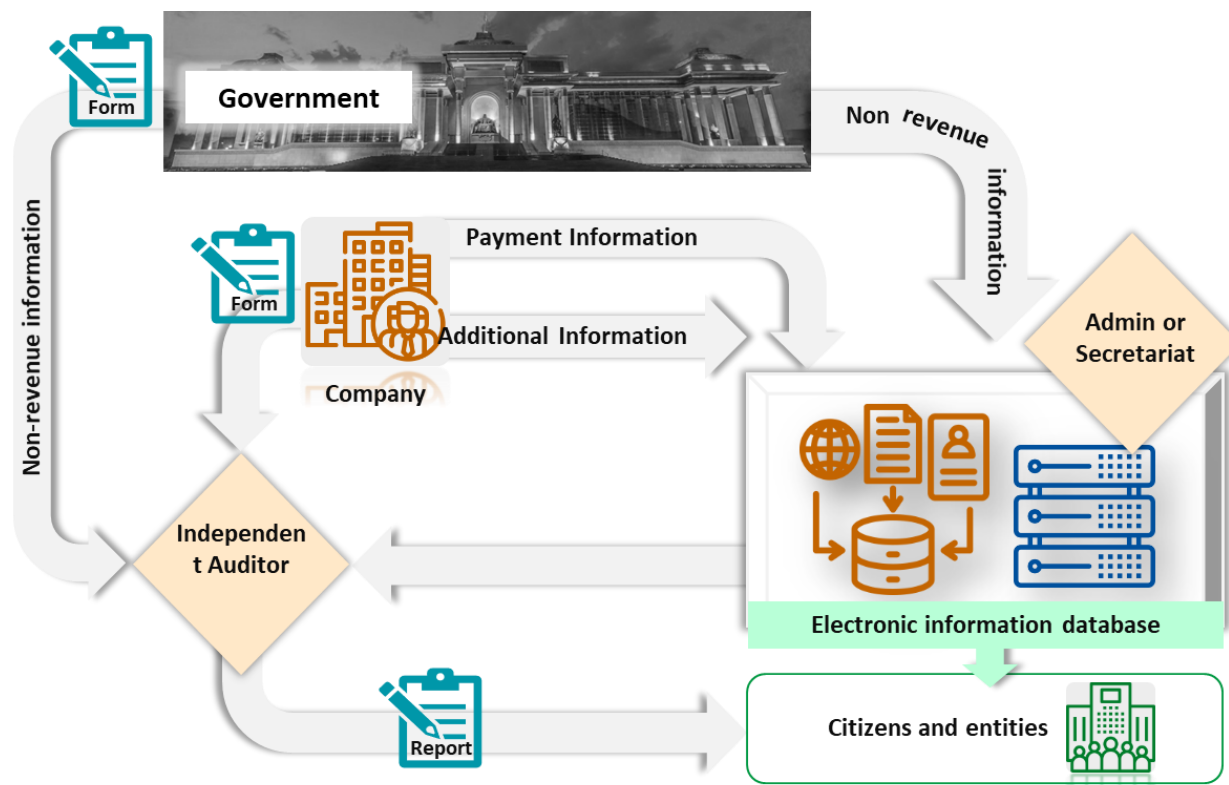
No	Registry number	Province	Company name	Ownership type	Type of mineral	Proposed CSO
32	5112389	Sukhbaatar	Titan-Ord LLC	Privately	Fluorite, Tantalum	Ikh Baga Bayan Sharga CSO
33	4183525	Sukhbaatar	Termenjonsh LLC	Privately	Fluorite	Ikh Baga Bayan Sharga CSO
34	5351324	Sukhbaatar	UragshlakhGobi FILLC	Privately	Coal	Ikh Baga Bayan Sharga CSO
35	2868687	Sukhbaatar	Uulsnoyon LLC	Privately	Gold	Ikh Baga Bayan Sharga CSO
36	5100038	Sukhbaatar	Khaantoonot LLC	Privately	Mixed Metals	Ikh Baga Bayan Sharga CSO
37	2166631	Sukhbaatar	Khunt-Uguuj LLC	Privately	Feldspar	Ikh Baga Bayan Sharga CSO
38	2831686	Sukhbaatar	Tsegeen-Uuden LLC	Privately	Coal	Ikh Baga Bayan Sharga CSO
39	2830213	Dornod	Shin Shin FILLC	Privately	Coal	Ikh Baga Bayan Sharga CSO
40	5665914	Sukhbaatar	Shine Uujim Ord LLC	Privately	Mixed Metals	Ikh Baga Bayan Sharga CSO
41	2568683	Sukhbaatar	EBNE LLC	Privately	Fluorite	Ikh Baga Bayan Sharga CSO
42	5452503	Sukhbaatar	ML Tsakhiurt Ovoo FILLC	Privately	Iron Ore	Ikh Baga Bayan Sharga CSO
43	5211859	Sukhbaatar	Erdeniin Bosgo LLC	Privately	Coal	Ikh Baga Bayan Sharga CSO
44	5072948	Sukhbaatar	Erdeniin Olz FILLC	Privately	Coal	Ikh Baga Bayan Sharga CSO
45	5190479	Sukhbaatar	Erdeniin Tal Mining LLC	Privately	Iron, Molybdenum	Ikh Baga Bayan Sharga CSO

2.2 DATA COLLECTION METHODOLOGY

The Independent Administrator-Compiler collected both *payment/revenue* and *non-revenue data* through Mongolia's EITI electronic reporting system, **identifying initial discrepancies** between government and company submissions. Following this, **additional information** was obtained from selected companies to explain the causes of discrepancies, as well as **data on environmental rehabilitation and audited financial statements for 2024, which were verified for accuracy**.

Through the electronic reporting system, the collection and participation of all stakeholders were fully monitored and consolidated, forming the foundation of the report's baseline data.

Figure 3. Stakeholders' participation in the electronic reporting system



2.2.1. Forms used in the 2024 reconciliation

In accordance with the decision made at the **18th meeting of the National EITI Council in December 2019**, the **EITI Secretariat revised the company reporting templates**. These updated forms were **approved by the NSO** and officially endorsed by the Minister of Mining and Heavy Industry under **Order No. A/37 dated March 5, 2020**.

Furthermore, under **Order No. A/123 dated May 31, 2022**, the Minister of Mining and Heavy Industry approved the revised reporting forms and completion guidelines, which include the following templates:

- ✓ Annual reporting form for mineral exploration, extraction, and production entities (3-EITI-1);
- ✓ Annual reporting form for petroleum exploration and production entities (3-EITI-2);
- ✓ Annual reporting form on taxes, royalties, and fees paid by mineral and petroleum exploration/extraction entities to local budgets (3-EITI-3);
- ✓ Annual reporting form on taxes, fees, and other payments made by mineral and petroleum entities to central government and budgetary institutions (3-EITI-4);
- ✓ Consolidated annual report on production and sales of mineral and petroleum entities (3-EITI-5);
- ✓ Consolidated annual report on taxes and fees paid by mineral and petroleum entities to national and local budgets (3-EITI-6).

These templates serve as the primary tools for **collecting both quantitative and qualitative** EITI reporting data, ensuring transparency of revenues transferred to national and local budgets.

2.2.2. Level of disaggregation

According to **Article 4.7** of the EITI Standard:

- ✓ The Multi-Stakeholder Group must agree on the appropriate level of disaggregation for data to be disclosed to the public.

- ✓ The EITI report must present data disaggregated by company, government entity, and revenue stream.

This requirement ensures the report's transparency, facilitates oversight and verification, and improves clarity and public understanding of the data.

2.3 VERIFICATION

2.3.1. Audit and verification environment in Mongolia

The supreme audit institution of Mongolia is the **National Audit Office (NAO)**. It is a member of the International Organization of Supreme Audit Institutions (**INTOSAI**) and conducts audit activities in accordance with its standards. The NAO's main responsibilities are:

To audit the financial statements of ministries, agencies, and state-owned entities, compare them with the Government's consolidated financial statements, and **submit them to Parliament for approval**.

At the local level (province and soum), institutions are required **to prepare annual financial statements** and have them audited by the local audit offices under the NAO.

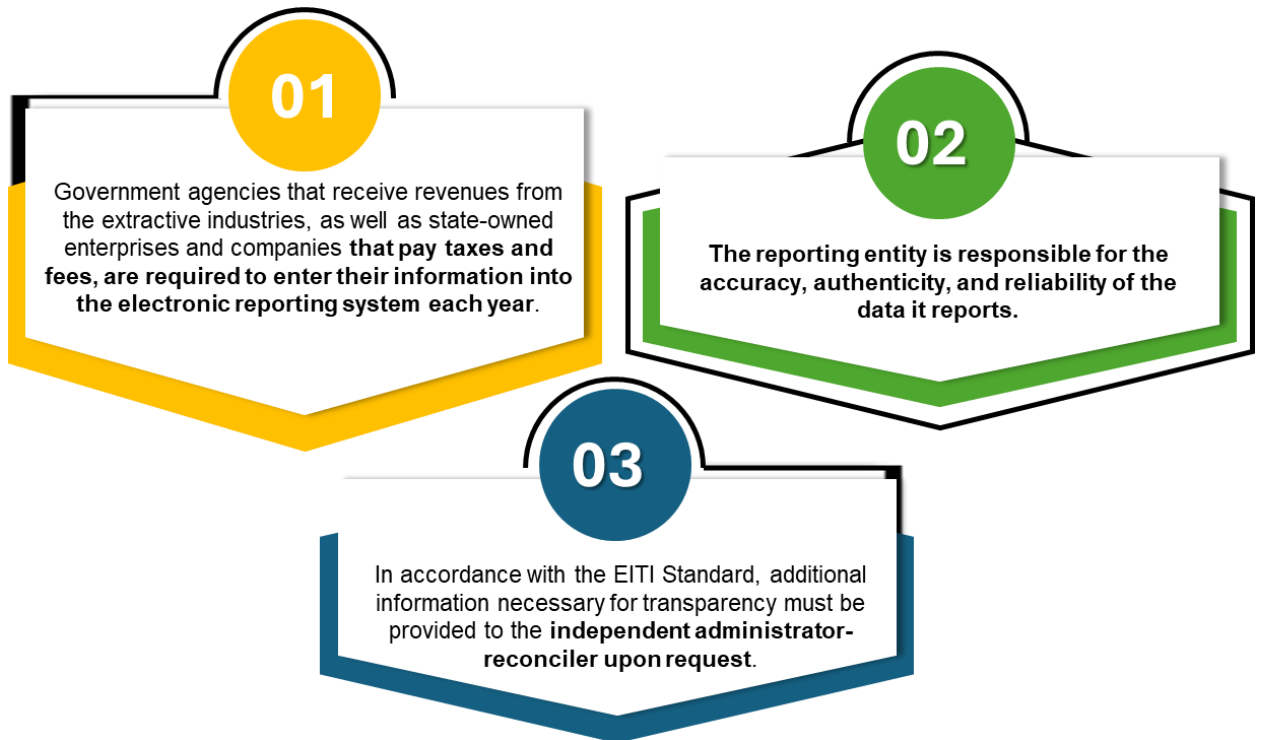
*Legal framework - Audit and verification activities are regulated by the **Law on State Audit, the Law on Budget, and the Law on Financial Management**, among other legal instruments. In addition, international standards (INTOSAI, ISA) and the EITI Standard are followed to ensure audit quality and transparency.*

The NAO is responsible for **auditing the annual financial statements** of state-owned companies and is authorized to appoint **external audit firms with appropriate experience and qualifications** to carry out these audits.

The selected firms conduct audits in accordance with the **International Standards of Supreme Audit Institutions (ISSAI)** and the International **Standards on Auditing (ISA)**.

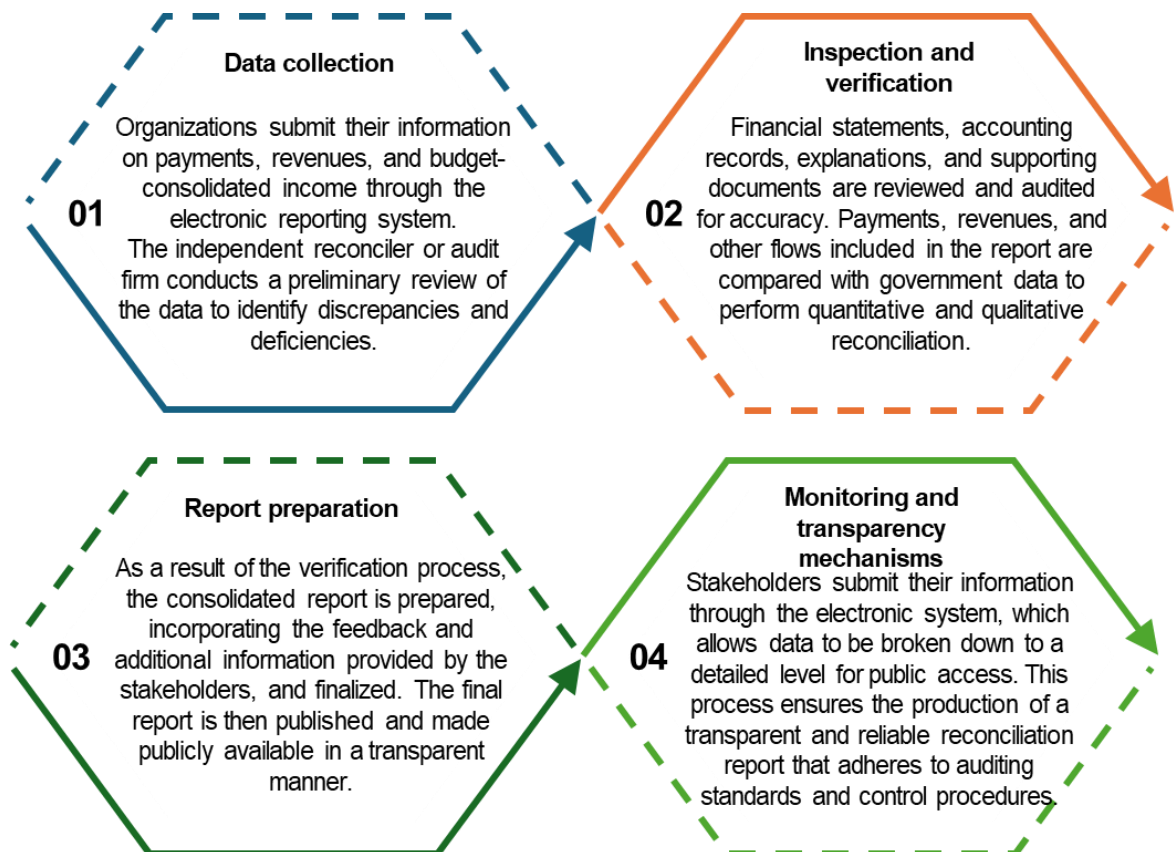
This procedure serves as the main mechanism to ensure the accuracy and transparency of state-owned companies' financial statements.

2.3.2. EITI report verification process



In previous years, the management of reporting companies agreed with the EITI Secretariat to provide written confirmation of their submitted reports signed by an authorized representative of the Board of Directors, and to submit their audited financial statements through the electronic reporting system. Therefore, in 2024, this arrangement was implemented under the same principle, ensuring the accuracy and reliability of the reported information.

Figure 4. EITI Report Verification and Preparation Process



2.4 ACCURACY OF INFORMATION

An assessment was conducted on whether the government agencies and state-owned and private companies preparing the EITI report had verified their reports and whether they were certified by a responsible, independent auditor in accordance with international standards.

Out of the 110 companies included in the reconciliation, **67 verified their transparency reports**, while **43 companies did not submit any information**. Among the 43 companies not included in the reconciliation report, **4 officially declined participation**, **13 had ceased or not yet started operations**, **19 failed to submit any information**, and **7 could not be contacted due to missing contact information**.

In previous reconciliations, companies were required to submit their audited financial statements; however, the information reported to the EITI is now primarily used instead of financial statements. This is because financial statements are prepared on an accrual basis, whereas EITI reports are prepared on a cash basis. The table below presents the information submitted by the 110 companies included in the reconciliation. Of these, **12 companies submitted audit reports**, and **25 companies provided rehabilitation information**.

Detailed information on these companies is provided in Annex 6.

Table 3. Information submitted by companies

Report submitted	Consolidation correction form		Rehabilitation information		Audit report	
	2023	2024	2023	2024	2023	2024
Submitted	92	67	34	25	21	12
Not Submitted	9	43	67	85	80	98
TOTAL	101	110	101	110	101	110

Compared to the previous reconciliation report, where participation **reached 80.8%**, the participation rate this year **decreased by 19.9%**, dropping to **60.9%**.

- ◆ The EITI Standard places strong emphasis on data quality. Going forward, **the Government and companies aim to report their information systematically, reducing the need for adjustments by the Independent Administrator-Compiler and avoiding post-report verification, in line with international best practices.**
- ◆ Although government agencies, SOEs, and companies confirm the accuracy of their reported payment and revenue data in the electronic system, **discrepancies remain evident in the reconciliation results.**
- ◆ Therefore, accountability for stakeholders that misreport data must be strengthened, and **in line with Requirement 4.9, transparency reports should be certified by state or independent audit institutions.**

2.4.1. Reporting and response status

The 2024 EITI report included **1,010 companies, 14 provinces, and 3 districts** that submitted their reports.

Official data requests were sent to nine ministries and government agencies. All responded except the Ministry of Road and Transport Development (MRTD), the Ministry of Environment and Tourism (MET), and the Ministry of Construction and Urban Development (MCUD). Additional data were sourced from the General Department of Taxation (GDT), the Customs General Administration (CGA), the National Statistics Office (NSO), and the General Department of Social Insurance (GDSI).

The EITI Standard treats **data quality, accuracy, and transparency** as key priorities. Within this framework, the Government and companies are expected to report data **systematically, comprehensively, and consistently**, while the Independent Administrator-Compiler aims to **reduce the need for reconciliation and verification work**, in line with international best practices.

Although annual reconciliation reports have repeatedly recommended regular and accurate EITI reporting by companies and government agencies, the 2024 results show **no significant improvement**. Therefore:

- ✓ To reduce discrepancies between government revenues and company payments, **increase reporting participation** in the electronic system, with particular attention to **ensuring full inclusion of local government data**;
- ✓ Additional data required under the EITI Standard has been **delayed** due to slow responses from companies and government agencies; thus, **enforcement measures** should be applied to ensure timely submission;
- ✓ Implement system adjustments to ensure that data uploaded to the electronic reporting system is **accurate and complete**.

Repeated cases of incomplete or incorrect reporting by both government agencies and companies each year indicate **insufficient attention** to the implementation of EITI report recommendations. The following table shows the reporting rate of the 110 entities included in the EITI reconciliation. The data indicate that the majority of forms were completed below the 50% level.

Additionally, information included in forms 9, 14, and 23—covering dividend payments to local and national budgets, as well as oil extraction and sales data—was consolidated based on company submissions and data provided by the Mineral Resources and Petroleum Authority (MRPA).

Table 4. Completion status of selected organizations' forms

№	INFORMATION	Completion status	
		Number	Percentage
Supplement 2	Resource Information	21	19.1%
Supplement 3	Project-level Information	45	40.9%
Supplement 5	Employee Information	60	54.5%
Supplement 6	Mineral Production, Processing, and Sales Information	44	40.0%
Supplement 7	Rehabilitated Area Information	39	35.5%
Supplement 10	Transportation Fees of State and Local Government-owned Enterprises	6	55.0%
Supplement 11	Water Usage Information	45	40.9%
Supplement 12	Information on Energy, Fuel, Food, Occupational Safety, and Hygiene Materials Used	22	20.0%
Supplement 13	Waste Information	35	31.8%
Supplement 14	Information on Chemicals Used by Processing Companies	13	11.8%
Supplement 15	Operator and Contractor Information	27	24.5%
Supplement 16	Impact Area Information	23	20.9%
Supplement 17	Ultimate Beneficial Owner Information	32	29.0%
Supplement 18	Dividends Information of State and Local Government-owned Enterprises	4	-
Supplement 19	Information on the members of the board of directors of state and local Government-Owned Enterprises	4	-
Supplement 20	Information on agreements with local Government authorities	29	26.4%
Supplement 21	Investments in Infrastructure and Barter Agreements	6	55.0%
Supplement 22	Loans and Credit Information of State and Local Government-owned Enterprises	2	-

2.4.2. Transparency requirements for state participation

In accordance with EITI Requirements 2.6, 4.5, and 6.2—which concern state participation in the extractive sector, payments made to or received from state-owned companies, and quasi-fiscal expenditures—information was collected and consolidated from the Government Agency for Policy Coordination on State Property (PCSP) and Erdenes Mongol LLC. Based on their guidance, the following data were requested from state-owned enterprises (SOEs):

- ✓ Changes in state ownership and privatization of state-owned enterprises in 2024;
- ✓ Loans and guarantees obtained through the Development Bank;
- ✓ Information on operator and subcontractor companies of state-owned enterprises and related contracts;
- ✓ Procedures and rules for calculating and distributing dividends, and their implementation status;
- ✓ Data on dividends declared and distributed in 2024;
- ✓ Governance, organizational structure, and ownership arrangements of the enterprises;
- ✓ Changes in ownership structure during 2024 and related decisions;
- ✓ Data on subsidies and investments received from the Government in 2024;
- ✓ Information on equity investments made in other companies in 2024;
- ✓ Data on subsidies and investments received from third parties (domestic or foreign entities) in 2024;
- ✓ Procedures and requirements for appointing independent members to the boards of directors of state-owned enterprises, and related regulations.

Due to the inclusion of several mining companies under Erdenes Mongol LLC, information was collected from nine state-owned enterprises covered by the reconciliation. These included details on board members, selection procedures, applicable legislation, financial relations between the Government and state-owned enterprises, and data on government subsidies and investments in state-owned extractive companies during 2024.

The Ministry of Digital Development and Communications, under Resolution No. 03/257 dated February 8, 2023, conducted a **monitoring and evaluation of the “Implementation of laws, resolutions, and decisions for 2023.”**

According to this evaluation, the implementation of the **“Law on Public Information Transparency”** achieved a 100% performance rate. Government institutions intensified efforts to disclose information publicly and began publishing data on the website Shilen.gov.mn.

The companies included in the EITI report were selected based on the level of payments, revenues, and materiality. However, 43 companies declined to participate—some through official letters—and 7 companies could not be reached due to missing contact information. As a result, **only 62 companies were effectively included in the reconciliation report.**

For the 7 unreachable companies, all possible efforts were made to obtain information through the General Authority for State Registration, the General Department of Taxation (GDT), and by sending letters to postal and email addresses or contacting registered phone numbers, but these attempts were unsuccessful.

Consequently, the involvement of local government officials at the province and soum levels in this year’s reporting process remained relatively limited.

Table 5. Companies that declined participation in the report

No	Registry number	Company name	Ownership type	Type of mineral	Description
1	6528732	Bayan Khukh Tolgoi Tashgai LLC	Privately	Iron Ore	Declined
2	5966302	Nuurs Khimi Technology LLC	Privately	Coal	Declined
3	5615631	Premiumcoal Corporation LLC	Privately	Coal	Declined
4	5190479	Erdeniin Tal Mining LLC	Privately	Iron, Molybdenum	Declined
5	2819996	Uulszaamar LLC	Privately	Gold	Operations Suspended
6	5122392	Harrison-Asia FILLC	Privately	Gold	Operations Suspended
7	5060222	GoldenHales FILLC	Privately	Molybdenum, Tantalum	Operations Suspended
8	6194559	Guo Mao Jia He FILLC	Privately	Coal	Operations Suspended
9	2074737	Gurvansaikhan FILLC	Privately	Uranium	Operations Suspended
10	5070651	Minii Toonot LLC	Privately	Tantalum	Operations Suspended
11	2801019	Polymetal Resource LLC	Privately	Zinc, Iron Ore	Operations Suspended
12	5180945	Sidakuangei FILLC	Privately	Coal	Operations Suspended
13	5351324	UragshlakhGobi FILLC	Privately	Coal	Operations Suspended
14	5100038	Khaantoonot LLC	Privately	Mixed metals	Operations Suspended
15	6690912	Bichigt Shim Mining LLC	Privately	Granite	Operations not yet started
16	5112389	Titan-Ord LLC	Privately	Fluorite, Tantalum	Operations not yet started
17	2571498	ColdGold Mongolia LLC	Privately	Gold	Company Sold
18	5369223	Big Mogul Coal and Energy LLC	Privately	Coal	No response received
19	3737373	Bugantnandin LLC	Privately	Gold	No response received
20	6463932	Gobiin Shandast Khuleg FILLC	Privately	Coal	No response received
21	6375839	Ikh Tumen Khurd LLC	Privately	Coal	No response received
22	5830974	MAK Cement LLC	Privately	Gypsum	No response received
23	5295858	Naran Mandal Enterprises FILLC	Privately	Gold	No response received
24	2678187	Oyut Ulaan LLC	Privately	Copper	No response received
25	5288703	CMKI FILLC	Privately	Fluorspar	No response received
26	5671833	Khur Erdene Bayalag FILLC	Privately	Coal	No response received
27	5352827	Tsagaan-Uvuljuu LLC	Privately	Coal	No response received
28	5155568	NIC LLC	Privately	Coal	No response received
29	2887746	EnerjiResource LLC	Privately	Coal	No response received
30	4065115	Westernhold LLC	Privately	Limestone	No response received
31	5070287	Dorniin Chuluulag LLC	Privately	Coal	No response received
32	5774047	Talstmolor LLC	Privately	Tungsten/ Tantalum	No response received
33	2016931	Taliin Gal JSC	Privately	Coal	No response received
34	2831686	Tsegeen-Uuden LLC	Privately	Coal	No response received
35	5452503	ML Tsakhiurt Ovoo FILLC	Privately	Iron Ore	No response received
36	5072948	Erdeniin Olz FILLC	Privately	Coal	No response received
37	5051118	Andiin Ilch FILLC	Privately	Coal	Contact information not found
38	5463599	Cascade Mining FILLC	Privately	Iron	Contact information not found
39	2708345	LandMongolia FILLC	Privately	Gold	Contact information not found
40	5084903	Soronzontolgoi LLC	Privately	Iron	Contact information not found
41	5301769	Taliin Elch FILLC	Privately	Coal	Contact information not found
42	4183525	Termenjonsh LLC	Privately	Fluorite	Contact information not found



RECONCILIATION RESULTS



CHAPTER THREE



CHAPTER THREE. RECONCILIATION RESULTS

Mongolia's mining sector remains one of the key drivers of economic growth, serving as a major source of export earnings and state budget revenue. The sector's main outputs—coal, copper, gold, and other minerals—are extracted and supplied to both domestic and international markets.

In December 2005, the Government of Mongolia decided to implement the EITI, and the country joined as a candidate on September 27, 2007. After successfully completing the validation process, Mongolia was officially recognized as a fully compliant country on October 19, 2010. Since the start of EITI implementation, Mongolia has published 18 reports.

As a result of active participation in the EITI:

- ✓ Information on **taxes, payments, and license fees** by extractive companies is published annually and made publicly available.
- ✓ **The share of national budget revenue** generated by the mining sector is transparently disclosed, supporting budget planning and monitoring.
- ✓ Citizens, the public, and the media can **directly review government and company revenue data, enabling informed, fair, and evidence-based assessments**.
- ✓ The EITI framework has strengthened **collaboration among government, private sector, and civil society actors**, enhancing transparency in the extractive industry.

For Mongolia, EITI participation represents a crucial step toward improving fiscal discipline, promoting open governance, and strengthening accountability in the mining sector, while supporting the implementation of agreed recommendations.

3.1 SCOPE OF RECONCILIATION

According to previous validation assessments, the implementation of EITI requirements among state-owned enterprises was unclear. The updated Standard therefore expanded requirements, directing the MSG to **document efforts toward gender equality and social inclusion**.

Gender information has been included in employment data for the extractive sector to reflect women's participation. Environmental issues were also addressed as an essential component of natural resource management, **highlighting the environmental impacts of extractive activities and the results of environmental monitoring and evaluation**.

- ◆ The EITI reconciliation included **110 companies (including 9 state-owned enterprises) engaged in gold, copper, and coal operations as approved by the MSG**. Payments made by these companies to the national and local budgets were compared and reconciled with revenue data reported by 19 government agencies.

The reconciliation primarily relied on information submitted through the EITI electronic reporting system. Of the 110 selected companies, 91 were registered in the system, while **6 did not submit reports, 1 had its report rejected, and 19 companies were not registered in the system at all**. As a result, the tax and revenue data from these 19 unregistered, 6 non-reporting, and 1 rejected companies—**totaling 26 forms**—created certain limitations in the overall scope of the information.

At the scoping stage, a flexible reporting methodology was applied to align the reported flows of the Government and the companies. During this stage, companies were selected based on the relative significance of their payments—**particularly their share in total government revenue, license fees, and mineral resource usage fees**.

The reconciliation primarily relied on information submitted through the EITI electronic reporting system. Of the 110 selected companies, 91 were registered in the system, while **6 did not submit reports, 1 had its report rejected**, and **19 companies were not registered in the system at all**.

As a result, the tax and revenue data from these 19 unregistered, 6 non-reporting, and 1 rejected companies—**totaling 26 forms**—created certain limitations in the overall scope of the information.

Table 6. List of entities not registered in the electronic reporting system

No	Registry number	Company name	Registration Status	Report submission status for 2024
1	2007126	Bayalag-Ord LLC	Yes	No
2	5477301	Blakemount Mining LLC	Yes	No
3	2074737	Gurvansaikhan FILLC	Yes	No
4	5036496	Molimetal FILLC	Yes	No
5	5150884	Mongol Uranium Resource LLC	Yes	Returned
6	2095025	Mongolyn Alt MAK LLC	Yes	No
7	5324998	Khunnu Altai Minerals LLC	Yes	No
1	5051118	Andiin Ilch FILLC	No	-
2	2014491	Bayanteeg JSC	No	-
3	4065115	Westernhold LLC	No	-
4	5122392	Harrison-Asia FILLC	No	-
5	5060222	GoldenHales FILLC	No	-
6	2766337	Dongshen Petroleum Mongolia FILLC	No	-
7	2708345	LandMongolia FILLC	No	-
8	5070651	Minii Toonot LLC	No	-
9	5197783	MT Mining LLC	No	-
10	2075385	Petrochina Dachin Tamsag FILLC	No	-
11	5084903	Soronzontolgoi LLC	No	-
12	5301769	Taliin Elch FILLC	No	-
13	4183525	Termenjonsh LLC	No	-
14	5351324	UragshlakhGobi FILLC	No	-
15	2641984	CementShohoi LLC	No	-
16	2830213	Shin Shin FILLC	No	-
17	5211859	Erdeniin Bosgo LLC	No	-
18	5072948	Erdeniin Olz FILLC	No	-
19	5892295	Erdene Harvest FILLC	No	-

Source: <https://ereports.eitimongolia.mn/>

3.2 TOTAL GOVERNMENT REVENUE

3.2.1. Total revenue from the extractive industry in 2024

As of December 31, 2024, a total of 2,724 companies held mining licenses. The 110 companies included in the reconciliation contributed MNT 9.0 trillion to government revenue. The following table shows revenue distribution by government institution.

Table 7. Government revenue received, by institution, in million MNT

GOVERNMENT AGENCY	Government Revenue			
	All Extractive Sector Companies		Companies Included in the Consolidation	
	2023	2024	2023	2024
MRPA	529,420.0	326,872.9	449,495.4	213,777.9
GDT	6,454,691.6	8,495,174.8	6,414,573.8	7,794,804.8
GDSI	658,967.9	600,100.1	533,835.4	556,564.0
CGA	112,297.3	479,539.0	108,030.6	204,228.4

GOVERNMENT AGENCY	Government Revenue			
	All Extractive Sector Companies		Companies Included in the Consolidation	
	2023	2024	2023	2024
MET	66,223.7	0.1	65,452.1	16,198.2
Other	322,895.5	249,345.9	676,634.0	303,106.1
Local	18,690.7	860,474.3	57,451.0	696,267.6
TOTAL	5,567,409.5	11,011,507.0	5,304,835.1	9,784,947.0

3.2.2. Reconciliation of government-reported revenue

During reconciliation, the initially reported figures were adjusted for the selected companies, and the results after reconciliation are summarized below.

Table 8. Reconciliation of government-reported revenue, in million MNT

GOVERNMENT AGENCY	Government Revenue from Companies Included in the Consolidation					
	Before Adjustment		Adjustment		After Adjustment	
	2023	2024	2023	2024	2023	2024
MRPA	520,915.4	385.1	-71,420.0	213,392.7	449,495.4	213,777.9
GDT	6,529,420.0	7,174,143.7	-114,846.3	620,661.2	6,414,573.8	7,794,804.8
GDSI	658,967.9	355,078.5	-125,132.5	201,485.5	533,835.4	556,564.0
CGA	112,297.3	167,551.2	-4,266.7	36,677.2	108,030.6	204,228.4
MET	66,223.8	75.0	-771.7	16,123.2	65,452.1	16,198.2
Other	214,861.4	-	461,772.7	303,106.1	676,634.1	303,106.1
Local	60,501.1	50,524.3	-3,050.1	645,743.3	57,451.0	696,267.6
TOTAL	8,163,186.9	7,747,757.8	142,285.5	2,037,189.2	8,307,495.4	9,784,947.0

3.2.3. Comparison of government and company revenue streams after reconciliation

The table below consolidates data submitted by both the government and companies, showing the results after all necessary adjustments.

Table 9. Adjusted reconciliation of government and company revenue streams, in million MNT

Indicators	Amount			
	2021	2022	2023	2024
Government Amount (after adjustment)	3,252,574.5	5,275,365.6	8,305,472.4	9,784,949.8
Company Amount (after adjustment)	3,252,593.8	5,282,472.2	8,439,143.5	9,807,479.1
Total discrepancy	-19.3	-7,106.6	-133,671.1	-22,529.3
Companies not responding to adjustment requests	-	9.0	5.0	7.0
Unexplained net difference	-19.3	-7,106.6	-133,671.1	-22,529.3
Government reported more than companies	6,778.9	136,725.1	190,615.3	6,966.7
Government reported less than companies	-6,798.2	-129,618.5	-324,286.3	-29,496.1

The initial discrepancy between government-reported revenues and company-reported payments was MNT 655,981.6 million. After adjustments, the difference was reduced to (-22,528.5) million.

The overall revenue of the extractive industry is primarily influenced by the performance of the top five taxpayers.

Table 10. Reconciliation results – Top 5 taxpayers, 2020–2024, in million MNT

TOP Taxpayers	2020	2021	2022	2023	2024
Erdenet Mining Corporation SOE	984,198	965,261	1,785,363	1,985,520	1,466,338.3
Oyu Tolgoi FILLC	532,245	916,185	589,259	734,901	829,963.2
Erdenes Tavantolgoi JSC	468,569	294,949	1,052,562	2,854,882	3,376,453.1
Energy Resource LLC	182,244	50,975	308,384	414,198	640,392.8
Mongolyn Alt MAK LLC	75,515	122,587	103,807	336,822	572,950.0
Total Amount	2,242,771	2,349,957	3,839,378	6,326,325	6,886,097.4
Growth Rate	-13%	7%	77%	65%	8.8%

3.2.4. Summary of extractive sector revenue

After reconciling company-reported payments with government-reported revenues, analysis shows that **in 2024, the top 20 taxpayers contributed MNT 8,796,832.7 million**, accounting for **96.9%** of total sector payments.

Table 11. Top 20 highest tax paying companies among the 110 companies included, in million MNT and percentage

No	Registry number	Company name	Amount	Percentage
1	5435528	Erdenes Tavantolgoi JSC	3,376,453.1	37.2%
2	2074192	Erdenet Mining Corporation SOE	1,466,338.3	16.2%
3	2657457	Oyutolgoi FILLC	829,963.2	9.1%
4	2887746	Energy Resource LLC	640,392.8	7.1%
5	2095025	Mongolyn Alt MAK LLC	572,950.0	6.3%
6	2016656	Tavantolgoi JSC	523,176.5	5.8%
7	5084555	Southgobi Sands FILLC	266,122.5	2.9%
8	2075385	Petrochina Dachin Tamsag FILLC	215,058.2	2.4%
9	5199077	Usukhzoos LLC	188,118.5	2.1%
10	2094533	BorooGold FILLC	101,615.9	1.1%
11	5261198	COAL LLC	96,968.6	1.1%
12	2887134	Khangad-Exploration FILLC	96,679.8	1.1%
13	5352827	Tsagaan-Uvuljuu LLC	63,850.6	0.7%
14	5671833	Khur Erdene Bayalag FILLC	62,823.3	0.7%
15	2550466	Erdenes Critical Minerals SOE	62,728.6	0.7%
16	6413811	Khan Altai Resource LLC	58,062.2	0.6%
17	2548747	TsairtMineral FILLC	56,085.2	0.6%
18	2855119	Bold Tumur Eruu Gol LLC	55,878.4	0.6%
19	2008572	Baganuur JSC	32,237.7	0.4%
20	2807459	Tethysmining LLC	31,329.4	0.3%
TOTAL			8,796,832.7	96.9%

The 20 companies with the lowest payments accounted for **0.04%** or **MNT 3,668.7 million of the total**.

Table 12. Lowest 20 tax paying companies among the 110 companies included, in million MNT and percentage

No	Registry number	Company name	Amount	Percentage
1	2007126	Bayalag-Ord LLC	635.0	0.007%

No	Registry number	Company name	Amount	Percentage
2	5774047	Talstmolor LLC	555.4	0.006%
3	5463599	Cascade Mining FILLC	459.4	0.005%
4	5098564	ADAE FILLC	433.5	0.005%
5	5615631	Premiumcoal Corporation LLC	405.5	0.004%
6	2831686	Tsegeen-Uuden LLC	364.4	0.004%
7	6528732	Bayan Khukh Tolgoi Tashgai LLC	211.3	0.002%
8	5190479	Erdeniin Tal Mining LLC	128.4	0.001%
9	2568683	EBNE LLC	102.3	0.001%
10	5100038	Khaantoonot LLC	87.8	0.001%
11	2801019	Polymetals Resources LLC	57.3	0.001%
12	5197783	MT Mining LLC	52.4	0.001%
13	6690912	Bichigt Shim Mining LLC	47.7	0.001%
14	5966302	Nuurs Khimi Technology LLC	34.3	0.0004%
15	5665914	Shine Uujim Ord LLC	23.8	0.0003%
16	5689945	Max-Oil LLC	21.5	0.0002%
17	5524997	SunkhunGold FILLC	21.1	0.0002%
18	2337231	Olgoibulag LLC	12.1	0.0001%
19	5112389	Titan-Ord LLC	9.1	0.0001%
20	5180945	Sidakuangei FILLC	6.5	0.0001%
TOTAL			3,668.7	0.04%

Additionally, 19 companies among the 110 did not pay any taxes in 2024, as shown below.

Table 13. Companies among the 110 that did not pay taxes in 2024

No	Registry number	Company name
1	5442893	Nutgiin Khash LLC
2	5051118	Andiin Ilch FILLC
3	5477301	Blakemount Mining LLC
4	4065115	Westernhold LLC
5	5122392	Harrison-Asia FILLC
6	5060222	GoldenHales FILLC
7	6194559	Guo Mao Jia He FILLC
8	2074737	Gurvansaikhan FILLC
9	2766337	Dongshen Petroleum Mongolia FILLC
10	2708345	LandMongolia FILLC
11	5070651	Minii Toonot LLC
12	5084903	Soronzontolgoi LLC
13	5301769	Taliin Elch FILLC
14	4183525	Termenjosh LLC
15	5351324	UragshlakhGobi FILLC
16	2868687	Uulsnoyon LLC
17	2641984	CementShokhoi LLC
18	2830213	Xin Xin FILLC
19	5072948	Erdeniin Olz FILLC

Detailed company payment data are provided in Annex 10.

3.3 SUMMARY OF INITIALLY REPORTED FLOWS

At the beginning of reconciliation, the discrepancy between government-reported revenues and company-reported payments was **MNT 810,510.1 million**. During the reconciliation process, additional adjustments of **MNT 2,037,192.0 million** were made on the government side and **MNT 2,870,231.5 million on the company side**, reducing the **difference to (-22,529.3) million**.

Table 14. Initially reported payments, revenue flows, and adjustments, in million MNT

DISCREPANCY ADJUSTMENT	GOVERNMENT	COMPANY	Difference
Before Adjustment	7,747,757.8	6,937,247.7	810,510.1
Adjustment Amount	2,037,192.0	2,870,231.5	-833,039.4
Total After Adjustment	9,784,949.8	9,807,479.1	-22,529.3

A summary of the initial reported payments, revenues, and reconciliation adjustments is presented below.

Table 15. Summary of initial reported payments and revenues with adjustments, in million MNT

Reporter	Number of companies	At National Level	At Local Level	Total
Inception Report				
Government Agency, revenue	110	7,697,158.5	50,599.3	7,747,757.8
Private companies, payments	103	1,148,093.9	36,936.6	1,185,030.6
State and local Government-owned enterprises payments	7	5,308,899.0	443,318.1	5,752,217.1
Initial consolidation discrepancy		1,240,165.6	-429,655.5	810,510.1
Consolidation				
Government adjustment		1,375,322.7	661,869.3	2,037,192.0
Company adjustment		2,621,003.4	249,228.1	2,870,231.5
Government amount after adjustment		9,072,481.2	712,468.6	9,784,949.8
Company amount after adjustment		9,077,996.3	729,482.8	9,807,479.1
Final unexplained net discrepancy		-5,515.1	-17,014.2	-22,529.3

For unreconciled differences by company, see Annex 10.

3.4 INITIAL UNRECONCILED DIFFERENCES AND NON-REPORTING COMPANIES

The initial discrepancies arose mainly from the reasons summarized in the table below, such as underreporting or overreporting in the initial submissions, missing data, differences in withholding tax and customs payments, etc.

These issues highlight the continuing need to improve data consolidation, verification, and accounting accuracy.

Table 16. Unadjusted discrepancies, in million MNT

№	REVENUE FLOWS	Government-Received Revenue		Company-Reported Payments	
		Number of companies	Amount	Number of companies	Amount
1	Underreported in initial report	81	296,856.3	81	1,864,362.4
2	Overreported in initial report	81	1,864,362.4	81	296,856.3
3	No information received from Government	24	80,347.7	14	12,028.8
4	Customs service fees, customs duties, and VAT payments reported inconsistently	5	22,080.2	11	29,285.5

№	REVENUE FLOWS	Government-Received Revenue		Company-Reported Payments	
		Number of companies	Amount	Number of companies	Amount
5	Discrepancy in WITHHOLDING tax amounts	-	-	78	1,937,204.9
6	Not recorded on cash basis	2	299.8	2	1,819.2
TOTAL		193	2,263,946.5	267	4,141,557.0

3.5 REMAINING UNRECONCILED DIFFERENCES

After reconciliation, a remaining discrepancy of **(-22,529.3) million MNT** was observed, largely attributable to **corporate income tax** differences.

Table 17. Remaining unreconciled differences by revenue stream, in million MNT

REVENUE STREAM	Overreported by the Government	Underreported by the Government
Government Payment Flows		
Corporate income tax /Government	3,316,440.6	
Customs duty tax /Government		(254.6)
Value added tax /Government		(2,140.6)
Excise tax on automotive diesel /Government		(3,538.7)
Fuel tax on automotive diesel /Government	-	
Other payments, fees, social security contributions /Government	-	
Mineral resource rent /Government	-	
License fees /Government		(1,196.9)
Rehabilitation fees for state-funded exploration sites /Government	-	
Foreign worker's employment fees /Government	-	
Air pollution fees /Government	-	
Employee social security contributions /Government		(0.3)
Customs service fees /Government	1,400.2	
Dividends from state ownership /Government	-	
Advance payments to the Government	-	
Revenue due to government under nuclear energy law /Government	0.1	
Fines /Government	-	
Compensation /Government	-	
Other /Government	1.9	
Training incentives provided under the product sharing agreement /Government	-	
Payments supporting representative office activities under PSA terms /Government	102.4	
Government's share of petroleum revenue under PSA /Government		(27.1)
Booking service fees for petroleum exploration areas /Government	-	
Personal income tax /Government	138.5	
Total /Government	-	
Local-Level Payment Flows		
Corporate income tax / Local		(5,515.1)
Excise duty on automotive diesel fuel tax / Local		(952.6)
Land fees /Local		(16.7)
Water usege fees /Local		(10,211.0)
Water pollution fees /Local		(3,709.0)
Payment for mineral resource use / Local		(4,168.7)
Foreign worker's employment fees /Local		1,046.5
Dividends from local state ownership /Local		(1,244.1)
Fines /Local		(9,355.8)
Compensation /Local		(308.1)
Other /Local		(995.7)

REVENUE STREAM	Overreported by the Government	Underreported by the Government
50% of Environmental Protection Costs Deposited into Special Account /Local		(1,792.8)
Stamp Duty Collected for Local Budget /Local		(168.4)
Community Development Payments received under the PSA / Local		(103.4)
Donations /Local		(103.4)
Donations /Compnay		1,720.9
Total /Local		(17,014.2)
Total / Government + Local		(22,529.3)

The unexplained differences after reconciliation, when viewed by company, are presented as follows:

Table 18. Remaining unreconciled differences by company, in million MNT

№	Registry number	Company Name	Differences After adjustments
1	5098564	ADAE FILLC	(133.92)
2	2008572	Baganuur JSC	(697.62)
3	5215919	Badmaaragkhash FILLC	100.01
4	5155568	NEC LLC	(173.78)
5	2007126	Bayalag-Ord LLC	(7.20)
6	5369223	Big Mogul Coal and Energy LLC	(29.34)
7	2855119	Bold Tumur Eruu Gol LLC	(69.97)
8	2094533	BorooGold FILLC	(105.80)
9	5070287	Dorniin Chuluulag LLC	154.86
10	5467268	InfinitySpace FILLC	(9.44)
11	5522935	Ikh Gobi Energy LLC	(43.89)
12	5463599	Cascade Mining FILLC	(3.79)
13	2571498	ColdGold Mongolia LLC	(89.95)
14	5051304	MongolJuyuanli FILLC	74.72
15	5401801	Mongolian National Rare Earth Corp FILLC	(14.42)
16	2550466	Erdenes Critical Minerals SOE	(333.62)
17	2029278	Monpolymet LLC	(63.52)
18	5106656	Nagaaranz LLC	29.38
19	2337231	Olgoibulag LLC	0.06
20	2705133	ENTREE FILLC	28.13
21	2657457	Oyutolgoi FILLC	(1,897.31)
22	2678187	Oyut Ulaan LLC	(130.49)
23	5324998	Khunnu Altai Minerals LLC	10.00
24	5084555	Southgobi Sands FILLC	(481.28)
25	5261198	COAL LLC	(648.38)
26	5288703	CMKI FILLC	(54.47)
27	5295858	Naran Mandal Enterprises LLC	(294.65)
28	5524997	SunkhunGold FILLC	0.00
29	5106567	Moncement Building Materials LLC	(23.32)
30	2016656	Tavantolgoi JSC	(0.33)
31	5105439	Talstdul LLC	(0.54)
32	2016931	Taliin Gal JSC	0.04
33	2807459	Tethysmining LLC	(304.29)
34	2872943	Tod-Undraga LLC	(189.00)
35	2839717	Ten Khun FILLC	(503.08)
36	2819996	Uulszaamar LLC	(543.96)
37	2887134	Khangad-Exploration FILLC	(833.53)
38	2166631	Khunt-Uguuj LLC	0.00
39	5352827	Tsagaan-Uvuljuu LLC	72.37
40	2548747	TsairtMineral FILLC	985.82
41	5005094	Aurum Metals LLC	(15.97)
42	2831686	Tsegeen-Uuden LLC	(201.25)

№	Registry number	Company Name	Differences After adjustments
43	5197325	Shanjin-Ord FILLC	330.47
44	2050374	Shariin Gol JSC	3,276.00
45	2568683	EBNE LLC	(0.19)
46	5452503	ML Tsakhiurt Ovoo FILLC	183.13
47	2887746	Energy Resource LLC	(855.49)
48	2718243	Erdenemongol FILLC	(520.34)
49	5435528	Erdenes Tavantolgoi JSC	(4,139.50)
50	2074192	Erdenet Mining Corporation SOE	(292.44)
51	5830974	MAK Cement LLC	(810.41)
52	5874963	Tumen Ail Invest LLC	(310.03)
53	5076285	Platinumland LLC	(2,278.84)
54	5671833	Khur Erdene Bayalag FILLC	(59.69)
55	5199077	Usukhzoos LLC	(319.33)
56	5615631	Premiumcoal Corporation LLC	(249.80)
57	2867095	Petromatad FILLC	240.44
58	5502977	Badrakh Energy LLC	(17.14)
59	2801299	BMNS LLC	121.66
60	5809797	IBBI LLC	(9.42)
61	5774047	Talstmolor LLC	62.96
62	6101615	Steppe Gold FILLC	308.17
63	5689945	Max-Oil LLC	144.16
64	6287727	Olon Ikht Bayan LLC	237.88
65	6232485	Sora International LLC	(6.00)
66	6413811	Khan Altai Resource LLC	(733.97)
67	6375839	Ikh Tumen Khurd LLC	(2,661.98)
68	6268048	Top Gan Drilling LLC	(293.87)
69	6463932	Gobiin Shandast Khuleg FILLC	298.14
70	6690912	Bichigt Shim Mining LLC	63.52
71	6369987	Uuls Mandal LLC	(0.00)
72	8326401	Taliin Altan Bulag Mining LLC	(2.23)
73	2014491	Bayanteeg JSC	(7.09)
74	5150884	Mongol Uranium Resource LLC	244.79
75	2095025	Mongolyn Alt MAK LLC	(3,329.06)
76	2075385	Petrochina Dachin Tamsag FILLC	(468.06)
77	5892295	Erdene Harvest FILLC	(4,233.08)

3.6 DETAILED RECONCILIATION RESULTS

The initial reconciliation report presented differences in payments and subsequent adjustments for each type of local payment. Of the local-level payments, a total of **-16,639.8 million MNT** remained unexplained, with the largest discrepancies arising from land use fees and water use payments.

Table 19. Main local-level revenue streams, in million MNT

Main local-level revenue streams	Before Adjustment			Adjustment		After Adjustment		
	Government	Company	Difference	Government	Company	Government	Company	Difference
Property tax	17,378.3	213,788.5	(196,410.3)	409,286.6	213,828.9	426,664.9	427,617.4	(952.6)
Vehicle and self-propelled machinery tax	75.0	1,160.8	(1,085.9)	16,123.2	15,054.1	16,198.2	16,214.9	(16.7)
Land fees	25,831.6	41,109.2	(15,277.5)	8,615.5	3,549.0	34,447.2	44,658.1	(10,211.0)
Water usage fees	1,278.3	66,750.9	(65,472.5)	62,635.1	871.6	63,913.5	67,622.5	(3,709.0)
Water pollution fees	829.9	987.9	(158.0)	3,989.3	4,011.4	4,819.2	4,999.3	(180.1)
Common mineral resource usage fees	3,483.1	2,191.4	1,291.7	-	245.2	3,483.1	2,436.6	1,046.5
Foreign expert and worker employment fees	-	1,244.1	(1,244.1)	-	-	-	1,244.1	(1,244.1)
Dividends from local state-owned property	-	150,304.4	(150,304.4)	160,017.7	9,709.6	160,017.7	160,013.9	3.8
Fines	2.0	424.1	(422.1)	115.7	1.7	117.7	425.8	(308.1)
Compensation	-	494.9	(494.9)	-	500.9	-	995.7	(995.7)
Other	5.8	1,798.7	(1,792.8)	-	-	5.8	1,798.7	(1,792.8)
Stamp duties collected for local budget			-	1,073.7	1,075.9	1,073.7	1,075.9	(2.3)
Permit fees for use of non-mineral natural resources	1.5		1.5	1.5	-	1.5	-	1.5
Donations	1,715.2	-	1,715.2	2.8	(2.8)	1,718.1	(2.8)	1,720.9
TOTAL	50,600.8	480,254.8	(429,654.0)	661,861.2	248,845.5	712,460.5	729,100.2	(16,639.8)

At the national level, the largest unexplained discrepancies were associated with mineral resource usage fees, employee social insurance contributions, and the Government's share of petroleum revenue under production sharing agreements.

Table 20. Main national-level revenue streams, in million MNT

Main national-level revenue streams	Before Adjustment			Adjustment		After Adjustment		
	Government	Company	Difference	Government	Company	Government	Company	Difference
Corporate income tax /Government	3,018,827.6	2,905,801.5	113,026.0	(297,613.1)	(410,893.7)	3,316,440.6	3,316,695.2	(254.6)
Customs duty tax /Government	64,019.7	81,347.6	(17,327.9)	(21,495.1)	(6,307.8)	85,514.7	87,655.4	(2,140.6)
Value added tax /Government	266,709.3	247,429.5	19,279.9	(43,850.2)	(66,668.8)	310,559.6	314,098.3	(3,538.7)
Excise tax on automotive diesel /Government	7.7	-	7.7	(467.9)	(475.6)	475.6	475.6	-
Fuel tax on automotive diesel /Government	-	1,271.7	(1,271.7)	(1,271.7)	-	1,271.7	1,271.7	-

Main national-level revenue streams	Before Adjustment			Adjustment		After Adjustment		
	Government	Company	Difference	Government	Company	Government	Company	Difference
Other payments, fees, social security contributions /Government	-	-	-	(10,016.2)	(10,016.2)	10,016.2	10,016.2	-
Mineral resource rent /Government	3,586,043.1	2,272,277.0	1,313,766.2	(237,931.1)	(1,552,894.2)	3,823,974.2	3,825,171.2	(1,196.9)
License fees /Government	-	10,432.2	(10,432.2)	(10,952.2)	(520.0)	10,952.2	10,952.2	-
Rehabilitation fees for state-funded exploration sites /Government	2,353.9	60.0	2,293.9	(211.8)	(2,505.6)	2,565.6	2,565.6	-
Foreign worker employment fees /Government	-	7,802.5	(7,802.5)	(7,802.5)	-	7,802.5	7,802.5	-
Air pollution fees /Government	57,137.9	56,698.8	439.1	(10,453.0)	(10,892.4)	67,590.9	67,591.2	(0.3)
Employee social security contributions /Government	355,078.5	482,268.1	(127,189.6)	(191,469.4)	(62,879.5)	546,547.9	545,147.7	1,400.2
Customs service fees /Government	103,531.5	76,789.6	26,741.9	(15,182.1)	(41,924.0)	118,713.7	118,713.7	-
Dividends from state ownership/Government	-	281,820.7	(281,820.7)	(281,821.2)	(0.6)	281,821.2	281,821.2	-
Advance Payments to Government	-	454.3	(454.3)	(489.8)	(35.4)	489.8	489.7	0.1
Revenue due to government under nuclear energy law /Government	-	-	-	-	-	-	-	-
Fines /Government	-	13,039.9	(13,039.9)	(13,189.9)	(150.0)	13,189.9	13,189.9	-
Compensation /Government	-	7,569.5	(7,569.5)	(7,605.2)	(33.8)	7,605.2	7,603.3	1.9
Other /Government	-	-	-	(0.5)	(0.5)	0.5	0.5	-
Training bonus collected under production sharing agreement in the year/Government	102.4	-	102.4	(710.5)	(710.5)	812.9	710.5	102.4
Payments supporting representative office activities under PSA terms /Government	144.2	-	144.2	(577.5)	(748.8)	721.7	748.8	(27.1)
Government's share of petroleum revenue under PSA /Government	-	-	-	(1,351.0)	(1,351.0)	1,351.0	1,351.0	-
Booking service fees for petroleum exploration areas /Government	138.5	-	138.5	(210,753.8)	(210,753.8)	210,892.3	210,753.8	138.5
Personal income tax /Government	245,649,084.0 46.5	6,268,974.98 4,302.1	(6,023,325.90 0,255.5)	(14,164,801.6 14.5)	(5,587,778.8 15,218.4)	259,813,885.6 61.0	11,856,753.7 99,520.5	(11,596,939.9 13,859.5)

When broken down by company, the differences are shown as follows.

Table 21. National-level reconciliation results by revenue stream, in million MNT

Company name	Initial Consolidation			Adjustment			Consolidation After Adjustment		
	Government	Company	Difference	Government	Company	Difference	Government	Company	Difference
ADAE FILLC	142.2	427.9	(285.7)	266.2	114.4	151.8	408.4	542.3	(133.9)
Baganuur JSC	21,568.7	50,357.0	(28,788.4)	17,081.1	(11,009.7)	28,090.7	38,649.8	39,347.4	(697.6)
Badmaarakghash FILLC	13,014.8	6,848.9	6,165.9	1.5	6,067.4	(6,065.9)	13,016.4	12,916.4	100.0
NEC LLC	517.2	624.6	(107.4)	271.2	337.6	(66.4)	788.4	962.1	(173.8)

Company name	Initial Consolidation			Adjustment			Consolidation After Adjustment		
	Government	Company	Difference	Government	Company	Difference	Government	Company	Difference
Bayalag-Ord LLC	580.8	914.0	(333.2)	(13.8)	(339.8)	326.0	566.9	574.1	(7.2)
Erdeniin Tal Mining LLC	-	173.7	(173.7)	102.3	(71.3)	173.7	102.3	102.3	-
Big Mogul Coal and Energy LLC	5,974.8	5,857.6	117.2	107.9	254.4	(146.5)	6,082.6	6,112.0	(29.3)
Bold Tumur Eruu Gol LLC	55,878.4	27,305.1	28,573.3	256.9	28,900.2	(28,643.3)	56,135.3	56,205.3	(70.0)
BorooGold FILLC	73,295.7	102,797.3	(29,501.6)	31,514.0	2,118.2	29,395.8	104,809.7	104,915.5	(105.8)
Dorniin Chuluulag LLC	830.3	889.5	(59.2)	114.8	(99.2)	214.1	945.2	790.3	154.9
InfinitySpace FILLC	17,380.9	16,484.5	896.5	(268.0)	638.0	(905.9)	17,113.0	17,122.4	(9.4)
Ikh Gobi Energy LLC	3,664.3	2,800.4	863.9	(947.2)	(39.4)	(907.8)	2,717.1	2,761.0	(43.9)
Cascade Mining FILLC	277.4	446.8	(169.3)	159.9	(5.7)	165.5	437.3	441.1	(3.8)
ColdGold Mongolia LLC	-	1,699.3	(1,699.3)	1,524.4	(85.0)	1,609.4	1,524.4	1,614.3	(89.9)
MongolJuyuanli FILLC	4,898.7	91.9	4,806.8	0.1	4,732.2	(4,732.1)	4,898.8	4,824.1	74.7
Mongolian National Rare Earth Corp FILLC	857.1	1,656.7	(799.6)	(70.5)	(855.6)	785.2	786.6	801.0	(14.4)
Erdenes Critical Minerals SOE	30,788.2	45,963.4	(15,175.2)	33,703.9	18,862.3	14,841.5	64,492.1	64,825.7	(333.6)
Monpolymet LLC	3,165.6	3,415.6	(250.0)	640.0	453.5	186.5	3,805.6	3,869.1	(63.5)
Nagaaranz LLC	921.9	102.8	819.2	12.3	802.1	(789.8)	934.2	904.8	29.4
Polymetals Resources LLC	-	137.2	(137.2)	52.4	(84.8)	137.2	52.4	52.4	-
Nutgiin Khash LLC	-	854.6	(854.6)	-	(854.6)	854.6	-	-	-
Olgoibulag LLC	11.6	84.8	(73.3)	-	(73.3)	73.3	11.6	11.5	0.1
ENTREE FILLC	40.8	2,246.4	(2,205.6)	2,161.5	(72.2)	2,233.7	2,202.3	2,174.2	28.1
Oyutolgoi FILLC	826,329.1	897,637.3	(71,308.3)	201,481.8	132,070.9	69,411.0	1,027,810.9	1,029,708.2	(1,897.3)
Oyut Ulaan LLC	1,369.3	1,136.7	232.6	82.5	445.6	(363.1)	1,451.8	1,582.3	(130.5)
Khunnu Altai Minerals LLC	787.4	1,485.7	(698.2)	35.0	(673.2)	708.2	822.5	812.5	10.0
Southgobi Sands FILLC	265,558.2	152,804.9	112,753.4	2,626.2	115,860.8	(113,234.6)	268,184.4	268,665.7	(481.3)
COAL LLC	96,947.4	60,823.7	36,123.6	120.6	36,892.6	(36,772.0)	97,068.0	97,716.3	(648.4)
CMKI FILLC	5,685.8	667.9	5,017.9	3.3	5,075.6	(5,072.3)	5,689.0	5,743.5	(54.5)
Sidakuangei FILLC	7.2	88.3	(81.1)	(3.8)	(84.8)	81.1	3.5	3.5	-
Naran Mandal Enterprises LLC	7,820.2	7,111.5	708.7	1,289.7	2,293.0	(1,003.4)	9,109.9	9,404.6	(294.7)
SunkhunGold FILLC	12.1	94.6	(82.6)	0.0	(82.6)	82.6	12.1	12.1	0.0
Moncement Building Materials LLC	7,025.9	5,551.8	1,474.1	175.9	1,673.4	(1,497.4)	7,201.8	7,225.2	(23.3)
Tavantolgoi JSC	523,251.5	672,230.3	(148,978.9)	150,385.4	1,406.8	148,978.5	673,636.8	673,637.2	(0.3)
Talstdul LLC	2,695.6	2,719.4	(23.8)	95.4	72.2	23.2	2,791.0	2,791.6	(0.5)
Taliin Gal JSC	811.8	84.8	727.0	-	727.0	(727.0)	811.8	811.8	0.0
Tethysmining LLC	31,241.0	3,845.5	27,395.5	88.4	27,788.2	(27,699.8)	31,329.4	31,633.7	(304.3)

Company name	Initial Consolidation			Adjustment			Consolidation After Adjustment		
	Government	Company	Difference	Government	Company	Difference	Government	Company	Difference
Titan-Ord LLC	-	91.4	(91.4)	6.6	(84.8)	91.4	6.6	6.6	-
Tod-Undraga LLC	5,360.5	821.7	4,538.8	29.1	4,756.9	(4,727.8)	5,389.6	5,578.6	(189.0)
Ten Khun FILLC	4,765.2	5,531.5	(766.3)	432.7	169.5	263.2	5,197.9	5,701.0	(503.1)
Uulsaamar LLC	4,713.5	3,567.3	1,146.2	178.1	1,868.2	(1,690.1)	4,891.5	5,435.5	(544.0)
Khangad-Exploration FILLC	96,679.8	98,267.7	(1,587.9)	476.4	(277.9)	754.3	97,156.3	97,989.8	(833.5)
Khunt-Uguuj LLC	2,372.5	652.1	1,720.4	-	1,720.4	(1,720.4)	2,372.5	2,372.5	0.0
Tsagaan-Uvuljuu LLC	64,848.5	41,614.8	23,233.7	209.7	23,371.0	(23,161.3)	65,058.2	64,985.8	72.4
TsairtMineral FILLC	56,620.4	58,469.9	(1,849.5)	1,955.1	(880.2)	2,835.3	58,575.5	57,589.7	985.8
Aurum Metals LLC	1,232.7	1,258.3	(25.6)	7.5	(2.1)	9.6	1,240.2	1,256.2	(16.0)
Tsegeen-Uuden LLC	12.6	368.8	(356.2)	3.5	(151.4)	154.9	16.1	217.4	(201.3)
Shanjin-Ord FILLC	9,143.3	353.3	8,790.0	31.6	8,491.2	(8,459.6)	9,174.9	8,844.5	330.5
Shariin Gol JSC	16,497.0	12,271.3	4,225.7	305.5	1,255.2	(949.7)	16,802.5	13,526.5	3,276.0
EBNE LLC	87.7	90.3	(2.6)	-	(2.4)	2.4	87.7	87.9	(0.2)
ML Tsakhiurt Ovoo FILLC	3,278.2	521.9	2,756.4	247.6	2,820.8	(2,573.2)	3,525.8	3,342.7	183.1
Energy Resource LLC	638,474.7	256,306.9	382,167.8	14,166.7	397,190.0	(383,023.3)	652,641.4	653,496.9	(855.5)
Erdenemongol FILLC	8,353.6	7,355.3	998.3	1,952.7	3,471.3	(1,518.7)	10,306.3	10,826.6	(520.3)
Erdenes Tavantolgoi JSC	3,336,856.7	3,361,101.3	(24,244.6)	39,798.7	19,693.6	20,105.1	3,376,655.4	3,380,794.9	(4,139.5)
Erdenet Mining Corporation SOE	1,117,127.8	720,491.8	396,636.0	428,359.9	825,288.3	(396,928.4)	1,545,487.7	1,545,780.1	(292.4)
MAK Cement LLC	30,153.3	27,748.6	2,404.8	2,170.9	5,386.0	(3,215.2)	32,324.2	33,134.6	(810.4)
Mongol Mining and Exploration LLC	2,389.7	84.8	2,304.8	-	2,304.8	(2,304.8)	2,389.7	2,389.7	-
Tumen Ail Invest LLC	10,845.5	11,902.6	(1,057.1)	0.1	(747.0)	747.1	10,845.5	11,155.6	(310.0)
Platinumland LLC	7,916.6	6,784.9	1,131.7	8.7	3,419.2	(3,410.5)	7,925.3	10,204.1	(2,278.8)
Khur Erdene Bayalag FILLC	62,527.5	2,069.6	60,458.0	402.5	60,920.2	(60,517.7)	62,930.0	62,989.7	(59.7)
Usukhzoos LLC	172,015.0	99,157.1	72,857.9	16,409.9	89,587.1	(73,177.3)	188,424.9	188,744.2	(319.3)
Premiumcoal Corporation LLC	115.6	691.2	(575.6)	-	(325.8)	325.8	115.6	365.5	(249.8)
Petromatad FILLC	241.0	2,859.1	(2,618.2)	2,614.5	(244.1)	2,858.6	2,855.5	2,615.1	240.4
Badrakh Energy LLC	3,622.3	4,435.9	(813.5)	1,254.0	457.6	796.4	4,876.4	4,893.5	(17.1)
BMNS LLC	391.4	1,714.3	(1,322.9)	1,440.7	(3.9)	1,444.5	1,832.1	1,710.4	121.7
IBBI LLC	2,784.3	4,872.2	(2,087.9)	2,664.5	586.0	2,078.5	5,448.8	5,458.3	(9.4)
Shine Uujim Ord LLC	21.5	93.2	(71.6)	-	(71.6)	71.6	21.5	21.5	-
Talstmolor LLC	480.5	448.9	31.6	48.8	17.5	31.3	529.4	466.4	63.0
Khaantoonot LLC	-	142.2	(142.2)	57.3	(84.8)	142.2	57.3	57.3	-
Steppe Gold FILLC	9,410.1	16,099.7	(6,689.6)	8,132.0	1,134.2	6,997.8	17,542.0	17,233.9	308.2

Company name	Initial Consolidation			Adjustment			Consolidation After Adjustment		
	Government	Company	Difference	Government	Company	Difference	Government	Company	Difference
Max-Oil LLC	144.2	105.9	38.3	21.1	(84.8)	105.9	165.2	21.1	144.2
Tsui Khang Invest FILLC	624.0	996.8	(372.8)	20.8	(352.0)	372.8	644.8	644.8	-
Olon Ikht Bayan LLC	6,232.5	5,857.7	374.8	253.1	390.0	(136.9)	6,485.6	6,247.7	237.9
Sora International LLC	1,515.5	10,972.7	(9,457.2)	16.9	(9,434.2)	9,451.2	1,532.4	1,538.4	(6.0)
Bugantnandin LLC	1,210.4	1,162.4	48.1	7.2	55.3	(48.1)	1,217.6	1,217.6	-
Khan Altai Resource LLC	35,578.4	54,227.2	(18,648.8)	22,948.0	5,033.2	17,914.8	58,526.5	59,260.4	(734.0)
Ikh Tumen Khurd LLC	7,601.3	2,858.3	4,743.0	-	7,405.0	(7,405.0)	7,601.3	10,263.3	(2,662.0)
Top Gan Drilling LLC	3,849.9	6,127.9	(2,277.9)	2.4	(1,981.6)	1,984.1	3,852.3	4,146.2	(293.9)
Gobiin Shandast Khuleg FILLC	15,971.5	14,812.9	1,158.6	161.8	1,022.2	(860.5)	16,133.3	15,835.1	298.1
Bayan Khukh Tolgoi Tashgai LLC	-	213.2	(213.2)	128.4	(84.8)	213.2	128.4	128.4	-
Bichigt Shim Mining LLC	97.9	84.8	13.0	-	(50.5)	50.5	97.9	34.3	63.5
Nuurs Khimi Technology LLC	13.6	95.0	(81.4)	10.2	(71.2)	81.4	23.8	23.8	-
Uuls Mandal LLC	2,194.8	9,107.2	(6,912.4)	61.8	(6,850.6)	6,912.4	2,256.6	2,256.6	(0.0)
Taliin Altan Bulag Mining LLC	32.6	3,923.6	(3,891.0)	3,813.5	(75.2)	3,888.8	3,846.1	3,848.3	(2.2)
Andiin Ilch FILLC	-	-	-	-	-	-	-	-	-
Bayanteeg JSC	-	-	-	2,110.0	2,117.1	(7.1)	2,110.0	2,117.1	(7.1)
Blakemount Mining LLC	-	-	-	-	-	-	-	-	-
Westernhold LLC	-	-	-	-	-	-	-	-	-
Harrison-Asia FILLC	-	-	-	-	-	-	-	-	-
GoldenHales FILLC	-	-	-	-	-	-	-	-	-
Guo Mao Jia He FILLC	-	-	-	-	-	-	-	-	-
Gurvansaikhan FILLC	-	-	-	-	-	-	-	-	-
Dongshen Petroleum Mongolia FILLC	-	-	-	-	-	-	-	-	-
LandMongolia FILLC	-	-	-	-	-	-	-	-	-
Minii Toonot LLC	-	-	-	-	-	-	-	-	-
Molimetal FILLC	-	-	-	2,853.0	2,853.0	-	2,853.0	2,853.0	-
Mongol Uranium Resource LLC	-	-	-	1,273.2	1,028.5	244.8	1,273.2	1,028.5	244.8
Mongolyn Alt MAK LLC	-	-	-	574,018.1	577,347.2	(3,329.1)	574,018.1	577,347.2	(3,329.1)
MT Mining LLC	-	-	-	47.7	47.7	-	47.7	47.7	-
Petrochina Dachin Tamsag FILLC	-	-	-	450,199.3	450,667.4	(468.1)	450,199.3	450,667.4	(468.1)
Soronizontolgoi LLC	-	-	-	-	-	-	-	-	-
Taliin Elch FILLC	-	-	-	-	-	-	-	-	-

Company name	Initial Consolidation			Adjustment			Consolidation After Adjustment		
	Government	Company	Difference	Government	Company	Difference	Government	Company	Difference
Termenjonsh LLC	-	-	-	-	-	-	-	-	-
UragshlakhGobi FILLC	-	-	-	-	-	-	-	-	-
Uulsnoyon LLC	-	-	-	-	-	-	-	-	-
CementShokhoi LLC	-	-	-	-	-	-	-	-	-
Xin Xin FILLC	-	-	-	-	-	-	-	-	-
Erdeniin Bosgo LLC	-	-	-	2,292.6	2,292.6	-	2,292.6	2,292.6	-
Erdeniin Olz FILLC	-	-	-	-	-	-	-	-	-
Erdene Harvest FILLC	-	-	-	10,536.3	14,769.4	(4,233.1)	10,536.3	14,769.4	(4,233.1)



OVERVIEW OF MONGOLIA'S EXTRACTIVE SECTOR



**CHAPTER
FOUR**



CHAPTER FOUR. OVERVIEW OF MONGOLIA'S EXTRACTIVE SECTOR

4.1 LEGAL FRAMEWORK AND FISCAL POLICY OVERVIEW (Requirement 2.1)

EITI Requirement 2.1 **concerns the transparency and clarity of a country's legal framework and fiscal (budgetary) policies** related to the extractive industries. This includes:

- ◆ **Legal framework** - Each country must disclose laws, regulations, and administrative procedures governing the extractive sector, including:
 - Constitution, sectoral laws (e.g., Petroleum Law, Minerals Law, etc.).
 - Government policies and strategies (e.g., mining, petroleum, natural gas, and extraction-related development programs).
 - Legal basis for licenses and permits (issuing authority, procedures, duration, and conditions).
 - International treaties and conventions (transparency of contracts, legal framework for foreign investment).
- ◆ **Fiscal policy:**
 - Reporting of tax, fee, royalty, and dividend revenues collected from the extractive sector.
 - Clear procedures for recording and allocating extractive revenues in the budget.
 - Disclosure of the legal and operational framework of any special funds receiving such revenues.
 - Ensuring transparency of national budget information and reporting.

4.1.1 Summary of legal framework changes

The extractive sector's legal framework in Mongolia is currently governed by more than 30 laws, over 40 regulations, and various other legal instruments. However, as global mining trends increasingly emphasize **sustainable development, mutually beneficial cooperation, and the principles of green growth**, there is a growing need to further refine and clarify Mongolia's legal environment—particularly regarding **government service transparency and efficiency, investment stability, and mechanisms for engaging with local communities**.

The 2024 report consolidates **the major legal changes in the extractive sector** and expands upon the 2023 or 18th reconciliation report. These include:

- ✓ Summary of major extractive sector laws and key provisions;
- ✓ Annual updates on legal amendments up to 2023;
- ✓ Overview of Government resolutions and policy-alignment decisions;
- ✓ Related legislation governing industrial relations;
- ✓ Legal acts adopted for implementation within Mongolia.

In 2024, several significant legal changes and new initiatives were introduced in Mongolia regarding the regulation of the mining, petroleum, fuel, and nuclear energy sectors, as well as amendments, revisions, and new procedures issued that year.

Some of these legislative changes have been enacted, while others are still in the draft stage. For more detailed information, please refer to the relevant sources.

A. Key legislative changes include:

- ◆ **The Law on the Sovereign Wealth Fund** was adopted **on April 19, 2024**. This law regulates the establishment, allocation, and management of the Sovereign Wealth Fund, which aims to ensure that the benefits from the country's mineral resources are distributed fairly and equitably among all present and future citizens of Mongolia. Under this law, one of the fund's main sources of revenue is the royalty for the use of mineral resources.

Table 22. Summary of legal amendments in the extractive sector in 2024

No	LAW
1	Law on the Sovereign Wealth Fund, adopted on 19 April 2024.
2	Law on Implementation of the Law on the Sovereign Wealth Fund, adopted on 19 April 2024.
3	Law on the 2024 Budget of the Sovereign Wealth Fund, adopted on 30 August 2024.
4	Law on the 2025 Budget of the Sovereign Wealth Fund, adopted on 08 November 2024.
5	Law on Annulment of the Amendment to the Law on the Implementation of the Law on the Sovereign Wealth Fund, adopted on 29 November 2024.

Source: <https://legalinfo.mn/>

B. The State Great Khural (Parliament) approved the following resolutions and major legal amendments in 2024:

Table 23. Summary of parliamentary resolutions related to the extractive sector in 2024

No	RESOLUTION OF THE STATE GREAT KHURAL
1	Resolution No. 9, adopted on January 16, 2024 - On measures to be taken following the inspection by the Temporary Oversight Committee regarding the coal extraction, sales, transportation, export, and procurement activities of “Erdenes Tavantolgoi” JSC and “Tavantolgoi” JSC.
2	Resolution No. 10, adopted on January 16, 2024 – On certain measures concerning the shares of “Erdenes Tavantolgoi” JSC.
3	Resolution No. 24, adopted on April 12, 2024 – On establishing a Temporary Oversight Committee to “Conduct an inspection on activities related to granting, registering, and transferring mineral exploration and mining licenses, as well as the imposition and collection of related fees and taxes.”
4	Resolution No. 30, adopted on April 19, 2024 – On measures to be implemented following the adoption of the Law on the Sovereign Wealth Fund to enhance the benefits and accessibility of strategically important mineral deposits.
5	Resolution No. 62, adopted on June 5, 2024 – On measures to be taken following the inspection of activities related to granting licenses for mineral exploration and extraction, and the collection of related fees and taxes.
6	Resolution No. 21, adopted on August 27, 2024 – On approving the Government Action Plan for 2024–2028.
7	Resolution No. 22, adopted on August 27, 2024 – On amending the annex 1 to Resolution No. 64 of 2024 “On Approving the Concept of Regional Development of Mongolia,” as follows: <ul style="list-style-type: none"> ✓ For Section 3.5 “Eastern Region” – the development goal previously stated as “an international trade, transport, and logistics hub region diversified by tourism, traditional and intensive livestock farming, crop production, and mineral processing industries” was revised to “a region specialized in historical and cultural tourism and an intensive agricultural subregion.” ✓ For Section 3.6 “Gobi Region” – the goal previously stated as “a region specialized in high-technology mining and heavy industry, with tourism based on the Gobi’s natural environment, history, culture, and paleontological resources, and a region forming part of the Sovereign Wealth Fund” was revised to “a region of diversified industry and a subregion of green energy development based on mining and the Gobi’s natural environment, history, culture, and paleontological resources.”
8	On providing directives to the Government, / <ol style="list-style-type: none"> 1) To improve the information exchange between the state registry of mineral licenses and the tax authority, including data on the issuance, registration, transfer, and performance of exploration and mining plans, decisions of the Mineral Professional Council, and feasibility studies; 2) To improve the governance of state-owned and locally owned legal entities in line with international standards, enhance performance and fiscal discipline, and increase transparency by implementing the following measures;

№	RESOLUTION OF THE STATE GREAT KHURAL
	<ul style="list-style-type: none"> ✓ 1/ In collaboration with reputable international entities, implement phased governance reforms of state- and locally owned legal entities to improve governance and management, increase efficiency, and report on results; ✓ 2/ Optimize the structure and organization of state- and locally owned legal entities in accordance with their operational activities to improve efficiency and reduce costs, and, based on research and analysis, merge, consolidate, or reorganize such entities as necessary; ✓ 3/ Develop proposals on the main directions of privatization and the public offering of shares of state-owned legal entities through the stock exchange, and submit them to the State Great Khural; ✓ 4/ Ensure the implementation of the Law on Public Information Transparency and the Law on State and Local Property, oversee the disclosure of information regarding state- and locally owned, as well as state-participated legal entities to the public, and hold accountable those who violate these laws; ✓ 5/ Submit the revised draft of the Law on State and Local Property and the draft Law on State and Locally Owned Companies to the State Great Khural during its 2024 autumn session; <p>3) Take the following measures to improve budget transparency, efficiency, financial oversight, and accountability, and submit the relevant legal amendments to the State Great Khural by the second quarter of 2025. (Resolution No. 52, adopted on December 12, 2024)</p>
9	<p>Resolution No. 58, adopted on December 27, 2024 – On approving the key principles for concluding the intergovernmental agreement between the Government of Mongolia and the Government of the People’s Republic of China on the construction of the Gashuunsukhait–Gantsmod cross-border railway.</p>

Source: <https://www.parliament.mn/>, <https://legalinfo.mn/>

C. Main amendments made under Government resolutions:

Table 24. Summary of amendments to Government resolutions in the extractive sector in 2024

№	GOVERNMENT RESOLUTION
1	<p>On certain measures concerning the shares of “Erdenes Tavantolgoi” JSC, Resolution No. 45, adopted on January 31, 2024.</p>
2	<p>On approving the strategic and organizational restructuring program of the Ministry of Industry and Mineral Resources, Resolution No. 30, adopted on August 7, 2024.</p>
3	<p>On taking land into state special use /1. To take 7,046.15 hectares of land located in Orkhon soum of Bulgan province and Jargalant soum of Orkhon province into state special use for the purpose of establishing a new tailings storage facility for the beneficiation plant of “Erdenet Mining Corporation” SOE, which operates the strategically important Erdenet copper and molybdenum deposit, and to approve the coordinates of the boundary points as set out in the annex./ Resolution No. 116, adopted on March 20, 2024.</p>
4	<p>On approving a revised list /Open Data List/, Resolution No. 96, adopted on September 25, 2024.</p>
5	<p>On approving the action plan for the implementation of the Government of Mongolia’s 2024–2028 Action Program, Resolution No. 218, adopted on December 18, 2024.</p>
6	<p>On amending the resolution /Add the following clauses 4 and 5 to the “List and classification of products to be traded on the exchange” approved by Government Resolution No. 223 of 2023./ Resolution No. 7.3, adopted on February 28, 2024.</p>
7	<p>On amending the resolution /Delete the phrase “transfer the right to issue type C permanent freight border crossing permits to business entities engaged in mining operations” from clause 5 of Government Resolution No. 362 of October 5, 2022, “On certain measures to increase the country’s foreign exchange reserves.”/ Resolution No. 170, adopted on November 13, 2024.</p>
8	<p>On amending the resolution /In clause 1 of Government Resolution No. 35 of January 25, 2023, “On determining the rates and percentages of customs duties on certain petroleum products,” replace “until January 1, 2025” with “until January 1, 2026.”/ Resolution No. 242, adopted on December 25, 2024.</p>

№	GOVERNMENT RESOLUTION
9	On amendments and additions to the annex of the resolution / “1. On approving the coordinates of areas for exploration and exploitation of commonly occurring minerals and granting rights,” the annex to Government Resolution No. 131 of April 12, 2023, which approved the “Coordinates of areas for exploration and exploitation of commonly occurring minerals required for the construction of the 49 km Khujirt-Bat-Ulziit road,” after clause 11, add clause 12 with the content specified in this resolution. / No. 66, approved on September 4, 2024.
10	On adding an amendment to the annex of the resolution / 1. To the annex of Government Resolution No. 139 of April 3, 2024, “On approving the coordinates of areas for exploration and exploitation of commonly occurring minerals and granting rights,” which approved the “Coordinates of areas for exploration and exploitation of commonly occurring minerals required for the construction of the 124.5 km paved road from Kherlen soum of Dornod aimag to Khavirga border checkpoint,” add clauses 6–32 as specified in the annex of this resolution. / Resolution No. 208, adopted on May 15, 2024.
11	On amending the annex of the resolution / Amend clause 4 of the “ List of final mineral products ” approved by Government Resolution No. 502 of December 21, 2015, as specified below./ Resolution No. 168, adopted on November 13, 2024.
12	On measures related to the unified government website /1. To ensure transparency and openness of government operations and increase public oversight, launch the unified government website (gov.mn); establish access rights for government agencies to use the website, organize information posting in stages, ensure information security, and approve and enforce the usage guidelines and methodology. Assign implementation to Minister of Digital Development, Innovation, and Communications Ts. Baatarkhuu./ Resolution No. 208, adopted on December 4, 2024.
13	On approving the coordinates of areas for exploration and exploitation of commonly occurring minerals and granting rights /1. Approve the coordinates of areas for exploration and exploitation of commonly occurring minerals required for major repairs of national paved roads implemented with state budget investments in Dundgobi, Uvurkhangai, Tuv, and Khentii provinces, as set out in the annex./ Resolution No. 225, adopted on May 22, 2024.
14	On approving the coordinates of areas for exploration and exploitation of commonly occurring minerals and granting rights /1. Approve the coordinates of areas for exploration and exploitation of commonly occurring minerals required for the 59.2 km paved road construction from Delgerkhaan soum to Jargalkhaan soum of Khentii province, as stipulated in Article XV.1.1.53 of the 2024 State Budget Law, as set out in the annex./ Resolution No. 102, adopted on September 25, 2024
15	On approving the coordinates of areas for exploration and exploitation of commonly occurring minerals and granting rights /1. Approve the coordinates of areas for exploration and exploitation of commonly occurring minerals required for the first phase of the Arvaikheer–Mandalgovi section of the horizontal axis road (Choir–Mandalgovi–Arvaikheer) located in Uvurkhangai province, as stipulated in Article XV.1.1.95 of the 2024 State Budget Law, as set out in the annex./ Resolution No. 101, adopted on September 25, 2024.
16	On approving the coordinates of areas for exploration and exploitation of commonly occurring minerals and granting rights / 1. Approve, as specified in the annex, the coordinates of areas for exploration and exploitation of commonly occurring minerals required for the construction of the 133.7 km paved road along the Bulgan–Orkhon–Khishig–Undur–Gurvanbulag soum route, as provided in Article XV.1.1.49 of the 2024 State Budget Law of Mongolia. / Resolution No. 100, adopted on September 25, 2024.
17	On approving the coordinates of areas for exploration and exploitation of commonly occurring minerals and granting rights / 1. Approve, as specified in the annex, the coordinates of areas for exploration and exploitation of commonly occurring minerals required for the construction of a 5.8 km paved road in Bugat soum, a 217-meter reinforced concrete bridge over the Khovd River in Altantsugts soum, and a 2.5 km paved road in Deluun soum of Bayan-Ulgii province, which are being built with state budget investment. / Resolution No. 236, adopted on May 29, 2024.
18	On approving the coordinates of areas for exploration and exploitation of commonly occurring minerals and granting rights / 1. Approve, as specified in the annex, the coordinates of areas for exploration and exploitation of commonly occurring minerals required for the construction of the 61.9 km paved road along the Baruun-Urt–Sukhbaatar route, as provided in Article XV.1.1.44 of the 2024 State Budget Law of Mongolia. / Resolution No. 65, adopted on September 4, 2024.

№	GOVERNMENT RESOLUTION
19	On approving the coordinates of areas for exploration and exploitation of commonly occurring minerals and granting rights / 1. Approve, as specified in the annex, the coordinates of areas for exploration and exploitation of commonly occurring minerals required for the construction of the 124.5 km paved road from Kherlen soum of Dornod province to Khavirga border checkpoint, which is being built with state budget funding. / Resolution No. 139, adopted on April 3, 2024.
20	On certain measures concerning the Sovereign Wealth Fund / 1. From the revenues accumulated in the Sovereign Wealth Fund in 2024, allocate the funds in accordance with the relevant procedures to the Savings Fund, Development Fund, and Future Heritage Fund, and ensure that the 2025 target levels are achieved. Assign this task to N. Uchral, Minister and Chief of the Cabinet Secretariat of the Government of Mongolia; B. Javkhlan, Minister of Finance; and L. Enkh-Amgalan, Minister of Labor and Social Protection. / Resolution No. 223, adopted on December 20, 2024.

Source: <https://legalinfo.mn/>

These amendments are aimed at enhancing transparency in the extractive sector, improving the management and distribution of state-owned shares and benefits, and ensuring that the nation's wealth is shared equitably with the public.

The policies and reforms governing the mineral resources sector continue to be guided by the long-term development policy “Vision 2050,” approved by Parliament Resolution No. 52 of 2020. Furthermore, no major revisions or updates were made to this policy framework in 2024.

Regarding **the legal framework and implementation practices** in the mining, petroleum, fuel, and nuclear energy sectors, the following conclusions and recommendations have been put forward concerning inconsistencies, overlaps, and coordination issues.

The Minerals Law of 2006 has been criticized by researchers for its narrow focus on the issuance of mineral exploration and exploitation licenses, lacking comprehensive regulatory scope. Since its enactment, **approximately 300 amendments and revisions** have been introduced, leading to a dilution of the law's original intent and objectives, as well as **contributing to conflicts, duplication, and overlapping authority in its enforcement.**

Therefore, in order to strengthen coherence and expand the scope of regulation, the Parliament, under Resolution No. 95, **established a Working Group to draft a revised version of the Minerals Law. The new draft revision is currently under preparation.**

The list of laws and resolutions adopted in 2024 has been provided above, and no suspension or freezing of legislative activities occurred during the year.

4.1.2 Fiscal policy and budget legislation

The state budget is the **main financial instrument for implementing** Mongolia's economic and social development objectives. **It represents the balance of revenues to be collected in the state treasury and the expenditures to be made within a given year.**

➔ **Budget revenue consists of tax revenue, non-tax revenue,** and foreign aid. The portion of Mongolia's consolidated budget revenue allocated to the **Fiscal Stability Fund and the Future Heritage Fund** is deducted, and the remaining amount is referred to as the **consolidated budget's balanced revenue.**

- ❖ **Tax revenue** is composed of various types of taxes, fees, and payments established in accordance with the General Law on Taxation.
- ❖ **Non-tax revenue** includes the following sources:
 - Dividends from shares owned by the state and local governments in state-owned or state-participated legal entities;
 - Fees for the use of state and local government property;
 - Income from the privatization, sale, or lease of state and local government property;
 - Fines and penalties;
 - Income generated from the operations of budgetary organizations;
 - Loans and aid granted to the Government;
 - Other revenues collected into the budget in accordance with the law.

Thus, budget revenue serves as the main source of financing for government activities and is an important tool for supporting the implementation of economic policies and development goals.

➔ Budget expenditure consists of two main components: **current expenditure and capital expenditure,** and it is aimed at implementing the core functions of the state. These include activities such as providing education to citizens, delivering healthcare services, ensuring national security, developing infrastructure, and offering social protection services.

➔ In accordance with the **Law on Health Insurance,** the costs of health care services are financed through health insurance premiums paid by the government, citizens, and organizations.

The objectives of the laws related to the state budget and the number of amendments made to them in 2024 are shown in the following table.

Table 25. Budget legislation

<u>BUDGET LEGISLATION</u>	<u>RELATED INFORMATION</u>
Fiscal policy and amendments to legislation related to the 2024 state budget	Under the Law on the 2024 State Budget of Mongolia, the Law on Amendments to the same law, and accompanying legislation submitted together, the following policy measures have been approved and implemented in relation to the extractive sector:

BUDGET LEGISLATION**RELATED INFORMATION**

	<p>✓ To support the construction of beneficiation and processing plants that produce value-added mineral concentrates and final products, provisions were introduced to allow the payment of value-added tax (VAT) on imported equipment—registered as fixed assets and unavailable from domestic production—to be deferred for up to four years or paid in installments over four years. This measure is reflected in Article 40.6 of the Law on Customs Tariff and Customs Duty and is effective until December 31, 2027.</p>
Status of revenue accumulation in the Fiscal Stabilization Fund as stipulated in Article 16.2 of the Fiscal Stability Law	A total of MNT 443.9 billion was accumulated in the Fiscal Stability Fund in 2024 .
Principles of budget revenue distribution and revenue-sharing mechanisms for local budgets	<i>Revenues for local budgets are calculated by considering the specific characteristics of each province, the proposals submitted by local governments, and the percentage approved by the respective Citizens' Representative Khurals; therefore, there is no unified formula applicable nationwide.</i>
Adjustments to revenue and budget projections	The 2024 approved budget was based on international market assumptions of a refined copper price of USD 9,500 per ton and an average coal price of USD 115 per ton. The balanced copper price was projected at USD 182.5 per ton.
Information on subsidies, stimulus packages, or financial support provided to the extractive sector or state-owned enterprises in 2024	<i>No subsidies or financial support were provided to the extractive sector or to state-owned enterprises operating within the sector in any form in 2024.</i>
Information on changes in extractive sector loans in 2024	Information on changes in sectoral lending can be accessed through the Bank of Mongolia's website at www.stat.mongolbank.mn
Information on whether the Future Heritage Fund was used under exceptional circumstances in 2024	<i>No expenditures were made from the Future Heritage Fund in 2024</i>

Source: [Ministry of Finance, Mongolia](#)

Some of the information related to **budget laws** can also be reviewed and summarized from the **2023 or 18th Reconciliation Report** as follows:

- Law on the State Budget;
- Law on Fiscal Stability;
- Law on Government Special Funds;
- Law on the Future Heritage Fund;
- Law on the Sovereign Wealth Fund.

4.2 IMPACT ON THE ECONOMY (Requirement 3.1 and Requirement 6.3)

On August 30, 2024, the State Great Khural adopted the **“Law on Amendments to the Law on the State Budget of Mongolia for 2024.”** Under this law, the programs implemented by the Minister of Industry and Mineral Resources in 2024 and the qualitative and quantitative performance indicators reflecting the outcomes of those programs are as follows.

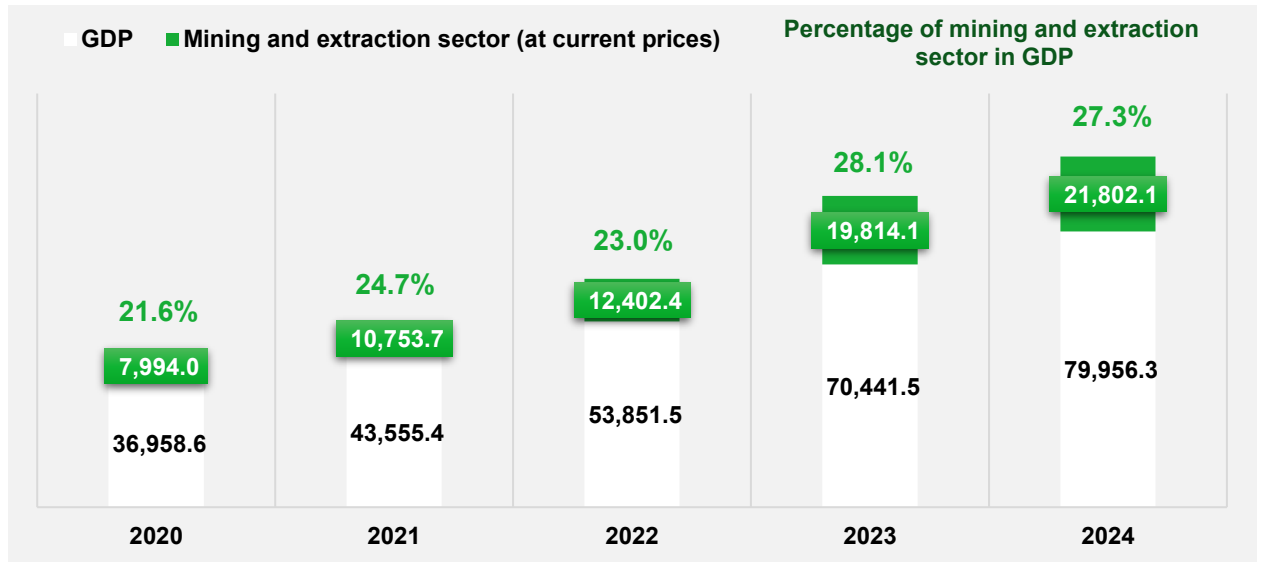
The extractive industry continues to be Mongolia's leading economic sector and remains the main driver of economic growth. As of 2024, the mineral resources sector **accounted for 32.1 percent**

of the consolidated state budget revenue and 27.3 percent of GDP, with the sector's contribution to GDP maintaining a steady growth trend in recent years.

Detailed data on the mineral resources sector can be obtained from the Ministry of Mining and Heavy Industry (mmhi.gov.mn) and the Mineral Resources and Petroleum Authority (mrpam.gov.mn) through their monthly statistical bulletins.

In terms of current prices, the GDP growth from the mining sector increased by 1,988.0 billion MNT compared to the previous year (2023).

Graph 2. GDP and Mining Sector Output and Share (at current prices), 2020–2024, in billion MNT

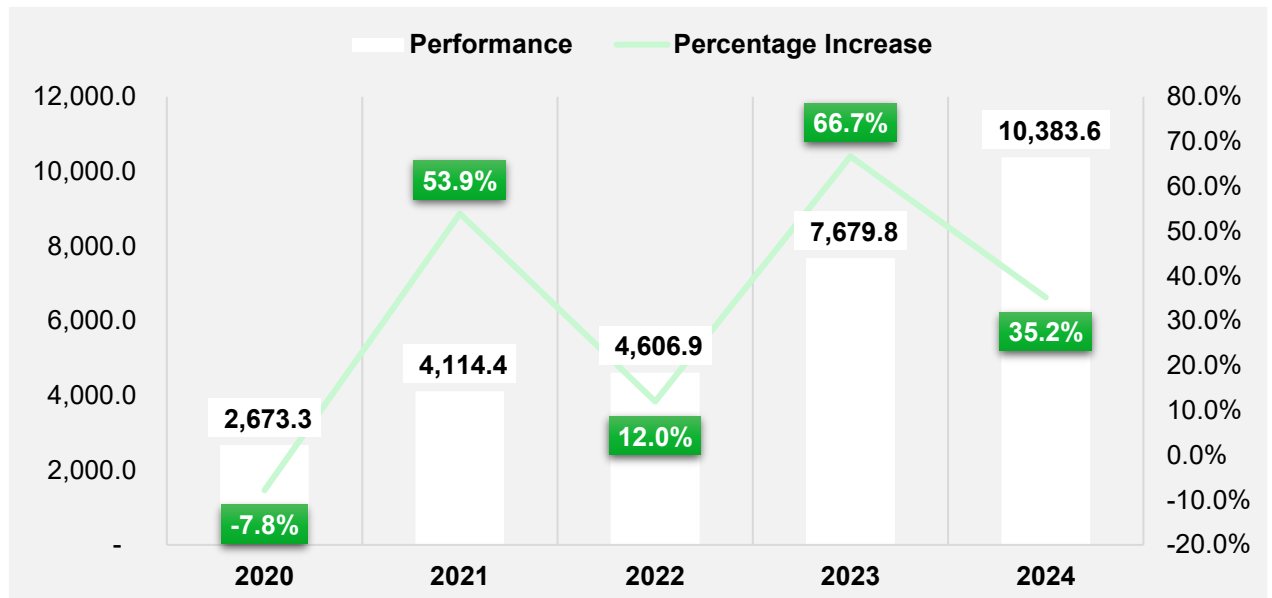


Source: <https://www.1212.mn/>

4.2.1 Revenue Collected (Requirement 4.1)

The revenue collected from the mineral resources sector reached **10,383.6 billion MNT**, increasing by **2,703.9 billion MNT or 35.2%** compared to the same period of the previous year.

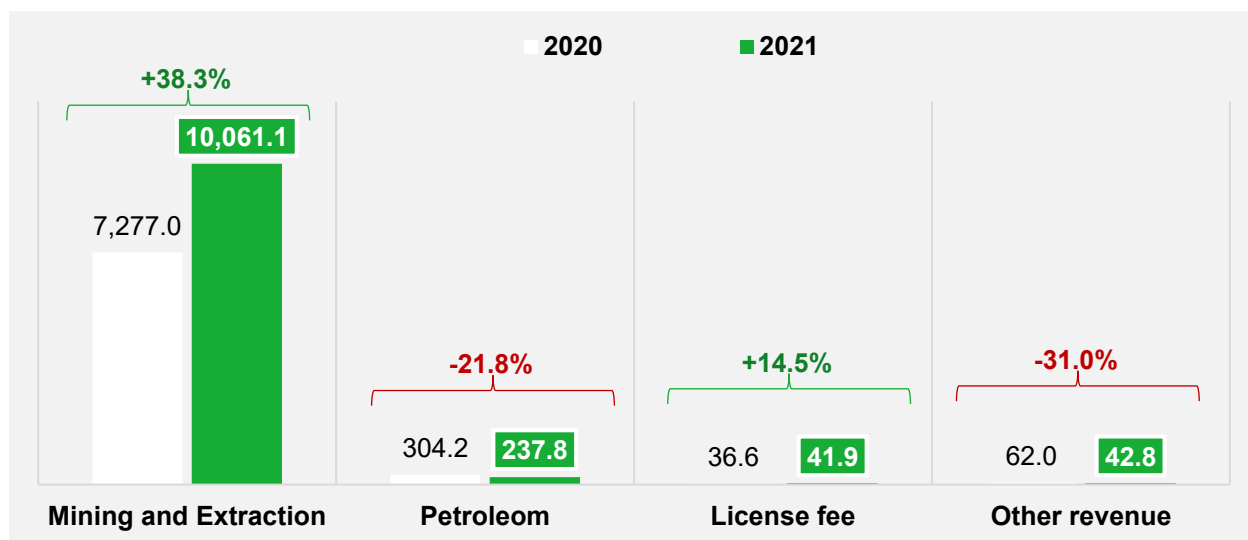
Graph 3. Revenue collected from the mineral resources sector, 2020–2024, in billion MNT



Source: <https://mmhi.gov.mn/>

In 2024, Mongolia's consolidated budget revenue amounted to **31,375.1** billion MNT, an increase of **7,065.0 billion MNT** or **29.1 percent** compared to the same period of the previous year. The breakdown of revenue collected and its share by sector is shown below.

Graph 4. Revenue collected from the mineral resources sector by subsector, 2023–2024, in billion MNT



Source: <https://mmhi.gov.mn/>

Revenue collected from the mining and extractive sector increased by 2,784.1 billion MNT or 38.3% compared to the same period of the previous year. Among minerals, zinc showed a decline in state budget revenue compared to the previous year, while revenues from other minerals increased.

Table 26. Budget revenue by sector, 2023–2024, in billion MNT

Indicators	Performance			
	2023	2024	+/-	Percentage
Total Revenue	7,679.8	10,383.6	2,703.8	35.2%
Mining and Extractive Sector				
Gold	311.5	375.4	63.9	20.5%
Copper	2,232.1	2,311.4	79.4	3.6%
Coal	4,314.6	6,749.4	2,434.8	56.4%
Iron	97.0	158.9	62.0	63.9%
Zinc	134.3	95.5	-37.7	-28.1%
Fluorspar	23.8	53.1	29.3	123.1%
Other	163.8	316.4	152.6	93.1%
Oil Sector				
Crude Oil	304.2	237.8	-66.3	-21.8%
License Fees and Other Revenue				
License Fees	36.6	41.9	5.2	14.3%
Rehabilitation Fees for Exploration Sites Funded by State Budget	3.2	3.9	0.8	23.7%
Own Revenue of Budget Organizations	53.7	35.3	-18.4	-34.3%
Other Revenue	5.1	3.5	-1.5	-30.3%

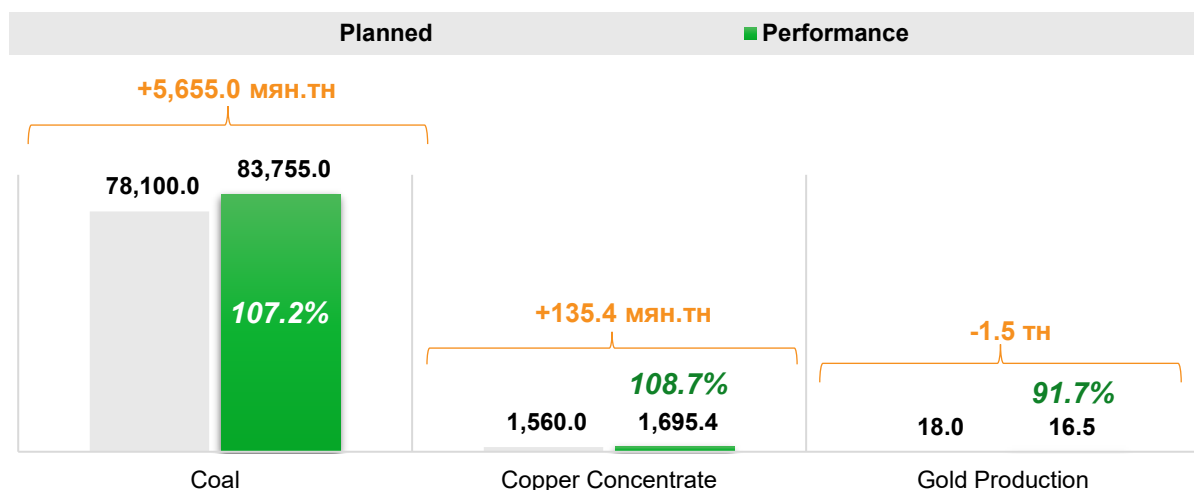
Source: <https://mmhi.gov.mn/>

4.2.2 Export revenue (Requirement 3.3)

According to preliminary data, the total foreign trade turnover in 2024 reached USD 27,395.9 million, an increase of USD 2,958.7 million or 12.1% compared to the previous year and exports exceeded imports by USD 4,170.9 million.

According to the revised state budget, Mongolia set targets to export 78,100 thousand tons of coal, 1,560 thousand tons of copper concentrate, and 18 tons of gold to international markets. The implementation of these targets was achieved as follows.

Graph 5. Export performance of key mineral products, 2024



Source: <https://mmhi.gov.mn/>

Mineral product exports reached **14,789.0 million USD** in 2024, an increase of 799.0 million USD or 5.7 percent compared to the same period of the previous year. Mining products such as coal, copper concentrate, iron ore, zinc concentrate, fluor spar, molybdenum concentrate, crude oil, unrefined or semi-refined gold and silver, refined copper, and alloys accounted for 93.7 percent of total exports.

Table 27. Average export prices of mineral products

Product Type	Unit	December (Cumulative)		Change	
		2023	2024	Difference	Percentage
Coal	tons/USD	131.4	107.3	-24.1	-18.3%
Copper concentrate	tons/USD	1,721.7	1,957.7	236.0	13.7%
Iron ore and concentrate	tons/USD	77.8	79.6	1.7	2.2%
Zinc ore and concentrate	tons/USD	1,462.2	1,452.3	-9.8	-0.7%
Fluorspar ore and concentrate	tons/USD	250.4	232.6	-17.7	-7.1%
Molybdenum concentrate	tons/USD	18,939.0	15,993.6	-2945.40	-15.6%
Gold	tons/USD	62,897.7	77,233.0	14,335.3	22.8%

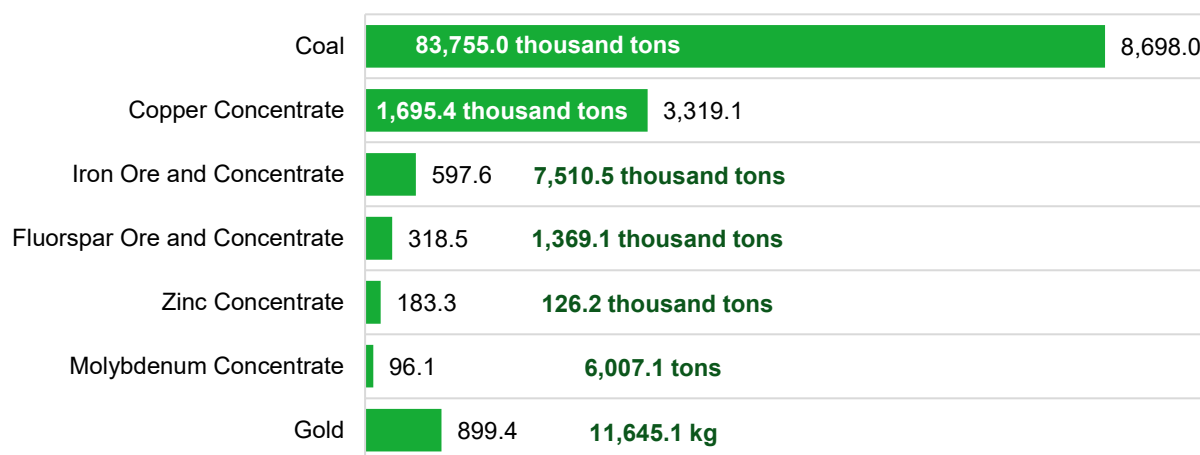
Source: <https://mmhi.gov.mn/>

According to preliminary 2024 data for the mining and extractive sector:

- ◆ **COAL:** Compared to the same period of the previous year, the export value decreased by 200.5 million USD or 2.3 percent, while the physical volume increased by 14,142.5 thousand tons or 20.3 percent. In addition, 100.0 percent of coal exports were shipped to China.

- ◆ **COPPER CONCENTRATE:** Compared to the same period of the previous year, the export value increased by 693.4 million USD or 26.4 percent, and the physical volume increased by 170.4 thousand tons or 11.2 percent. Copper concentrate exports were also 100.0 percent to China.
- ◆ **GOLD:** Compared to the same period of the previous year, the export value increased by 161.4 million USD or 21.9 percent, while the physical volume decreased by 88.5 kilograms or 0.8 percent. Of total gold exports, 82.4 percent were to Switzerland and 17.3 percent to the United States.

Graph 6. Valuation and volume of mineral sector exports, 2024, in million USD



Source: <https://mmhi.gov.mn/>

The following table presents the sales volume of the enterprises and companies included in the 2024 reconciliation report.

Table 28. Sales volume of entities included in the 2024 reconciliation report

No	Company name	Product type	Unit of measure	Quantity	Sales value (thousand MNT)
1	IBBI LLC	Gold	g	200,551.0	48,825,400.0
		Silver	g	15,533.6	46,124.0
2	Baganuur JSC	Lignite coal	thousand tons	4.9	237,581.0
3	Big Mogul Coal and Energy LLC	Thermal coal	thousand tons	483.8	31,700,600.0
4	BMNS LLC	Gold	g	76,840.4	20,809,200,000.0
		Silver	g	19,054.2	58,237,100.0
5	BorooGold FILLC	Gold	g	2,203,430.0	563,809,000.0
		Silver	g	474,375.0	1,342,210.0
6	InfinitySpace FILLC	Iron ore	tons	721,151.0	131,498,000.0
7	Ikh Tumen Khurd LLC	Long-flame coal	tons	1,241,120.0	166,523,000.0
8	Ikh Gobi Energy LLC	Semi-anthracite coal	tons	199,379.0	37,445.4
9	ColdGold Mongolia LLC	Gold	g	28,140.7	7,727,330.0
		Silver	g	2,886.7	8,768.8
10	MAK Cement LLC	Gypsum	tons		
		Clay	tons		
		Limestone	tons		

No	Company name	Product type	Unit of measure	Quantity	Sales value (thousand MNT)
11	Monpolymet LLC	Gold	g	-	10,638,000.0
12	Moncement Building Materials LLC	Kaolin	tons		
		Limestone	tons		
		Dolomite	tons		
13	Naran Mandal Enterprises LLC	Gold	g	277.7	71,012,400.0
		Ore	tons		
14	Olon Ikht Bayan LLC	Ore	tons	100.0	23,400,600.0
15	Oyutolgoi FILLC	Copper concentrate	tons	962,703.0	7,403,880,000.0
16	Usukhzoos LLC	Unprocessed coal	tons	2,927,890.0	749,816,000.0
17	Platinumland LLC	Gold	g	192,250.0	4,419,020,000.0
18	Southgobi Sands FILLC	1/3 Coking coal	tons	1,789,870.0	515,652,000.0
		Non-coking coal	tons	5,241,220.0	834,391,000.0
		Beneficiated coal	tons	560,317.0	127,893,000.0
19	COAL LLC	Coal	tons	529,994.0	249,229,000.0
20	CMKI FILLC	Graphite concentrate	tons	33,980.7	27,123,080.0
21	Tavantolgoi JSC	Steam coal	thousand tons	2,714.4	-
22	Talstdul LLC	Graphite ore	tons	107,072.5	1,801,022,500.0
		Graphite concentrate	tons	25,141.2	22,311,700,000.0
23	Tethysmining LLC	Coal	tons	820,479.2	265,968,266,400.0
24	Top Gan Drilling LLC	Gold	kg	234.4	63,116,200.0
25	Tumen Ail Invest LLC	Long-flame coal	tons	2,973,400.0	442,308,000.0
		Bituminous non-caking coal	tons	7,923.8	1,254,140.0
26	Ten Khun FILLC	Gold	kg	365.5	95,436,800.0
		Silver	kg	238.6	755,440.0
27	Uuls Mandal LLC	Coal	thousand tons	354.5	54,016,540.0
28	Khan Altai Resource LLC	Ore	thousand tons	-	-
		Gold	tons	1.7	455,814,000.0
29	Khangad-Exploration FILLC	Raw coal	tons	33,094.1	3,640,404.0
		Beneficiated non-coking coal	tons	2,085.3	229,378.0
		Beneficiated weak-coking coal	tons	463,077.0	200,905,580.0
		Beneficiated coal	tons	-	-
		Beneficiated coking coal	tons	518,410.4	314,016,200.0
30	Khur Erdene Bayalag FILLC	Volatile medium-coking coal, unprocessed	tons	464,850.0	191,309,000,000.0
31	Tsagaan-Uvuljuu LLC	Coal	tons	1,141,510.0	35,548,000,000.0
32	TsairtMineral FILLC	Zinc ore	thousand tons	-	-
		Zinc concentrate	thousand tons	69.2	-
33		Ore	tons	-	-

No	Company name	Product type	Unit of measure	Quantity	Sales value (thousand MNT)
	Shanjin-Ord FILLC	Rocky soil	cubic meters	-	-
		Concentrate	tons	362,273.0	26,618,300,000.0
34	Shariin Gol JSC	Silver	kg	1.5	4,253.8
		Coal	tons	172,037.0	95,199,500.0
		Gold	kg	17.1	4,694,560.0
35	NEC LLC	Coal	tons	-	-
36	Energy Resource LLC	Raw coal	thousand tons	-	-
		Beneficiated coking coal	thousand tons	4,225.8	2,402,590,000.0
		Washed semi-hard medium-volatile coking coal	thousand tons	2,704.9	538,939,000.0
		Beneficiated power coal	thousand tons	1,199.6	136,555,000.0
37	Erdenes Tavantolgoi JSC	Coking coal	tons	27,472,500.0	9,838,580,000.0
		Oxidized coal	tons	2,154,120.0	404,988,000.0
		Beneficiated coking coal	tons	12,800.0	7,150,720.0
		Beneficiated oxidized coal	tons	-	-
38	Erdenet Mining Corporation SOE	Copper concentrate	tons	566,939.0	3,534,720,000.0
		Molybdenum concentrate	tons	5,603.3	313,448,000.0
39	Dorniin Chuluulag LLC	Unprocessed coal	tons	175,434.0	4,817,360.0
40	Cascade Mining FILLC	Iron ore	thousand tons	-	-
		Lump iron ore concentrate	thousand tons	2.2	465,300.0
41	Olgoibulag LLC	Coal	tons	16,893.6	1,080,670.0
42	Talstmolor LLC	Tungsten	tons	201.0	9,133,270.0

4.2.3 Production (Requirement 3.2)

Compared to the same period of the previous year, coal production increased by 16,416.6 thousand tons or 20.2 percent, copper concentrate by 166.9 thousand tons or 12.0 percent, iron ore by 1,307.4 thousand tons or 24.5 percent, iron concentrate by 1,165.6 thousand tons or 50.6 percent, fluor spar ore by 127.1 thousand tons or 41.8 percent, and zinc concentrate by 149.3 thousand tons or 37.0 percent.

Meanwhile, production of molybdenum concentrate decreased by 145.5 tons or 2.6 percent, gold by 2,259.8 kilograms or 15.2 percent, fluor spar concentrate by 61.2 thousand tons or 32.5 percent, and silver concentrate by 817.0 tons or 5.0 percent.

Table 29. Industrial sector production volume

No	Product type	Unit of measure	2023	2024
1. Mining and Extraction				
1.1	Coal	thousand tons	81,304.9	97,721.5
1.2	Crude oil	thousand barrels	4,888.9	4,188.3
1.3	Copper concentrate	thousand tons	1,395.3	1,562.2
1.4	Molybdenum concentrate	tons	5,643.7	5,498.2
1.5	Unrefined gold	kg	14,854.8	12,594.9
1.6	Iron ore	thousand tons	5,334.8	6,642.2

No	Product type	Unit of measure	2023	2024
	Iron ore concentrate	thousand tons	2,304.4	3,470.0
1.7	Graphite ore	thousand tons	304.1	431.2
	Graphite concentrate	thousand tons	188.4	127.1
1.8	Zinc concentrate	thousand tons	402.9	552.2
1.9	Silver concentrate	tons	16,454.0	15,637.0
2. Processing Industry				
2.1	Beneficiated coal	thousand tons	6,979.4	8,041.6
2.2	Coal briquettes	thousand tons	504.6	511.4
2.3	Copper cathode 99%	tons	9,661.3	6,976.3
2.4	Metal billets	tons	37,680.5	35,987.1
2.5	Metal rolled products	tons	36,117.9	35,031.8
2.6	Steel structures	tons	6,195.7	4,504.5

Source: <https://mmhi.gov.mn/>

The total industrial production reached 32.2 trillion MNT in the preliminary performance of 2024, increasing by 1.5 trillion MNT or 5.0 percent compared to the same period of the previous year. Of this, the total output of the mining and extractive industries reached 22.8 trillion MNT, up by 1.2 trillion MNT or 5.7 percent. This growth was mainly influenced by the increase in coal extraction by 834.7 billion MNT or 8.8 percent, metal ore mining by 509.1 billion MNT or 4.9 percent, and other mineral extraction by 62.0 billion MNT or 20.3 percent.

Table 30. Extraction volume of enterprises included in the 2024 reconciliation report

No	Sector	2023	2024
1	Mining extraction	21,602.4	22,833.1
2	Coal extraction	9,461.5	10,296.2
3	Crude oil	1,305.9	1,122.1
4	Metal ore extraction	10,473.4	10,982.6
5	Other mineral extraction	304.9	366.9
6	Auxiliary mining activities	56.6	65.4
7	Manufacturing industry	6,965.9	7,028.6
8	Production of coke and refined petroleum products	257.0	227.7
9	Production of chemicals and chemical products	5.2	5.4
10	Production of rubber and plastic products	10.8	5.2
11	Production of non-metallic mineral products	642.3	673.4
12	Metal processing industry	418.1	516.5
13	Production of metal products (excluding machinery and equipment)	43.4	33.6
14	Production of other transport equipment	6.1	6.4
15	Other manufacturing industries	390.2	279.9
16	Total	30,671.9	32,202.6

Source: <https://mmhi.gov.mn/>

The following table shows the extraction volume of entities and companies included in the 2024 reconciliation report.

Table 31. Extraction volume of enterprises included in the 2024 reconciliation report

No	Company name	Product type	Unit of measure	Quantity	Extraction value (thousand MNT)
1	IBBI LLC	Gold	g	200,551.0	48,825,400.0
		Silver	g	15,533.6	46,124.0
2	Baganuur JSC	Lignite coal	thousand tons	5.0	239,562.0
3	Big Mogul Coal and Energy LLC	Thermal coal	thousand tons	529.4	
4	BMNS LLC	Gold	g	76,840.4	20,809,200,000.0
		Silver	g	19,054.2	58,237,100.0
5	BorooGold FILLC	Gold	g	2,203,430.0	563,809,000.0
		Silver	g	474,375.0	1,342,210.0
6	InfinitySpace FILLC	Iron ore	tons	688,574.0	146,207,000.0
7	Ikh Tumen Khurd LLC	Long-flame coal	tons	1,726,880.0	152,952,000.0
8	Ikh Gobi Energy LLC	Semi-anthracite coal	tons	852.5	222,998.0
9	ColdGold Mongolia LLC	Gold	g	28,140.7	
		Silver	g	2,886.7	
10	MAK Cement LLC	Gypsum	tons	83,194.9	1,733,440.0
		Clay	tons	243,260.0	1,754,190.0
		Limestone	tons	1,188,240.0	9,737,060.0
11	Monpolymet LLC	Gold	g	-	10,638,000.0
12	Moncement Building Materials LLC	Kaolin	tons	52,893.0	1,364,640,000.0
		Limestone	tons	211,968.0	5,468,780,000.0
		Dolomite	tons	456,762.0	77,339,700,000.0
13	Naran Mandal Enterprises LLC	Gold	g	277.7	71,012,400.0
		Ore	tons	90,135.8	30,780,500.0
14	Olon Ikht Bayan LLC	Ore	tons	75.2	12,338,900.0
15	Oyutolgoi FILLC	Copper concentrate	tons	993,965.0	3,858,600,000.0
16	Usukhzoos LLC	Unprocessed coal	tons	2,823,020.0	343,705,000.0
17	Platinumland LLC	Gold	g	156,860.0	-
18	Southgobi Sands FILLC	1/3 Coking coal	tons	1,805,340.0	110,732,000.0
		Non-coking coal	tons	8,387,740.0	511,971,000.0
		Beneficiated coal	tons		
19	COAL LLC	Coal	tons	620,928.0	82,324,400.0
20	CMKI FILLC	Graphite concentrate	tons	-	-
21	Tavantolgoi JSC	Steam coal	thousand tons	4,335.5	-
22	Talstdul LLC	Graphite ore	tons	107,074.0	1,726,160,000.0
		Graphite concentrate	tons	28,794.2	9,849,780,000.0
23	Tethysmining LLC	Coal	tons	2,651,470.0	273,585,000,000.0
24	Top Gan Drilling LLC	Gold	kg	234.4	63,116,200.0
25	Tumen Ail Invest LLC	Long-flame coal	tons	3,198,590.0	200,976,000.0
		Bituminous non-caking coal	tons	7,923.8	497,870.0
26	Ten Khun FILLC	Gold	kg	280.4	95,436,800.0

No	Company name	Product type	Unit of measure	Quantity	Extraction value (thousand MNT)
		Silver	kg	238.6	755,440.0
27	Uuls Mandal LLC	Coal	thousand tons	409.2	1,209,480.0
28	Khan Altai Resource LLC	Ore	thousand tons	4,730.6	-
		Gold	tons	94.6	455,814,000.0
29	Khangad-Exploration FILLC	Raw coal	tons	3,644,360.0	139,728,000.0
		Beneficiated non-coking coal	tons	348,827.0	642,104.0
		Beneficiated weak-coking coal	tons	538,469.0	62,499,600.0
		Beneficiated coal	tons	738,298.0	128,910,000.0
		Beneficiated coking coal	tons	-	-
30	Khur Erdene Bayalag FILLC	Volatile medium-coking coal, unprocessed	tons	492,060.0	-
31	Tsagaan-Uvuljuu LLC	Coal	tons	635,209.0	-
32	TsairtMineral FILLC	Zinc ore	thousand tons	502.0	-
		Zinc concentrate	thousand tons	80.5	-
33	Shanjin-Ord FILLC	Ore	tons	340,017.0	4,372,830,000.0
		Rocky soil	cubic meters	88,316.0	572,938,000.0
		Concentrate	tons	221,893.0	16,679,900,000.0
34	Shariin Gol JSC	Silver	kg	1.5	4,253.8
		Coal	tons	1,719,810.0	80,170,600.0
		Gold	kg	17.1	4,694,560.0
35	NEC LLC	Coal	tons	1,036.0	22,792.0
36	Energy Resource LLC	Raw coal	thousand tons	12,694,600.0	900,151,000.0
		Beneficiated coking coal	thousand tons	-	-
		Washed semi-hard medium-volatile coking coal	thousand tons	-	-
		Beneficiated power coal	thousand tons	-	-
37	Erdenes Tavantolgoi JSC	Coking coal	tons	28,644,400.0	1,969,420,000.0
		Oxidized coal	tons	1,804,240.0	127,664,000.0
		Beneficiated coking coal	tons	53,768.8	15,255,600.0
		Beneficiated oxidized coal	tons	26,247.4	6,713,410.0
38	Erdenet Mining Corporation SOE	Copper concentrate	tons	568,240.0	3,541,880,000.0
		Molybdenum concentrate	tons	5,498.4	308,134,000.0
39	Dorniin Chuluulag LLC	Unprocessed coal	tons	204,527.0	4,817,360.0
40	Cascade Mining FILLC	Iron ore	thousand tons	16.3	561,315.0
		Lump iron ore concentrate	thousand tons	5.5	95,392.5
41	Olgoibulag LLC	Coal	tons	20,224.9	-
42	Talstmolor LLC	Tungsten	tons	201.0	-

4.3 MINERAL RESOURCES, UTILIZATION, AND LICENSING POLICY

4.3.1 Overview of Uranium

The Nuclear Energy Law was adopted in 2009, under which 27 enterprises were granted 164 exploration and mining licenses for radioactive minerals, covering 2.6 percent of Mongolia's total territory. Currently, there are 13 uranium deposits, about 100 occurrences, more than 1,000 mineralized points, and identified radioactive anomalies across the country.

In 2024, amendments were made to certain sections of the Nuclear Energy Law as shown below.

Table 32. Amendments to the Nuclear Energy Law in 2024

DATE	CHANGES TO THE LAW
2024/01/12 <i>On amendments</i>	Article 1. In Article 18.10 of the Nuclear Energy Law, after the word “in writing,” add “or electronically through the system and official email specified in Article 18.2 of the Law on Public Information Transparency.” In Subparagraphs 28.2.7 and 28.2.10 of Article 28, and in Article 31.3, after the word “in writing,” add “or electronically.”
2024/08/30 <i>On revisions</i>	Article 1. In Article 10.2 of the Nuclear Energy Law, replace the term “scientific” with “nuclear energy.” In the title of Article 111, in Paragraph 111.1 of the same Article, and in Article 12.1, replace “Education” with “Nuclear Energy.” In Article 14.1, Article 15.3, Article 18.8, Article 19.8, Subparagraphs 28.2.6, 28.2.7, 28.2.8, Article 32.2, Subparagraph 36.1.5, Paragraph 43.4, and Article 48.1, replace the term “education” with “nuclear energy.” Article 2. This law shall enter into force on the date the Law on Amendments to the 2024 State Budget Law of Mongolia becomes effective.
2024/11/21 <i>On amendments and additions</i>	Article 1. Add the following new articles, paragraphs, and subparagraphs to the Nuclear Energy Law. Article 2. In Article 12.9 of the Nuclear Energy Law, after the words “state general,” add “inspector or senior”; in Article 20.3, before the word “shall pay,” add “shall be imposed, reported, and paid to the budget”; and in Subparagraph 28.6.4, after “35.5,” add “35.11,” accordingly. Article 3. Revise the following parts and subparagraphs of the Nuclear Energy Law as follows. Article 4. Article 4. In Subparagraph 18.9.2 of Article 18 of the Nuclear Energy Law, replace “1–3” with “3”; in Subparagraph 20.3.2 of Article 20, replace “Article 47 of the Minerals Law” with “Article 201 of this Law”; renumber Subparagraph 28.2.11 of Article 28 as “28.2.12”; in Subparagraph 28.6.4 of the same Article, replace “47.1, 47.5, 47.6, 48.7–48.10” with “48.7, 48.8”; and in Paragraph 30.1 of Article 30, replace “10” with “20.” Article 5. Repeal Subparagraph 12.3 of Article 12 of the Nuclear Energy Law.

Source: <https://legalinfo.mn/>

These amendments aim to improve the regulation of the nuclear energy sector, align it with international standards, and strengthen government oversight.

- ⊗ **Uranium mining in Mongolia and public concerns:** *Mongolia has a history of uranium exploration dating back to 1948, and in 2024, issues related to uranium extraction once again drew public attention. The main reason for public opposition was concern that uranium mining could negatively impact human and animal health, as well as the environment. In particular, uranium extraction generates radioactive waste, which may pose health risks to humans and livestock — a continuing source of public anxiety.*

According to the Mineral Resources and Petroleum Authority, uranium exploration and mining licenses have been granted in the following areas.

Table 33. Active uranium exploration and mining licenses

No	List	Field name	Field size (ha)	Province	Soum	Owner
1	MV-018914	Umnut	2,464.9	Dornogovi	Ulaanbadrakh	Badrakh Energy
2	MV-018915	Zuuvch Ovoo	18,213.6	Dornogovi	Ulaanbadrakh	Badrakh Energy
3	MV-018916	Dulaan Uul	27,697.3	Dornogovi	Ulaanbadrakh	Badrakh Energy

Source: Mineral resources and petroleum authority

Key provisions of the uranium mining agreement:

3. Contract term: 20 years. It may be extended for up to an additional 10 years.

4. Investment amount:

USD 1,650,000,000 (One billion six hundred fifty million U.S. dollars).

The initial investment amount is USD 500 million.

5. Project implementation phases:

- Construction phase (four years)
- Mine operation phase
- Mine closure and rehabilitation phase

6. Government oversight and inspection:

Under the regular supervision of the Nuclear Analysis Laboratory of the “Geological Research Center” state-owned enterprise.

7. Direct benefit: From the date the contract enters into force, not less than 51 percent of the direct benefits shall accrue to the Government of Mongolia.

The Investment Agreement was signed by representatives of the Governments of Mongolia and France, along with relevant officials from the Orano Group. Representing Mongolia, the agreement was signed by the Minister and Head of the Cabinet Secretariat N. Uchral, the Minister of Finance B. Javkhlan, the Minister of Industry and Mineral Resources Ts. Tuvaan, and the CEO of Erdenes Mongol LLC S. Narantsogt, under the authority granted to them. Additional information about the agreement is available at <https://mining.mn/>.

4.3.2 Strategic deposits

In Mongolia, a “deposit of strategic importance” refers to a mineral deposit that has significant implications for the economy, society, or national security, and therefore requires state participation. This concept was defined by Resolution No. 27 of the State Great Khural (Parliament) in 2007, which identified specific deposits as being of strategic importance.

The following information provides a summary of the deposits currently recognized as strategic as of 2024, along with brief descriptions of each.

Table 34. Mineral deposits of strategic importance (Appendix 1 of the State Great Khural Resolution No. 27 of 2007)

No	Deposit name	Types of Minerals	Location	Description
1.	Tavan tolgoi	Bituminous coal	Umnugovi, Tsogttsetsii	The areas where reserves have been estimated under the licenses held by “Tavantolgoi” JSC, “Energy Resources” LLC, and “Erdenes Tavantolgoi” JSC are included. <i>[This provision was amended by Government Resolution No. 73 of June 29, 2018.]</i>
2.	Nariin sukhait	Coal	Umnugovi, Gurvantes	A stability agreement has been concluded with the Government of Mongolia.
3.	Baganuur	Lignite coal	Ulaanbaatar, Baganuur	The area where reserves have been estimated is included. “Baganuur” JSC conducts mining operations.

No	Deposit name	Types of Minerals	Location	Description
4.	Shivee ovoo	Lignite coal	Govisumber, Shiveegovi	The area where reserves have been estimated is included. "Shivee Ovoo" JSC conducts mining operations.
5.	Mardai	Uranium	Dornod, Dashbalbar	Exploration was carried out with state budget funding, and additional exploration is being conducted with private investment.
6.	Dornod	Uranium	Dornod, Dashbalbar	
7.	Gurvan bulag	Uranium	Dornod, Dashbalbar	
8.	Tumurtei	Iron ore	Selenge, Khuder	The exploration license for this deposit, previously held by "BLT" LLC, was revoked in 2006. The area where reserves have been estimated is included.
9.	Oyu Tolgoi	Copper, molybdenum	Umnugovi, Khanbogd	A report on the deposit's reserve estimation is being prepared for discussion by the State Professional Committee on Mineral Resources. To be understood as a group deposit area.
10.	Tsagaan suvarga	Copper, molybdenum	Dornogovi, Mandakh	Exploration was carried out with state budget funding, and additional exploration is being conducted with private investment.
11.	Erdenet	Copper, molybdenum	Orkhon, Bayan-Undur	Regulated under the intergovernmental agreement between Mongolia and the Russian Federation.
12.	Burenkhaan	Phosphorite	Khuvsgul, Alag-Erdene	Four companies hold exploration licenses in the area outside the Khuvsgul Great Strictly Protected Area where reserves have been estimated.
13.	Boroo	Gold	Selenge, Bayangol	A stability agreement has been concluded with the Government of Mongolia.
14.	Tumurtein ovoo	Zinc, lead	Sukhbaatar, Sukhbaatar	A stability agreement has been concluded with the Government of Mongolia.
15.	Asgat	Silver	Bayan-Ulgii, Nogoonuur	The joint MongolRosTsvetMet partnership, established under the intergovernmental agreement between Mongolia and the Russian Federation, holds the license.
16.	Gatsuurt <i>/This provision was added by Government Resolution No. 11 of January 23, 2015/</i>	Gold	Selenge, Mandal	The boundaries of the deposit will be determined by the Government.

Source: <https://legalinfo.mn/>

Table 35. Mineral deposits of strategic importance (Appendix 2 of the State Great Khural Resolution No. 27 of 2007)

No	Deposit name	Types of Minerals	Location	Description
1.	Ulaan-Ovoo	Coal	Selenge, Tushig	Exploration was carried out with state budget funding.
2.	Ovdog Hudag	Coal	Dundgovi, Bayanjargalan	Exploration was carried out with state budget funding, and it is currently being utilized.
3.	Bayanteeg	Coal	Uvurkhangai, Nariinteel	Being operated by a joint-stock company.
4.	Nuurst hotgor	Coal	Uvs, Bukhmurun	Being operated by a joint-stock company.
5.	Khar tarvagatai	Coal	Uvs, Umnugovi	Being operated by a joint-stock company.
6.	Aduunchuluun	Coal	Dornod, Kherlen	Being operated by a joint-stock company.

No	Deposit name	Types of Minerals	Location	Description
7.	Tevshiin Govi	Coal	Dundgovi, Saintsagaan	Being operated by a joint-stock company.
8.	Talbulag	Coal	Sukhbaatar, Baruun-Urt	Being operated by a joint-stock company.
9.	Chandgan tal	Coal	Khentii, Murun	Being operated by a joint-stock company.
10.	Khuutiin khotgor	Coal	Dundgovi, Bayanjargalan	Exploration was carried out with state budget funding.
11.	Khuut	Coal	Dornod. Matad	Exploration was carried out with state budget funding.
12.	Nalaikh	Coal	Ulaanbaatar, Nalaikh	Exploration was carried out with state budget funding; mining and technical conditions have become difficult.
13.	Alag togoo	Coal	Dornogovi, Dalanjargalan	Exploration was carried out with state budget funding, and additional exploration was conducted with private investment.
14.	Zeegt	Coal	Govi-Altai, Chandmana	Exploration was carried out with state budget funding, and it is currently being operated by a joint-stock company.
15.	Mogoin Gol	Coal	Khuvsgul, Tsetserleg	Exploration was carried out with state budget funding, and it is currently being operated by a joint-stock company.
16.	Saikhan-Ovoo	Coal	Bulgan, Saikhan	Exploration was carried out with state budget funding, and it is currently being operated by a joint-stock company.
17.	Bargilt	Iron ore	Khentii, Darkhan	Not registered in the national mineral resource database.
18.	Tugrug Nuur	Coal	Tuv, Bayan	Not registered in the national mineral resource database.
19.	Naran tolgoi	Gold	Tuv, Jargalant	Currently being operated at low capacity.
20.	Tavt	Gold	Bulgan, Teshig	Reserves have increased as a result of additional exploration financed by private investment.
21.	Tumur tolgoi	Iron ore	Darkhan-Uul, Khongor	The license has been revoked.
22.	Bayandavaa Deposit Group	Tin, Tungsten	Tuv, Erdene	Exploration was carried out with state budget funding, but it has not yet been put into operation.
23.	Ulaan Uul	Tin, Tungsten	Bayan-Ulgii, Ulaankhus	Currently being operated on a small scale.
24.	Janchivlan Deposit Group	Tin, Tungsten	Tuv, Erdene	Exploration was carried out with state budget funding, but it has not yet been put into operation.
25.	Tsagaan davaa	Tin, Tungsten	Tuv, Bayanchandmani	Exploration was carried out with state budget funding, and it is currently being operated on a small scale.
26.	Mungun Undur	Silver	Khentii, Umnudelger	Not registered in the national mineral resource database.
27.	Khukh adar	Copper, Zinc	Bayan-Ulgii, Tolbo	Additional exploration is being conducted with private investment.
28.	Shavriin Tsaram	Pyrope	Arkhangai, Tariat	Exploration was carried out with state budget funding, and it is currently being operated on a small scale.

No	Deposit name	Types of Minerals	Location	Description
29.	Shuden uul	Rock salt	Uvs, Davst	Exploration was carried out with state budget funding, but it has not yet been put into operation.
30.	Shiree uul	Gypsum	Dundgovi, Delgerkhantai	Exploration was carried out with state budget funding.
31.	Uvdug Khudag	Lignite coal	Dundgovi, Undurshil	Exploration was carried out with state budget funding, and it is currently being utilized.
32.	Tsaidam nuur	Lignite coal	Tuv, Bayan	Reserve grade has been evaluated below category C2.
33.	Tsagaan saw	Zeolite	Dornogovi, Saikhandulaan	Exploration was carried out with state budget funding, and it is currently being operated on a small scale.
34.	Mankhan uul	Phosphorite	Khuvsgul, Alag-Erdene	Exploration was carried out with state budget funding.
35.	Ongilog nuur	Phosphorite	Khuvsgul, Alag-Erdene	Exploration was carried out with state budget funding.
36.	Lugjin gol	Rare earth elements	Dornogovi, Khatanbulag	Reserve grade has been evaluated below category C2.
37.	Khongor	Graphite	Dornogovi, Dalanjargalan, Airag	Exploration was carried out with state budget funding.
38.	Ulaan	Zinc, Lead	Dornod, Dashbalbar	Exploration was carried out with state budget funding.
39.	Tsav	Zinc, Lead	Dornod, Choibalsan	Exploration was carried out with state budget funding..

Source: <https://legalinfo.mn/>

4.3.3 Artisanal and small-scale mining



Article 4, Clause 4.1.23 of the Minerals Law defines “**artisanal mining**” as the **activity carried out by citizens organized** in an unregistered partnership under Article 481.1 of the Civil Code, a partnership under Article 35, or a cooperative under Article 36.4 of the Civil Code, for the purpose of **extracting minerals from deposits that are economically non-viable for industrial mining or from areas formed by operational or technological waste**.



The “**Regulation on Artisanal Mining of Minerals**” was last revised and has been in effect since August 3, 2022, under Government Resolution No. 296 of Mongolia

With the implementation of this regulation, artisanal miners have gained access to government services and have begun carrying out land rehabilitation activities.

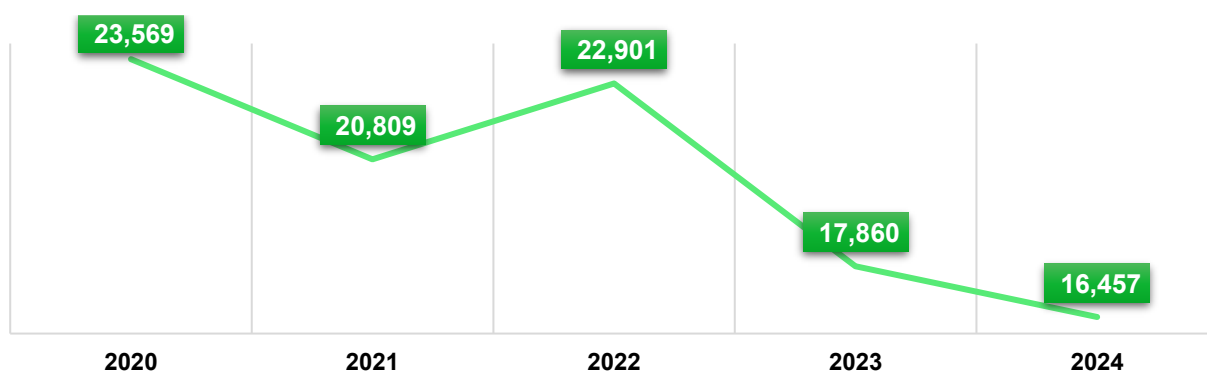
Source: <https://legalinfo.mn/>

Contribution of small-scale mining to the economy:

By selling gold through official channels, artisanal miners contribute significantly to increasing the Bank of Mongolia's official foreign exchange reserves. This activity also creates both direct and indirect employment opportunities and positively impacts national and local economic development.

However, the volume of gold purchased over the past five years has steadily declined. In 2024, it decreased by 1,403 kg compared to the previous year.

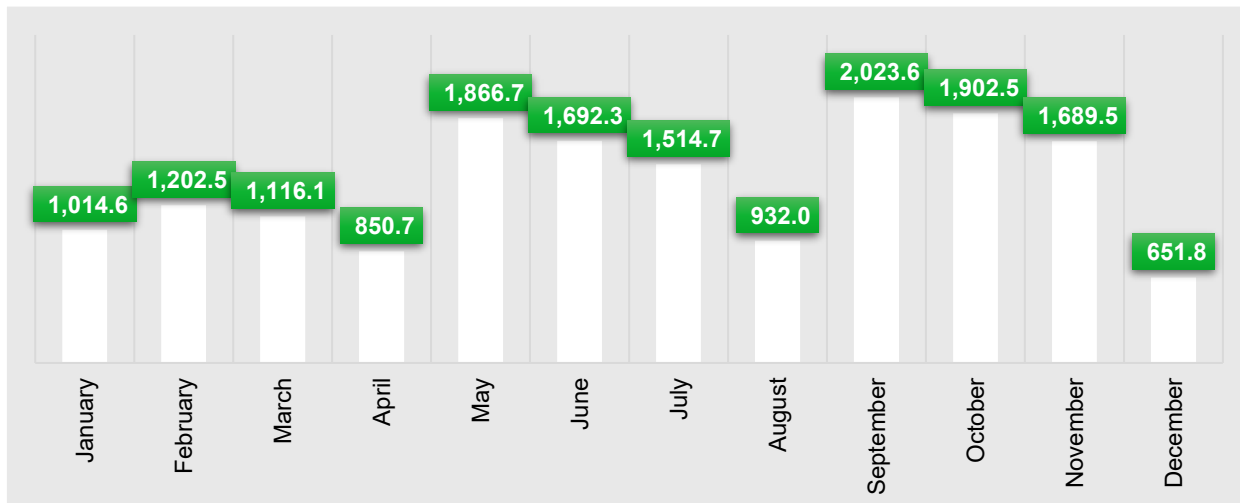
Graph 7. Gold purchased by the Bank of Mongolia, 2020–2024 (kg)



Source: <https://www.mongolbank.mn/>

When viewed monthly, due to seasonal factors, the volume of gold mined and sold was higher during the warmer months.

Graph 8. Gold purchased by the Bank of Mongolia by month, 2024 (kg)



Source: <https://www.mongolbank.mn/>

Information coverage and sources on artisanal mining:

The Mongolian National Federation of Artisanal Miners (MNFA) was established on **May 2, 2013**, and currently operates in 45 soums across 15 provinces. It comprises 70 member organizations and 429 cooperatives, with more than 6,500 members. The federation works closely with government and international organizations to promote responsible artisanal mining, improve the legal environment, protect members' rights, and strengthen institutional capacity.

Table 36. Areas with approved conclusions for artisanal mineral extraction

Province / Capital city	Fields with decision		Size	
	Count	Percentage	Ha	Percentage
Bayan-Ulgii	1	3.4%	4.76	4.7%
Bayankhongor	4	13.8%	13.35	13.3%
Bulgan	2	6.9%	5.16	5.1%
Govi-Altai	1	3.4%	0.02	0.0%
Dornogovi	4	13.8%	19.25	19.1%
Selenge	8	27.6%	27.07	26.9%
Tuv	2	6.9%	5.00	5.0%
Uvs	2	6.9%	7.54	7.5%
Khentii	5	17.2%	18.58	18.4%
TOTAL	29	100.0%	100.73	100.0%

Source: <https://mrpam.gov.mn/>

Comprehensive data on artisanal miners and detailed statistics can be obtained from the MIMR, MRPAM, MET, and the Mongolian National Federation of Artisanal Miners.

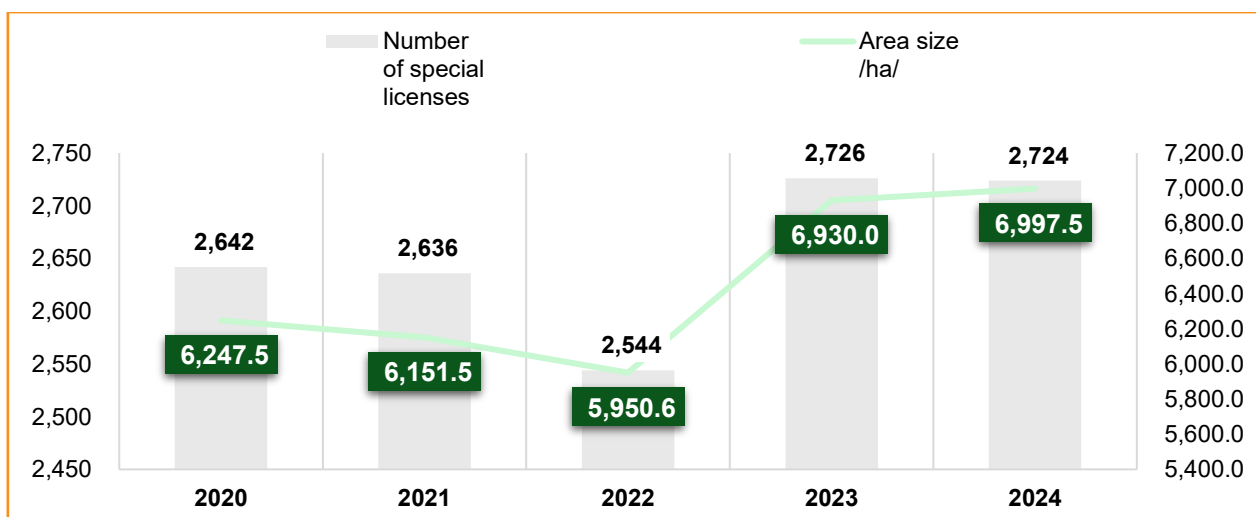
Status of artisanal mining rehabilitation: Before starting extraction, an artisanal miner is required to deposit a reclamation bond into the soum's (district's) reclamation fund (for example, 3,000,000 MNT or approximately 1,052 USD). If the artisanal mining organization abandons the site without performing rehabilitation, this fund is to be used for that purpose. However, it remains unclear whether local authorities actually use the money for its intended purpose or whether they release the funds in a timely manner to assist the artisanal mining organization in carrying out reclamation work. The expenditures from this fund are not reported, and information about its use is not publicly available.

4.3.4 Licensing procedures for mineral exploration and extraction (Requirements 2.2 and 2.3)

LEGAL BASIS: The process of granting, revoking, transferring, and extending mineral licenses is governed by the:

- ✓ Law on minerals: On April 12, 2022, the Minister of Mining and Heavy Industry of Mongolia approved an updated Regulation on the Selection Process for Issuing Mineral Licenses (hereinafter "the Licensing Regulation"), replacing the previous version adopted in 2018.

Graph 9. Number and total area of valid mineral licenses, thousand hectares, 2020–2024



Source: <https://mrpam.gov.mn/>

As of 2024, MRPAM has made public information on **2,724 mineral licenses** through its cadastral online platform. Detailed data on mineral licenses can also be accessed through the monthly *Mineral Resources Statistical Bulletin* published by the implementing agency of the Government of Mongolia — the Mineral Resources and Petroleum Authority — at the following website: <https://cmcs.mrpam.gov.mn/>.

Process of issuing mineral licenses:

MRPAM	• A registration number is assigned to the applicant, and the application is received.
Cadastral Division of the MRPAM	• It determines whether the area specified in the request is available for prospecting or exploration of mineral resources.
Local government administration	• The application for an exploration license is sent to the province or city administration for a response within 30 days. If no response is received within this period, the MRPAM will consider that the local government administration has approved the proposal.
MRPAM	• The applicant shall pay the first-year license fee within 10 working days.
Cadastral Division of the MRPAM	• The MRPAM grants the exploration license for a period of three years, which may subsequently be extended three times, each for an additional three years.

Source: Mineral resources and petroleum authority

Other information related to **mineral licenses** can be reviewed in summary form from the **2023 or the 18th reconciliation report under the following topics:**

- The process of converting a mineral exploration license into a mining license;
- The process of granting mineral licenses through competitive selection;
- The process of transferring mineral licenses;
- The technical criteria used for granting licenses;
- The process of granting exploration and mining licenses for radioactive minerals;
- The process of granting exploration and mining licenses for commonly distributed minerals.

The following table presents information from the Mineral Resources and Petroleum Authority on licenses with activity during 2020–2024. Although the Minerals Law and the licensing procedures do not explicitly regulate the reissuance of licenses, in 2024, **10 mining licenses and 5 exploration licenses were reissued.**

According to Article 11.1.15 of the Minerals Law: “Conditions shall be created to ensure that the processes of issuing, reissuing, revoking, transferring, pledging, and partially or fully returning exploration and mining licenses are carried out under public oversight.”

Table 37. Number of mineral licenses with changes, by type, 2020–2024

Type of license	2020	2021	2022	2023	2024
Newly granted	90	163	93	238	105
Returned field	71	26	34	27	28
Revoked / Cancelled	140	75	45	39	47
Completed	133	120	100	27	57
Transferred	83	74	63	92	101
Extended	68	246	291	94	304
Pledged	27	38	22	21	21

Type of license	2020	2021	2022	2023	2024
Released from pledge	28	16	23	31	31
Reissued	17	11	6	11	15

Source: <https://mrpam.gov.mn/>

The following table presents information on **“Payments related to deposits explored with state budget funding.”** This refers to **payments due to the government** when **private companies, organizations, or individuals** are **granted the right to exploit mineral deposits** that were **discovered through exploration financed by the state budget**. In other words, it shows who is exploiting deposits explored and with reserves determined using public funds, **under what conditions**, and **how much payment and fees are being received by the state** from them.

According to the 2024 payment data for 113 licenses held by 110 companies covered in the study, 16 licenses had no agreements concluded, 1 license was under compensation calculation, and 13 licenses had compensation calculations completed but no payments made. The remaining 80 licenses held by 43 companies paid a total of 46.9 billion MNT.

This payment information is regulated by the **“Procedure for Calculating and Paying Compensation for Exploration Expenses Financed from the State Budget”** and the **“Minerals Law”**, specifically:

- “Article 47 - Royalty on Mineral Resources”
- “Article 60 - Compensation for Deposits Explored with State Budget Funding”

Within this framework, a “Reimbursement Agreement for Exploration Expenses” is concluded to recover the funds spent by the government. The template for this agreement can be downloaded from the website of the Mineral Resources and Petroleum Authority (<https://mrpam.gov.mn/>).

Furthermore, the **official document certifying** the exploration expenses financed from the state budget is issued in the form of a **“certificate.”** This certificate serves as a legal document confirming that the exploration work for the given deposit was conducted with public funds and that its results have been officially accepted into state ownership. Based on this certificate, the MRPAM initiates the process of concluding a Reimbursement Agreement for Exploration Expenses and executing related payment settlements. A deposit for which such an act has been issued is legally recognized as a “deposit explored with state budget funding.” Therefore, the holder of a mining license for that deposit is obligated to conclude a Reimbursement Agreement for Exploration Expenses.

If such an agreement is not concluded, it constitutes a legal violation. Under the **“Minerals Law”**, failure by a license holder to fulfill obligations prescribed by law provides grounds for the **MRPAM to invalidate or revoke the license.**

*Moreover, if the obligations under the “Agreement on Reimbursement of Exploration Expenses Financed from the State Budget”^{***} are not fully fulfilled, Article 60.9 of the Minerals Law stipulates that: “If the license holder fails to pay the reimbursement and penalty specified in Articles 60.1 and 60.7 of this Law within 30 days from the date of receiving a notice from the state administrative authority regarding the obligation to fulfill the reimbursement agreement, the license shall be revoked and a tender shall be announced for the area covered by that license.” Thus, non-compliance with the reimbursement obligation provides a legal basis for license cancellation.*

Table 38. Information on license fees, by the 110 companies covered, 2024

№	Registry number	Company name	License	Contract date	Contract number	Payment		Balance	Act	Description
						USD	MNT			
1	5098564	ADAE FILLC	-	-	-	-	-	-	-	No contract
2	5809797	IBBI LLC	MV-020602	10/5/2020	EEC-2020/01/20	-	182,980,432.0	-	№2021/24 2021/09/15	
3	5051118	Andiin Ilch FILLC	-	-	-	-	-	-	-	No contract
4	5005094	Aurum Metals LLC	MV-018354	3/22/2019	EEC-2019/01/24	-	13,773,989.7	-	№2021/18 2021/09/15	
5	2008572	Baganuur JSC	MV-001371	4/14/1999	EEC-1999/04/14	94,694.0	-	-	-	
6	5215919	Badmaaragkhash FILLC	MV-016679	2018.07.19	EEC-2018/01/43	-	17,880,622.3	-	№2022/03	
7	5502977	Badrakh Energy LLC	MV-018914 MV-018915 MV-018916	8/9/2017	EEC-2017/01/37	-	1,492,178,770.3	-	№2021/27 2021/09/15	
8	2007126	Bayalag-Ord LLC	222A	1/10/2008	EEC-2008/01/10	108,612.0	-	-	11/18/2015	
9	6528732	Bayan Khukh Tolgoi Tashgai LLC	-	-	-	-	-	-	-	No license
10	2014491	Bayanteeg JSC	367A	4/9/2010	-	459,154.2	-	409,194.0	-	
11	5369223	Big Mogul Coal and Energy LLC	MV-020772	3/1/2018	EEC-2018/01/16	-	15,944,920.5	-	-	
12	6690912	Bichigt Shim Mining LLC	-	-	-	-	-	-	-	No license
13	5477301	Blakemount Mining LLC	MV-021108	-	-	-	-	-	-	No contract
14	2801299	BMNS LLC	MV-001410	2/27/2018	EEC-2018/01/10	-	10,462,429.0	-	2019/05/17 №2019/02/20	
15	2855119	Bold Tumor Eruu Gol LLC	MV-008888	11/2/2005	EEC-2005/11/02	-	39,462.0	-	2005/04 act	
16	2094533	BorooGold FILLC	MV-015285	7/30/2021	EEC-2021/07/07	-	246,989,903.3	-	№2024/11 2024/11/07	
			MV-001970	6/30/2021	EEC-2021/05/06	-	340,489,544.1	-	№2023/04 2023/01/17	
			MV-000238	7/23/2001	EEC-2001/07/23	170,118.0	-	-	№11/08 2011/06/07	
			MV-000198	4/4/2002	EEC-2002/04/04	2,387,046.0	-	-	№11/09 2011/06/07	
17	3737373	Bugantnandin LLC	-	-	-	-	-	-	No license	
18	4065115	Westernhold LLC	MV-021081	6/18/2025	EEC-2025/06/14	-	12,855,320.9	-	№2025/08/28	
19	5122392	Harrison-Asia FILLC	-	-	-	-	-	-	-	No contract

№	Registry number	Company name	License	Contract date	Contract number	Payment		Balance	Act	Description
						USD	MNT			
20	6463932	Gobiin Shandast Khuleg FILLC	-	-	-	-	-	-	-	No license
21	5060222	GoldenHales FILLC	-	-	-	-	-	-	-	No contract
22	6194559	Guo Mao Jia He FILLC	-	-	-	-	-	-	-	No contract
23	2074737	Gurvansaikhan FILLC	-	-	-	-	-	-	-	No contract
24	2766337	Dongshen Petroleum Mongolia FILLC	-	-	-	-	-	-	-	No license
25	5070287	Dorniin Chuluulag LLC	-	-	-	-	-	-	-	Compensation calculated. Payment not made
26	5467266	InfinitySpace FILLC	-	-	-	-	-	-	-	No license
27	6375839	Ikh Tumen Khurd LLC	MV-021559	6/18/2025	EEC-2025/06/16	-	3,417,975.2	-	№2025/09/32	
28	5522935	Ikh Gobi Energy LLC	MV-018775	5/25/2017	EEC-2017/01/22	-	4,550,429.3	-	2017/06/06 №2017/02/18	
			MV-018548							
			MV-017196							
29	5463599	Cascade Mining FILLC	MV-012328	-	-	-	-	-	-	No contract
30	2571498	ColdGold Mongolia LLC	MV-001137	-	-	-	-	-	-	No contract
31	2708345	LandMongolia FILLC	MV-020606	-	-	-	-	-	-	No contract
32	5830974	MAK Cement LLC	MV-009427	-	-	-	-	-	-	Compensation calculated. Payment not made
33	5689945	Max-Oil LLC	-	-	-	-	-	-	-	No license
34	5070651	Minii Toonot LLC	MV-017337	-	-	-	-	-	-	No contract
35	5036496	Molimetal FILLC	MV-010889	7/6/2025	EEC-2025/07/19	-	1,008,551,392.2	-	-	
			MV-009975	7/5/2025	EEC-2025/07/18	-	282,118,899.4	-	-	
36	5253535	Mongol Mining and Exploration LLC	MV-005028	9/25/2012	-	181,359.0	-	-	To execute an act	
37	5150884	Mongol Uranium Resource LLC	MV-021459	-	-	-	-	-	-	Compensation calculated. Payment not made
38	5051304	MongoJuyuanli FILLC	MV-010988	8/6/2009	EEC-2009/08/06	167,813.0	-	-	2015/04 act	
39	5401801	Mongolian National Rare Earth Corp FILLC	MV-006911	-	-	-	-	-	-	No contract
40	2095025	Mongolyn Alt MAK LLC	MV-000716	-	-	-	-	-	-	Compensation calculated. Payment not made
			MV-020297	9/25/2018	EEC-2018/01/50	-	123,873,077.7	-	№2022/02	
			MV-012199							
			MV-017334	7/24/2008	EEC-2008/07/24	347,892.0	-	-		
			MV-014892							

№	Registry number	Company name	License	Contract date	Contract number	Payment		Balance	Act	Description
						USD	MNT			
			MV-012463							Compensation calculated. Payment not made
			MV-002545	-	-	-	-	-	-	
			MV-012226							
			MV-012225							
			MV-000227	12/25/2007	EEC-2007/12/25		82,547.0		Act-08/01	
			MV-005459							
			MV-006852							
41	2029278	Monpolymet LLC	MV-000321	1/6/2000	EEC-2000/01/06	445,316.7	-	-	-	
			MV-000184	1/6/2000	EEC-2000/01/05	48,770.0				
42	5106567	Moncement Building Materials LLC	MV-013681	12/13/2017	EEC-2017/01/51	-	32,421,369.2	-	-	
43	5197783	MT Mining LLC	MV-021769	-	-	-	-	-	-	No contract
44	5106656	Nagaaranz LLC	MV-020444	-	-	-	-	-	-	Compensation calculated. Payment not made
45	5295858	Naran Mandal Enterprises LLC	MV-006907	11/30/2018	EEC-2018/01/60		287,926,053.0	-	№2023/19	
			MV-006720							
46	5442893	Nutgiin Khash LLC	-	-	-	-	-	-	-	No contract
47	5966302	Nuurs Khimi Technology LLC	-	-	-	-	-	-	-	No contract
48	2337231	Olgoibulag LLC	MV-017611	-	-	-	-	-	-	Compensation calculated. Payment not made
49	6287727	Olon Ikht Bayan LLC	MV-021248	-	-	-	-	-	-	Compensation is being calculated
			MV-021441	-	-	-	-	-	-	
50	2705133	ENTREE FILLC	MV-015225							Compensation calculated. Payment not made
			MV-015226							
51	2678187	Oyut Ulaan LLC	MV-017387	7/7/2014	EEC-2014/04/83	1,386,927.2	-		Act №2019/02/29	
52	2657457	Oyutolgoi FILLC	-	-	-	-	-	-	-	No contract
53	5199077	Usukhzoos LLC	MV-017317	2/6/2019	EEC-2019/01/04	-	8,807,473.3	-	Act 2020/2/35	
54	2867095	Petromatad FILLC	-	-	-	-	-	-	-	No license
55	2075385	Petrochina Dachin Tamsag FILLC	-	-	-	-	-	-	-	No license
56	5076285	Platinumland LLC	MV-001134	12/21/2012	EEC-2012/23/12	388,080.1			Act № 2/5/2019	
			MV-013786							
			MV-013787	6/23/2021	EEC-2021/02/03		34,287,394.1		№2022/03 2023/01/31	
			MV-000782	3/23/1999	3/23/1999	19,456.0			-	
			MV-000200	10/12/1998		12,780.0		12,780.0		Unpaid

№	Registry number	Company name	License	Contract date	Contract number	Payment		Balance	Act	Description
						USD	MNT			
			MV-000181	1/17/2006	1/17/2006	3,993.0		3,993.0		Unpaid
57	2801019	Polymetals Resources LLC	MV-017524	-	-	-	-	-	-	No contract
58	5615631	Premiumcoal Corporation LLC	MV-016975	-	-	-	-	-	-	Compensation calculated. Payment not made
59	5084555	Southgobi Sands FILLC	MV-016869	7/4/2025	EEC-2025/07/17		2,186,775.7		№2025/08/02	
			MV-012726	12/25/2007	EEC-2007/12/25	21,860.0			-	
60	5261198	COAL LLC	MV-016865	2017/0613	EEC-2017/01/25	-	2,774,154.9	-	2017/12/28 №2017/02/34	
61	5288703	CMKI FILLC	MV-004153	9/10/2009	EEC-2009/09/10	42,401.0	-	-	2012/12 act	
62	5180945	Sidakuangei FILLC	MV-017686	-	-	-	-	-	-	No contract
63	6232485	Sora International LLC	MV-020738	-	-	-	-	-	-	Compensation calculated. Payment not made
64	5084903	Soronzontolgoi LLC	-	-	-	-	-	-	-	No contract
65	6101615	Steppe Gold FILLC	MV-017111	-	-	-	-	-	-	Compensation calculated. Payment not made
66	5524997	SunkhunGold FILLC	MV-009918	3/12/2019	EEC-2019/01/19	-	24,683,329.0	-	№2019/02/13	
67	2016656	Tavantolgoi JSC	MV-000287 MV-011945	12/4/2009	EEC-2009/12/04	737,146.3			Act-10/01	
68	5105439	Talstdul LLC	MV-017291	-	-	-	-	-	-	No contract
69	5774047	Talstmolor LLC	MV-020930	-	-	-	-	-	-	Compensation calculated. Payment not made
70	8326401	Taliin Altan Bulag Mining LLC	-	-	-	-	-	-	-	No license
71	2016931	Taliin Gal JSC	MV-014563	-	-	-	-	-	-	No contract
72	5301769	Taliin Elch FILLC	MV-016938	-	-	-	-	-	-	Compensation calculated. Payment not made
73	2807459	Tethysmining LLC	MV-018293	-	-	-	-	-	-	Compensation calculated. Payment not made
			MV-018291	7/6/2018	EEC-2018/01/36	-	5,225,653.7	-	2019/04/26 №2019/02/16	
74	5112389	Titan-Ord LLC	MV-020836	-	-	-	-	-	-	No contract
75	2872943	Tod-Undraga LLC	MV-017573	6/19/2017	EEC-2017/01/26	-	205,222,644.3	-	№2021/13	
76	6268048	Top Gan Drilling LLC	-	-	-	-	-	-	-	No license

№	Registry number	Company name	License	Contract date	Contract number	Payment		Balance	Act	Description		
						USD	MNT					
77	5874963	Tumen Ail Invest LLC	MV-021530	6/18/2025	EEC-2025/06/15	-	19,901,279.7	-	№2025/08/01			
78	2839717	Ten Khun FILLC	MV-000713	2/18/2005	EEC-2005/02/18	207,700.0	-	-	-			
79	4183525	Termenjonsh LLC	MV-005899	-	-	-	-	-	-	No contract		
80	5351324	UragshlakhGobi FILLC	MV-017431	-	-	-	-	-	-	No contract		
81	6369987	Uuls Mandal LLC	-	-	-	-	-	-	-	No license		
82	2819996	Uulsaamar LLC	MV-020427	6/4/2019	EEC-2019/01/44	-	14,260,767.7	-	№2019/02/31			
			MV-009305	11/10/2016	EEC-2016/40	208,089.3	-	-	-	Act-2020/02/33		
			MV-000926									
			MV-000704	12/21/2012	EEC-2012/23/12	388,080.1	-	-	-	-	2010/2 act	
			MV-001134									
			MV-005778									
MV-012439												
83	2868687	Uulsnoyon LLC	MV-005974	6/6/2006	EEC-2006/06/06	2,808.0	-	-	2/24/2019			
			MV-000203	199803/27	EEC-1998/03/27	137,405.6	-	70,283.6	-	-		
84	5100038	Khaantoonot LLC	MV-021511	-	-	-	-	-	-	No contract		
85	6413811	Khan Altai Resource LLC	MV-021537	6/23/2021	EEC-2021/04/04	-	27,437,462.1	-	№2022/01 2022/01/05			
86	2887134	Khangad-Exploration FILLC	MV-014493	11/17/2010	EEC-2010- /H03/68	21,576.8	-	-	-			
87	2166631	Khunt-Uguuj LLC	MV-016689	3/16/2016	EEC-2016/03/16	42,370.0	-	-	№2020/02/34 TOOT			
88	5671833	Khur Erdene Bayalag FILLC	MV-017301	-	-	-	-	-	-	No contract		
89	5324998	Khunnu Altai Minerals LLC	-	-	-	-	-	-	-	No contract		
90	5352827	Tsagaan-Uvuljuu LLC	MV-020800	-	-	-	-	-	-	Compensation calculated. Payment not made		
91	2548747	TsairtMineral FILLC	-	-	-	-	-	-	-	No contract		
92	2641984	CementShokhoi LLC	-	-	-	-	-	-	-	No contract		
93	6342485	Tsui Khang Invest FILLC	MV-012325	1/19/2018	EEC-2018/01/01	-	7,588,625.4	-	2018/12/20 №2018/02/34			
94	2831686	Tsegeen-Uuden LLC	-	-	-	-	-	-	-	No contract		
95	5197325	Shanjin-Ord FILLC	MV-010665	10/19/2010	EEC-2010/08/56	327,889.0	-	-	Executing an act			
96	2050374	Shariin Gol JSC	MV-001498	5/11/2000	EEC-2000/05/11	46,368.0	-	-	Act-2009/10			
			MV-000247	6/5/2006	EEC-2006/06/05	1,302,205.0	-	-	Act executed			
97	2830213	Xin Xin FILLC	MV-010089	12/25/2007	EEC-2007/12/25	546,200.0	-	-	2012/12/05/11 act			
98	5665914	Shine Uujim Ord LLC	-	-	-	-	-	-	-	No contract		
99	2568683	EBNE LLC	-	-	-	-	-	-	-	No contract		
100	5452503		MV-018500	3/21/2019	EEC-2019/01/22	-	11,607,770.1	-	№2021/05			

№	Registry number	Company name	License	Contract date	Contract number	Payment		Balance	Act	Description
						USD	MNT			
		ML Tsakhiurt Ovoo FILLC	MV-015610	2/4/2013	EEC-2013/01/10	159,185.3	-	-	2017/11/23 №2017/02/30	
101	5155568	NEC LLC	-	-	-	-	-	-	-	No contract
102	2887746	Energy Resource LLC	MV-011952	9/12/2008	EEC-2008/21/55	1,188,100.0	-	-	-	
103	5211859	Erdeniin Bosgo LLC	-	-	-	-	-	-	-	No contract
104	5072948	Erdeniin Olz FILLC	MV-012297	10/21/2011	EEC- 2011/H04/135	268,248.6	-	-	2017/04/21 №2017/02/20	
105	5190479	Erdeniin Tal Mining LLC	-	-	-	-	-	-	-	No contract
106	5892295	Erdene Harvest FILLC	-	-	-	-	-	-	-	No contract
107	2718243	Erdenemongol FILLC	-	-	-	-	-	-	-	Compensation calculated. Payment not made
108	2550466	Erdenes Critical Minerals SOE	-	-	-	-	-	-	-	No contract
109	5435528	Erdenes Tavantolgoi JSC	-	-	-	-	-	-	-	No contract
110	2074192	Erdenet Mining Corporation SOE	-	-	-	-	-	-	-	No contract

Source: Mineral resources and petroleum authority

4.4 OVERVIEW OF THE PETROLEUM SECTOR

4.4.1 Petroleum reserves and state involvement

Petroleum is regarded as a strategic resource, and according to the policy framework set to be followed until 2027, the following objectives are outlined:

Goal: To intensify exploration and prospecting activities in Mongolia's petroleum sector, increase reserves, expand production, establish a petroleum refinery, and ensure a stable supply of petroleum products.

As reflected in Government Resolution No. 169 of 2018:

- To intensify exploration, prospecting, and production of petroleum and unconventional oil resources;
- To establish a petroleum refinery and develop domestic oil production;
- To ensure stable supply of petroleum products and improve the quality control system;
- To train, qualify, and expand the workforce in the petroleum industry;
- To protect and rehabilitate the environment during petroleum operations, promote green development, and support local development;
- To establish and develop state-owned or state-participated petroleum companies.

Under the Government Action Program for 2024–2028, fourteen mega projects have been planned to expand the economy, one of which is the “Petroleum Refinery Project in Mongolia”. Based on detailed estimates of infrastructure sequence, construction complexity, and engineering timelines, the project is expected to be operational by **2028**.

The “Mongol Refinery” SOE Project is a strategically important development aimed at diversifying Mongolia's economic structure, achieving energy independence, and developing the petrochemical industry.

Table 39. Summary of the “Mongol Refinery” SOE Project

PETROLEUM REFINERY	
Location	Altanshiree soum, Dornogovi province
Project approval decision and date	August 27, 2024 – Parliament Resolution No. 21
Funding sources and budget	<i>EXIM Bank of India, Development Bank, Erdenes Tavantolgoi JSC (USD 1.9 billion)</i>
Expected results	<ul style="list-style-type: none"> ✓ Production of strategic products and raw materials for steel and metal industries; ✓ Establishment of a new petrochemical sector with technological advancement; ✓ Meeting 50–60% of domestic fuel demand; ✓ Processing 1.5 million tons of crude oil annually to produce 1.3 million tons of refined products.

Source: <https://mongolrefinery.mn/>, <https://forum.mn/>

Petroleum reserves: According to the national mineral resource database, Mongolia's total proven geological petroleum reserve amounts to **335.6 million tons, of which 43.59 million tons are recoverable or extractable reserves.**

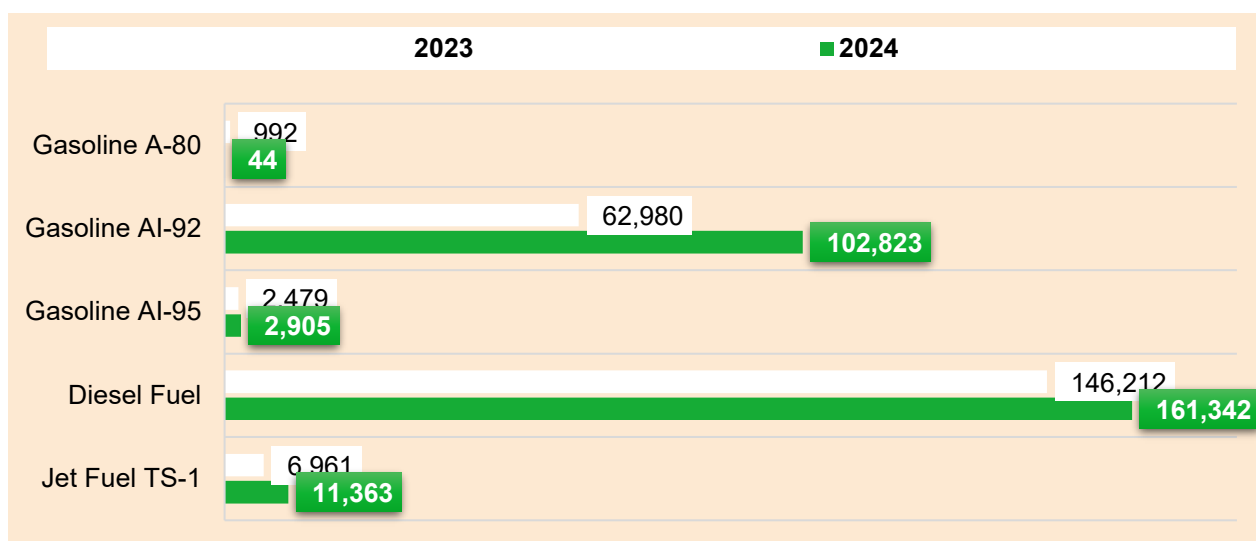
Table 40. Petroleum reserves of Mongolia, in million tons

Type	Registration date	Proven reserves	Production method	Proven extractable reserves	Total production 1998–June 2025	Remaining extractable reserves
Toson-uul	2010.02.18, 2011.06.21	179.1	Natural	20.17	6.22	13.95
Tamsag	2012.05.16	127.5	Water injection	21.02	4.24	16.78
Zuunbayan, Tsagaan-Els	2011.06.08	26.05	Natural	2.1	1.04	1.06
Tsen Togoruu	2021.03.02	1.15	Natural	0.14	-	0.14
Ulgii	2024.09.16	1.8	Natural	0.16	-	0.16
Total		335.6		43.59	11.75	31.91

Source: <https://mrpam.gov.mn/>

When comparing petroleum product reserves for the last two years, the stock of A-80 gasoline has decreased, while the reserves of other products have increased.

Graph 10. Petroleum product reserve balance by type, (tons), 2023–2024

Source: <https://mrpam.gov.mn/>

4.4.2 Petroleum exploration and licensing (Requirement 2.2.a)

As of 2024, petroleum **exploration is being conducted in a total of 11 blocks**, including 4 conventional oil fields and 7 unconventional fields /6 for coalbed methane and 1 for oil shale/.

- ✓ Proof of escrow deposit in a Mongolian bank equal to 3% of annual exploration investment or 1% of the contractor's profit oil during production, serving as a guarantee for environmental rehabilitation and decommissioning obligations.

Source: <https://mmhi.gov.mn/>

4.4.3 Production sharing agreements (Requirement 2.4)

In accordance with Articles **7.1.8, 8.1.5, and 9.1.2 of the Petroleum Law**, the Production Sharing Agreement (PSA) is concluded by the government-designated administrative body responsible for petroleum issues under a decision of the Government. The central administrative body in charge of petroleum issues grants exploration and production licenses for petroleum.

Of the 33 prospective petroleum exploration areas identified nationwide in Mongolia, **31 contractors are currently operating in 28 areas under government-approved** Production Sharing Agreements (PSAs).

From all contractors, a total of **USD 1,753,579** in PSA-related payments and bonuses was contributed to the state revenue of Mongolia, while **USD 22,797,011** was spent on petroleum exploration activities in accordance with the approved annual plan and budget. Thus, total petroleum exploration investment amounted to **USD 24,550,590**.

Exploration activities in petroleum blocks under Production Sharing Agreements (PSAs) during 2023–2024:

- ◆ **In 2023:** Two exploration wells were drilled in petroleum exploration blocks, and 547.5 square kilometers of 3D seismic surveys were conducted.
 - *In coalbed methane exploration areas, 41 exploration, appraisal, and test wells were drilled, and 260 linear kilometers of 2D seismic surveys were carried out.*
- ◆ **In 2024:** Two exploration wells were drilled, and 400 linear kilometers of 2D seismic surveys were completed in petroleum exploration areas.
 - *In coalbed methane exploration areas, 13 exploration, appraisal, and test wells were drilled, and 107.8 linear kilometers of 2D seismic surveys were performed.*

Source: <https://mrpam.gov.mn/>

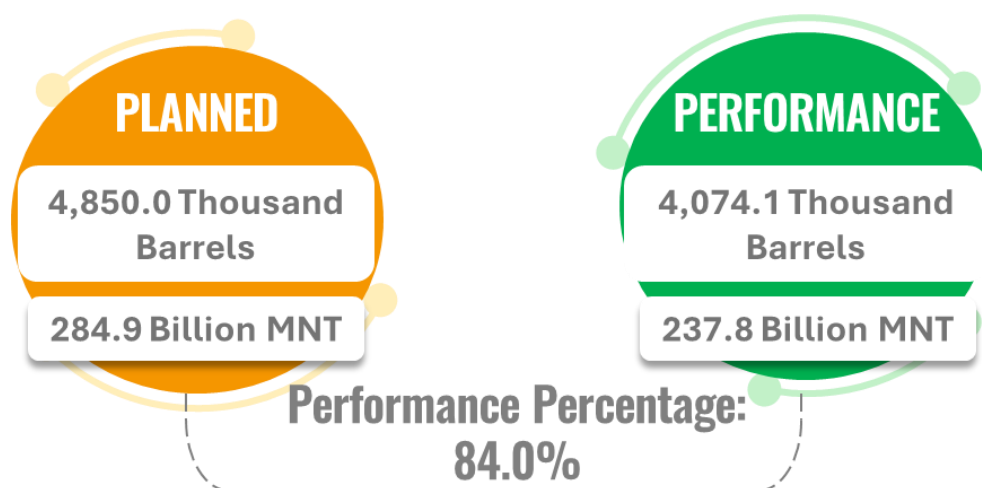
In 2024, no new PSAs or reconnaissance contracts were signed. As of now, **27 PSA agreements** are publicly available on the ltodgeree.mn website. Further details about these agreements can be accessed from the website and from the **2023 or 18th EITI Report**.

4.4.4 Petroleum production and economic indicators

In 2024, petroleum exports were planned at 4,850.0 thousand barrels, of which 4,074.1 thousand barrels were achieved, representing 84.0% of the target.

Revenue from the petroleum sector contributed **237.8 billion MNT** to the state budget, accounting for **0.7% of total government revenue**.

Figure 6. Petroleum export plan and performance, 2024



Source: <https://mmhi.gov.mn/>, <https://mrpam.gov.mn/>

Sales revenue from the petroleum extraction sector decreased by **167.8 billion MNT or 13.3%** compared to the previous year.

Table 41. Petroleum and natural gas sales revenue, 2023–2024

CRUDE OIL and NATURAL GAS SALES	2023		2024			Difference	
	XII	I-XII	XII	I-XII	Abroad	Count	Percentage
	97.4	1,259.4	76.8	1,091.5	1,091.5	-167.8	-13.3%

Source: <https://mmhi.gov.mn/>

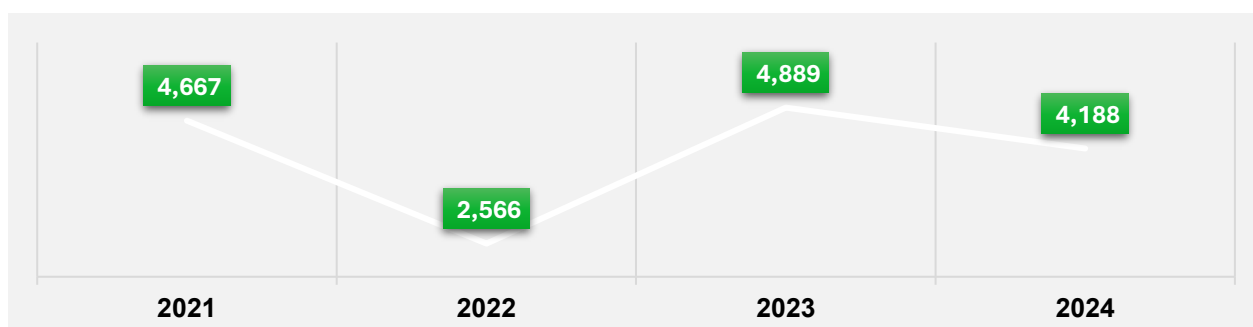
Meanwhile, petroleum and natural gas production declined by **183.9 billion MNT or 14.1%** compared to 2023.

Table 42. Petroleum and natural gas production value, 2023–2024

CRUDE OIL and NATURAL GAS PRODUCTION	2023		2024		Difference	
	XII	I-XII	XII	I-XII	Count	Percentage
	100.4	1,305.9	87.8	1,122.1	-183.9	-14.1%

Source: <https://mmhi.gov.mn/>

Graph 11. Petroleum production (thousand barrels), 2021-2024

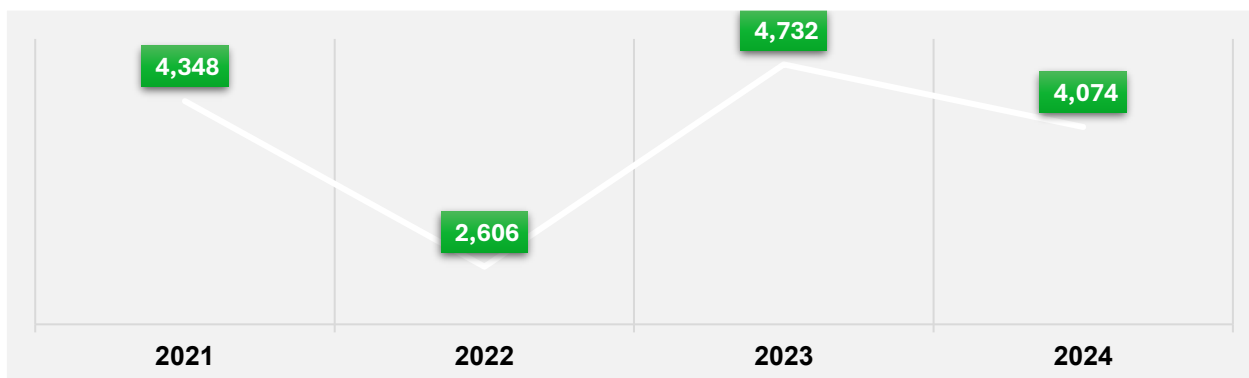


Source: <https://mrpam.gov.mn/>

◆ EXPORT

According to preliminary 2024 results, Mongolia exported **4,074.1 thousand barrels of crude oil, worth USD 322.1 million**. Compared to the previous year, export volume decreased by 656.3 thousand barrels or 13.9%, and export value declined by USD 42.6 million or 11.7%. All crude oil exports (100%) were destined for the People's Republic of China.

Graph 12. Crude oil exports (thousand barrels), 2021-2024



Source: <https://mmhi.gov.mn/>

◆ IMPORT

- ✓ **Petroleum products accounted for 88.4%** of total mineral product import value.
- ✓ Preliminary 2024 data show imports of **2,720.4 thousand tons of petroleum products worth USD 2,162.0 million**, an increase of **418.1 thousand tons or 18.2% in volume and USD 293.4 million or 15.7% in monetary value** from the previous year.
- ✓ Petroleum product imports consisted of **89.6% automotive gasoline and diesel fuel**, of which 29.7% was gasoline and 59.9% was diesel.
 - **Automotive gasoline imports:** According to preliminary 2024 results, 897.5 thousand tons of automotive gasoline worth 643.2 million USD were imported, an increase of 167.6 thousand tons 23.0 percent in volume and 120.7 million USD or 23.1 percent in value compared to the same period of the previous year.
 - **Diesel fuel imports:** According to preliminary 2024 results, 1,641.5 thousand tons of diesel fuel worth 1,296.0 million USD were imported, an increase of 186.0 million USD or 16.8 percent in value and 294.5 thousand tons or 21.9 percent in volume compared to the same period of the previous year.

4.4.5 Overview of natural gas sector

Since 2019, three companies listed on the Australian Stock Exchange have been conducting coalbed methane exploration in Mongolia and have begun drilling test wells. This will help determine the country's methane gas reserves and clarify the potential for their utilization.

Countries around the world widely use methane gas in the energy, heating, and chemical sectors, benefiting greatly from its efficiency. The use of gas fuel in the energy sector has historically enabled major cities to overcome air pollution problems. Experts note that Mongolia, with its abundant coal reserves, has full potential to extract coalbed methane gas based on these resources.

The methane gas drilling operations are being carried out by three companies—GOH, Methane Gas Resource, and Telmen Resource—based in the basins of Umnugovi Province. Within the framework of technical assistance from the Australian Government, a study on the potential of Mongolia's coalbed methane resources was conducted by internationally recognized domestic and foreign experts in the methane gas field, estimating reserves of 7.4 trillion cubic meters of methane gas.

4.5 STATE PARTICIPATION IN THE EXTRACTIVE SECTOR (Requirements 2.6, 4.5, 6.2)

In line with the Extractive Industries Transparency Initiative (EITI), information related to “State participation” is one of the key components of the report. Its purpose is to clearly disclose state-owned and state-participated companies’ investments, ownership structures, revenue distribution, and governance transparency.

This section fully includes all the information required under EITI **Requirement 2.6 “State participation,”** as well as other relevant requirements.

The role of state-owned enterprises (SOEs) in Mongolia's extractive sector economy:

- I. **Firstly**, to support economic growth and influence total market supply and productivity;
- II. **Secondly**, to determine their role in fiscal revenue generation;
- III. **Thirdly**, to assess their impact on labor market stability and equilibrium. For this purpose, the methodology has been developed to analyze the legal environment that regulates the participation of state-owned enterprises in economic relations and to define the role of the state in the economy.

Within the framework of the 19th Extractive Sector Report for 2024, the following government agencies were requested to cooperate in providing and validating information on state participation and to share relevant data openly. Their participation levels are summarized below.

Table 43. Assessment of government agencies' participation in EITI

No	Organization	Sufficient	Medium	Insufficient	Reason
1	 Mineral Resources and Petroleum Authority (MRPA)		✓		
2	 АЖ ҮЙЛДВЭР, ЭРДЭС БАЯЛГИЙН ЯАМ	✓			
3	 БАЙГАЛЬ ОРЧИН, УУР АМЬСГАЛЫН ӨӨРЧЛӨЛТИЙН ЯАМ			✓	Not reported
4	 ГЭР БҮЛ, ХӨДӨЛМӨР, НИЙГМИЙН ХАМГААЛЛЫН ЯАМ			✓	Not reported
5	 МОНГОЛЫН ГААЛЬ	✓			
6	 ЗАМ, ТЭЭВРИЙН ХӨГЖЛИЙН ЯАМ			✓	Not reported
7	 САНГИЙН ЯАМ	✓			
8	 МОНГОЛЫН ТАТВАРЫН АЛБАН		✓		
9	 ERDENES MONGOL GROUP	✓			

4.5.1 Government and SOE ownership in extractive companies and changes in ownership transfer

According to Article 2.6 of the Company Law, for a state-owned company, the owner representing the state is the **State Great Khural (Parliament) of Mongolia**, while for a locally owned company, the owner is the **Citizens' Representative Khural of the respective local administration**. The entities or officials authorized by the **Government** or the local **Citizens' Representative Khural** may exercise ownership rights and fulfill the responsibilities of shareholders.

According to Requirement **2.6.a.ii** of the EITI Standard, the Government and state-owned enterprises (SOEs) are required to disclose their ownership interests in **mining, oil, and gas companies operating in the country**. This requirement also applies to **subsidiaries, branches, and joint ventures of SOEs**.

During the reporting period, it is necessary to **disclose any changes in ownership, equity structure, or shareholding levels** of state-owned and state-participated companies.

Table 44. Shareholder information of SOEs

No	Company name	Number of licenses	Mineral	Shareholders	Percentage
1	Tavantolgoi JSC	1	Coal	Shandas Impex LLC	16%
				Ajnai Corporation LLC	20%
				Local ownership	51%
				Other	13%
2	Erdenes Tavantolgoi JSC	8	Coal	Government	85%
				Enterprises	1%
				Citizens	15%
3	Erdenet Mining Corporation SOE	13	Copper, Gravel	Government	100%
4	Baganuur JSC	3	Coal, Gravel, Sand	Government	75%
				Mongolian national coal corporation	21%
				Other	4%
5	Erdenes Critical Minerals SOE	28	Graphite, Iron, Gold, Gravel, Sand	Government	100%
6	CementShokhoi LLC	2	Cement, Lime, Marl	-	-
7	Bayanteeg JSC	1	-	-	-

In 2024, “Erdenes Mongol” LLC received **495.6 billion MNT** in dividends from five companies operating in the extractive sector and transferred the funds to the “Sovereign Wealth Fund.”

Source: “Erdenes Mongol” LLC

Policy and structural changes in SOEs

The Government of Mongolia and the State Property Policy and Coordination Agency adhere to the following principles:

- To improve the governance, transparency, and public accountability of state-owned companies by transforming them into publicly listed entities;
 - To limit state participation to strategic sectors and activities that are essential for the national economy.
- ✓ During 2023–2025, within the framework of liquidating and merging unprofitable SOEs, “Erdenes Mongol” LLC reduced the number of its subsidiaries from 42 to 31.
- ✓ To lay the foundation for improving the governance and performance of SOEs and to establish a proper legal framework, the company revised the charters and structures of 15 subsidiaries, liquidated 6 inefficient companies and 2 project units, and merged 2 companies, saving a total of 3 billion MNT.

Source: “Erdenes Mongol” LLC

4.5.2 Financial relations and transactions between the Government and SOEs (Requirements 2.6, 4.2, 4.5)

Main regulations governing financial relations between the Government and SOEs:



The relationship between the **Government and state-owned enterprises (SOEs)** is governed by the **Law on State and Local Property and its accompanying regulations** on the implementation of state property. *If not specifically provided for in that law, the relationship between the Government and SOEs is regulated by the **Company Law** and the **charter of the respective state-owned enterprise**.*



According to Article **21.15** of the Law on State and Local Property, **the Government member responsible for finance and budget shall oversee the financial performance of all state-owned and state-participated legal entities, as well as monitor how their operations affect the financial and cash transactions of budgetary organizations.**



According to Article **21.16** of the Law on State and Local Property, state-owned and state-majority-owned legal entities **may obtain loans or issue securities only with the approval of the central state administrative body in charge of finance and budget.**

However, this provision does not apply to short-term loans or securities that are repayable within the same fiscal year.



According to Article 21.13 of the Law on State and Local Property, the shareholder representing state ownership **must submit a written proposal to the board of directors** of state-owned and state-participated legal entities regarding the determination of the dividend rate.

*Meanwhile, **Article 46.1 of the Company Law stipulates that, unless otherwise provided in the company's charter, the board of directors shall decide whether to distribute dividends.** The decision must specify the amount of dividends per share, the date for preparing the list of shareholders entitled to receive dividends, and the date of dividend distribution.*



Article 9 of the Law on State and Local Property stipulates that the Government is accountable to the State Great Khural for ensuring the integrity of state property and has the following powers:

- I. Implementing the state policy and legislation on state property;
- II. Determining the scope and limits of possession, use, and disposal of assets granted to state-owned entities in accordance with the law;
- III. Making decisions on the sale or transfer of immovable state property outside privatization;
- IV. Approving the list of entities and assets to be privatized;
- V. Unless otherwise provided by law, establishing, reorganizing, or dissolving SOEs and approving their charters;
- VI. Considering and deciding on proposals by SOEs to establish joint entities with other ownership forms, to invest, or to withdraw their capital contributions;
- VII. Making decisions on expropriation or nationalization of property into state ownership where permitted by law, and submitting relevant proposals to Parliament;

- VIII. Submitting consolidated reports on state property inventories and budget execution to Parliament and implementing the resulting decisions;
- IX. Determining and adjusting the framework for SOEs' financial relations with the state and local budgets;
- X. Approving, in consultation with the Bank of Mongolia, the privatization program for state shares in state-owned or state-participated banks and the valuation procedures for such assets;
- XI. Other powers as prescribed by law;

Based on these legal provisions, the Government issues resolutions regulating the financial relations of state-owned enterprises.

Banking Confidentiality and EITI Reporting:

According to Article 7.2 of the Banking Law, any information considered confidential by a bank, its clients, or third parties may not be disclosed, released, or used by the **bank's shareholders, members and chair of the board of directors, executive management, supervisory board, or employees**, except in the cases specified in **Clauses 7.2.1–7.2.11**. These provisions do not include any regulation that allows for the **disclosure of information for the purpose of EITI reporting**.

Transactions between SOEs (Requirement 4.5)

According to EITI Requirement 4.5, extractive companies must disclose payments made to SOEs, as well as material payments between SOEs and government entities, and transactions between government bodies and SOEs.

Under Article 6.4.5 of the Glass Accounts Law, all monetary transactions exceeding five million MNT, except for salary expenses, must be made publicly available. The table below provides the links where such transactions are disclosed.

Table 45. Transparency of transactions between SOEs

№	Company name	Disclosed	Relevant link
1	Tavantolgoi JSC	no	https://shilendans.gov.mn/organization/61990?ry=2024
2	Erdenes Tavantolgoi JSC	yes	https://shilendans.gov.mn/organization/53339?ry=2024
3	Erdenet Mining Corporation SOE	yes	https://shilendans.gov.mn/organization/38753?ry=2024
4	Baganuur JSC	yes	https://shilendans.gov.mn/organization/24450?ry=2024
5	Erdenes Critical Minerals SOE	yes	https://shilendans.gov.mn/organization/27094?ry=2024
6	CementShokhoi LLC	yes	https://shilendans.gov.mn/organization/52497?ry=2024
7	Bayanteeg JSC	yes	https://shilendans.gov.mn/organization/27756?ry=2024

4.5.3 Public disclosure of SOEs' financial statements (Requirement 2.6.b)

According to EITI Requirement 2.6.b, companies must make their financial statements publicly available. The following table presents the audit compliance and transparency status of the SOEs included in the consolidated report.

Table 46. Compliance with reporting standards and transparency of SOEs

Company name	Whether the SOE prepares financial statements	Whether the financial statements are audited	Whether the statements are prepared according to IFRS	Whether audited according to international standards	Whether the SOE's statements are publicly disclosed
Tavantolgoi JSC	yes	-	-	-	no
Erdenes Tavantolgoi JSC	yes	yes	yes	yes	yes
Erdenet Mining Corporation SOE	yes	yes	yes	yes	yes
Baganuur JSC	yes	yes	yes	yes	yes
Erdenes Critical Minerals SOE	yes	yes	yes	yes	yes
CementShokhoi LLC	yes	yes	yes	yes	yes
Bayanteeg JSC	yes	yes	yes	yes	yes

I. Financial statements of SOEs:

State audit is based on the principles of rule of law, independence, impartiality, integrity, completeness of information, transparency, and adherence to international public sector auditing standards. Under the EITI Standard, SOEs are required to publicly disclose either their audited financial statements or, if not available, key financial indicators. The following table presents the disclosure status of financial statements on the Glass Accounts portal and official websites of the 9 SOEs covered in the report.

Table 47. Transparency of financial statements of state-owned enterprises

Company name	Transparent account	Company website
Tavantolgoi JSC	no	no
Erdenes Tavantolgoi JSC	yes	yes
Erdenet Mining Corporation SOE	yes	no
Baganuur JSC	yes	yes
Erdenes Critical Minerals SOE	yes	no
CementShokhoi LLC	yes	no
Bayanteeg JSC	yes	no

II. Audit reports of SOEs:

Laws and regulations on disclosure of SOE audit reports

The Law on State Audit requires that audit reports be made public through official websites. The main objective is to ensure that public finances, budgets, and state property are managed legally, efficiently, and effectively; to oversee planning, allocation, and expenditure; and to strengthen public financial management for sustainable economic development.

Amendments to the Law on State Audit dated **January 12, 2024**.

- ◆ **Article 1.** Article 15.2.4 of the Law on State Audit shall be amended by adding the words “**or electronically**” after “in writing.”

- ◆ **Article 2.** Amend Article 13.1 of the Law on State Audit as follows: Replace the words “**an agreement shall be made in writing. The agreement shall become effective from the date it is signed and sealed by the authorized representatives of the client and the audit entity**” with “**an agreement shall be made in writing or electronically. A written agreement shall become effective from the date it is signed and sealed by the authorized representatives of the client and the audit entity, while an electronic agreement shall use a digital signature.**”

Practical implementation of laws and regulations on SOE audit report disclosure

No SOE audit reports have been published on the website of the National Audit Office since 2019. Of the 12 SOEs covered in the consolidated report, 9 have uploaded their audit reports to the Glass Accounts online platform.

Table 48. Disclosure status of SOE audit reports

Company name	Audit website	Transparent account	Relevant link (audit.mn)
Tavantolgoi JSC	no	no	
Erdenes Tavantolgoi JSC	no	yes	
Erdenet Mining Corporation SOE	yes	yes	https://audit.mn/audit/report_detail/39907
Baganuur JSC	no	yes	
Erdenes Critical Minerals SOE	no	yes	
CementShokhoi LLC	yes	yes	https://audit.mn/audit/report_detail/37793
Bayantegg JSC	yes	yes	https://audit.mn/audit/report_detail/36292

4.5.1 Operations, asset utilization, procurement, and governance regulation of SOEs (EITI Requirement 2.6.c)

Operations of State-Owned Enterprises (SOEs):

Article 16.1 of the Company Law stipulates that a company’s charter is its founding document. The charter must include the following:

- ◆ The company’s full and abbreviated name, along with its legal form and identifying abbreviation;
- ◆ The number of announced and issued shares, their types, nominal value, and total equity capital.
- ◆ If preferred shares are issued, the number of preferred shares and the rights of their holders.
- ◆ If a Board of Directors is established, the number of its members.
- ◆ Powers of the shareholders’ meeting and the Board of Directors beyond those specified by law.
- ◆ The scope of the company’s activities.
- ◆ Any other matters required by this law to be included in the charter.

Additionally, a clause on establishing a “Veterans’ Fund” and determining its financial amount was added by the law dated **June 5, 2024, which will take effect on January 1, 2025.**
<https://baganuurmine.mn>

Table 49. Disclosure status of internal regulations and charters of SOEs

Company name	Disclosed	Relevant link
Tavantolgoi JSC	yes	https://www.tavantolgoi.mn/rules-and-regulations
Erdenes Tavantolgoi JSC	yes	https://ett.mn/mn/files-by-category/10
Erdenet Mining Corporation SOE	yes	https://www.erdenetmc.mn/legal
Baganuur JSC	yes	https://baganuurmine.mn
Erdenes Critical Minerals SOE	yes	https://www.ecmm.mn/as/transparency/22
CementShokhoi LLC	yes	https://khutulcement.mn/
Bayanteg JSC	no	

Regulations and practice on SOE asset utilization management (operating and investment expenditures):

The management of SOE asset utilization is governed by the Glass Accounts Law, the Procedure for Establishing the Content and Common Standards of Information Published on the Glass Accounts Website, and the Law on Public Information Transparency. Article 4 of the above-mentioned procedure defines the types of information to be disclosed on the Glass Accounts website by state-owned legal entities, state enterprises, and companies where the state, local government, or entities with shared interests hold a controlling or higher share. This procedure was revised and approved under Government Resolution No. 29 of 2016.

Table 50. Amendments and additions to laws and regulations related to the transparency of SOE procurement

LAW	DATE	AMENDMENTS
Amendment to the Glass Accounts Law	January 12, 2024	Article 1. Add the words “or electronically” after “in writing” in Article 9.2 of the Glass Accounts Law.
Amendment to the Law on Public Information Transparency	January 12, 2024	<p>Article 1. In Article 8.6.21 of the Law on Public Information Transparency, add the words “who have studied or” before “who are studying.” In Article 13.2, after the words “requests in writing,” and in Articles 9.9 and 13.4, after the words “in writing,” add “or electronically.”</p> <p>Article 2. Revise Article 8.6.11 of the same law as follows:</p> <p>Article 3. Replace the words “on its website” in Article 8.9 with “on its website and in the open information system ensuring completeness and accuracy,” and replace the words “on its website” in Article 8.10 with “on its website and in the open information system.” In Article 13.2, replace “verbally or in writing” with “verbally, or in writing, or electronically.” In Article 19.1, replace “identifies” with “identifies and verifies. Information identified and verified through this system shall not be required in paper form from individuals or legal entities, and if necessary, the information officer shall compile it electronically.”</p> <p>Article 4. Repeal Article 13.3 of the Law on Public Information Transparency.</p>

LAW	DATE	AMENDMENTS
Amendment to the Law on Public Information Transparency	June 5, 2024	<p>Article 1. Add the following new sections 29.4 and 29.5 to the Law on Public Information Transparency:</p> <p>“29.4. Before establishing a public information system, the information controller shall prepare and submit a technical and economic feasibility study for systems falling under the classification specified in Article 29.5 of this law.</p> <p>29.5. The classification of public information systems that require a technical and economic feasibility study shall be jointly determined by the members of the Government responsible for digital development and communications, and for finance and budget.”</p> <p>Article 2. In Article 29.1 of the Law on Public Information Transparency, before the words “before establishing a public information system,” add “except as provided in Article 29.4 of this law.”</p>

Source: <https://legalinfo.mn/>

Practical operations of SOE asset expenditure management::

The SOEs included in the report disclose information to the public by publishing details such as capital expenditures, investment project plans, and lists of concession items on the Glass Accounts portal website.

Table 51. Disclosure status on the Glass Accounts website

Company name	Disclosed	Relevant link
Tavantolgoi JSC	no	
Erdenes Tavantolgoi JSC	yes	https://shilendans.gov.mn/organization/53339?ry=2024&group=5&rfor=103478&rf=1310&rm=1
Erdenet Mining Corporation SOE	yes	https://shilendans.gov.mn/organization/38753?ry=2024&group=5&rfor=74596&rf=1310&rm=1
Baganuur JSC	yes	https://shilendans.gov.mn/organization/24450?ry=2024&group=5&rfor=207931&rf=1310&rm=1
Erdenes Critical Minerals SOE	yes	https://shilendans.gov.mn/organization/27094?ry=2024&group=5&rfor=63286&rf=1310&rm=1
CementShokhoi LLC	yes	https://shilendans.gov.mn/organization/52497?ry=2024&rfor=107790&rf=1310&rm=1
Bayanteeg JSC	yes	https://shilendans.gov.mn/organization/65653?ry=2024&group=5&rfor=242163&rf=1310&rm=1

Rules and practical procedures related to SOE procurement::

Procurement activities of SOEs are carried out in accordance with the Law on Procurement of Goods, Works, and Services with State and Local Property. Each SOE develops and enforces internal procurement rules and regulations that comply with this law. Under the Glass Accounts Law, SOEs are required to disclose the following:

- ✓ Procurement plan (as per Article 6.1.1 of the law),
- ✓ Procurement report (as per Articles 6.1.1 and 6.1.2),
- ✓ Audit reports, findings, and other inspection results related to procurement (if applicable),
- ✓ General information on tenders for activities covered by capital and operating expenditures (as per Articles 6.3.6, 6.4.3, and 6.8.2).

Table 52. Transparency of procurement

Company name	Plan	Report	Relevant link
Tavantolgoi JSC	yes	yes	https://shilendans.gov.mn/organization/61990?ry=2024&group=122&rfor=197943&rf=1354&rm=12

Company name	Plan	Report	Relevant link
Erdenes Tavantolgoi JSC	yes	yes	https://shilendans.gov.mn/organization/53339?ry=2024&group=5&rfor=103441&rf=1354&rm=12
Erdenet Mining Corporation SOE	yes	yes	https://shilendans.gov.mn/organization/38753?ry=2024&group=5&rfor=74587&rf=1354&rm=12
Baganuur JSC	yes	no	https://shilendans.gov.mn/organization/24450?ry=2024&group=5&rfor=244887&rf=1354&rm=12
Erdenes Critical Minerals SOE	yes	yes	https://shilendans.gov.mn/organization/27094?ry=2024&group=5&rfor=70449&rf=1354&rm=12
CementShokhoi LLC	yes	yes	https://shilendans.gov.mn/organization/52497?ry=2024&rfor=107724&rf=1354&rm=12
Bayanteeg JSC	yes	yes	https://shilendans.gov.mn/organization/65653?ry=2024&group=5&rfor=184736&rf=1354&rm=12

Company Governance Rules and Practices:

- ◆ According to Government Resolution No. 108 dated March 29, 2023, the revised charter of “Erdenes Mongol” LLC stipulates that its **Board of Directors shall consist of 11 members — 6 representing the state and 5 independent members.** Based on Resolution No. 3 of the regular meeting held on April 28, 2023, the Board of Directors has been operating with 6 state representatives and 5 independent members, totaling 11 members.
- ◆ The Board operates through its Secretariat and includes several committees: the Audit and Risk Management Committee, the Governance and Nomination Committee, the Compensation and Performance Committee, and the Risk Management Committee.
- ◆ “Erdenes Mongol” group classifies its subsidiary and affiliated entities by operational sector as follows: 5 enterprises under the Copper and Metals Group, 6 enterprises under the Fuel and Energy Group, and 5 companies under the Infrastructure and Logistics Group, totaling 15 subsidiary companies and one project unit.

4.5.2 Payments similar to budget expenditures

Under EITI Standard requirements, payments similar to budget expenditures include off-budget expenses incurred by SOEs for socially beneficial purposes — such as social services, public infrastructure, fuel subsidies, and government debt payments. These expenditures can be viewed on the Glass Accounts website, with relevant links provided in the following table.

Table 53. SOE Glass Accounts information

No	Company name	Relevant link
1	Tavantolgoi JSC	https://shilendans.gov.mn/organization/61990?ry=2024
2	Erdenes Tavantolgoi JSC	https://shilendans.gov.mn/organization/53339?ry=2024
3	Erdenet Mining Corporation SOE	https://shilendans.gov.mn/organization/38753?ry=2024
4	Baganuur JSC	https://shilendans.gov.mn/organization/24450?ry=2024
5	Erdenes Critical Minerals SOE	https://shilendans.gov.mn/organization/27094?ry=2024
6	CementShokhoi LLC	https://shilendans.gov.mn/organization/52497?ry=2024
7	Bayanteeg JSC	https://shilendans.gov.mn/organization/27756?ry=2024

4.6 BUDGET PROCESS AND REVENUE ALLOCATION

4.6.1 Revenue allocation

According to information provided by the Ministry of Finance, no legislative changes were made in relation to the extractive sector within the Law on the 2024 State Budget of Mongolia or the accompanying and amending laws submitted alongside it.

However, the Ministry of Finance reported the following updates concerning the extractive sector in 2024.

Table 54. Updates in the 2024 budget process

	Requirement	Changes
Requirement 2.1	<i>Budget policy and amendments related to the 2024 budget policy</i>	<p>Within the Law on the 2024 State Budget of Mongolia, the Law Amending the State Budget Law, and related accompanying laws, the following policy measures were approved and implemented in the extractive sector:</p> <ul style="list-style-type: none"> ➤ To support the establishment of mineral processing and beneficiation plants producing value-added concentrates and final products, the payment period of the value-added tax on imported equipment classified as fixed assets for such plants — when such equipment cannot be supplied domestically — was extended for up to four years, or alternatively, permitted to be paid in installments over four years. <p>This provision is included in Article 40.6 of the Law on Customs Tariffs and Duties and will remain effective until December 31, 2027.</p>
Requirement 5.2	<i>Accumulation of sources for the Fiscal Stability Fund as stipulated in Article 16.2 of the Fiscal Stability Law</i>	In 2024, <u>a total of 443.9 billion MNT was accumulated</u> in the Fiscal Stability Fund.
Requirement 5.2	<i>Principles of revenue distribution and local allocation mechanism</i>	Local budget revenues are calculated based on the specific characteristics of each province, as well as proposals submitted by local authorities and the rates approved by local assemblies (Citizens' Representative Khurals). Therefore, it is not possible to calculate using a unified formula.
Requirement 5.3	<i>Adjustments in revenue and budget estimation</i>	The 2024 approved budget estimated the international market price of refined copper at <u>9,500.0 USD</u> per ton and coal at an average of <u>115.0 USD</u> per ton. The balanced price of copper was estimated at <u>182.5 USD</u> .
	<i>Information on financial rescue packages, stimulus measures, or subsidies provided to the extractive sector or state-owned companies in 2024</i>	No subsidies of any form were provided to the extractive sector or to state-owned enterprises operating within the sector.
	<i>Information on whether the Future Heritage Fund was used under exceptional circumstances in 2024</i>	No disbursements were made from the Future Heritage Fund in 2024.

Source: Ministry of Finance, Mongolia

In 2024, the total new loans issued to the extractive sector amounted to 352.7 billion MNT for state-owned entities and 5,724.1 billion MNT for private entities. Regarding loan repayments, state-owned entities repaid 69.8 billion MNT, while private entities repaid 4,746.4 billion MNT. As a result, the remaining loan balance stood at 329.2 billion MNT for the state sector and 4,353.1 billion MNT for private sector entities.

The Bank of Mongolia's category "**Loans to State Organizations**" does not refer to loans to government budgetary institutions. Rather, it represents loans granted to **state-owned**

enterprises, state-owned factories, and companies operating in the extractive sector. These loans are not directly financed by the state budget but are obtained from **domestic banks and financial institutions or from international financial institutions under commercial or concessional terms**. In contrast, “**Loans to Private Organizations**” include commercial loans provided to **privately owned companies, foreign-invested companies, joint-stock companies, and limited liability companies** operating in the extractive industry.

Table 55. Changes in loans to the extractive sector, in billion MNT

SECTOR		LOANS DISBURSED		LOANS REPAYED		Outstanding loan balance
		total	in_MNT	total	in_MNT	
STATE ORGANIZATIONS	Mining and quarrying	301.46	28.82	26.40	26.40	313.98
	Manufacturing	3.69	3.69	0.95	0.95	3.53
	Electricity, gas, steam and air conditioning supply	44.60	44.60	39.45	39.45	11.67
	Water supply; sewerage, waste management and remediation activities	2.96	2.96	2.96	2.96	-
	TOTAL	352.72	80.08	69.76	69.76	329.17
PRIVATE ORGANIZATIONS	Mining and quarrying	3,213.81	2,652.41	2,319.86	2,077.45	2,114.84
	Manufacturing	2,351.23	2,113.90	2,318.00	2,100.30	2,067.45
	Electricity, gas, steam and air conditioning supply	137.92	87.93	86.81	81.23	157.05
	Water supply; sewerage, waste management and remediation activities	21.19	21.19	21.69	21.69	13.78
	TOTAL	5,724.14	4,875.43	4,746.36	4,280.67	4,353.11

Source: <https://stat.mongolbank.mn/>

4.6.2 Cases of unrecorded or unreported local payments in the budget (Requirement 4.6 and Requirement 5.1)

According to information from the Ministry of Finance, in the 2024 state budget, 15 provinces were approved and received financial support.

*The Local Development Fund is a budget that is allocated and **spent based on citizens' proposals**. Its advantage lies in enabling administrative units to **finance investment programs based on their own needs and to independently implement their mandated functions**.*

*The sources of the Local Development Consolidated Fund (LDCF) are formed by allocating specific portions of budget revenues such as domestic **VAT, petroleum resource utilization fees, mineral resource utilization fees, and revenues from mineral exploration and mining licenses**.*

Table 56. Amount of financial support approved for allocation to provinces in Mongolia's 2024 state budget, in million MNT

№	Province name	Financial support
1	Arkhangai	33,831.9
2	Bayan-Ulgii	22,080.6
3	Bayankhongor	34,182.5
4	Bulgan	10,232.3

No	Province name	Financial support
5	Govi-Altai	26,065.0
6	Dundgovi	18,195.6
7	Zavkhan	37,581.9
8	Uvurkhangai	27,680.8
9	Sukhbaatar	13,917.6
10	Tuv	16,840.6
11	Uvs	30,877.0
12	Khovd	12,982.1
13	Khuvsgul	37,957.8
14	Khentii	38,777.6
15	Govisumber	6,836.4
TOTAL		368,039.7

Source: *Ministry of Finance of Mongolia*

Table 57. Approved amount of 2024 revenue transfers to the Local Development Consolidated Fund, in million MNT

No	Province name	Revenue transfer from LDFRF to LDF			Revenue transfer from LDFRF to LDF		Total revenue transferred to provincial and capital city LDFs
		30% of general social responsibility revenue	10% mineral resources royalty	Annual Performance Evaluation (APE)	100% of mineral exploration license	50% of mineral exploitation license	
1	Arkhangai	333.5	11,683.9	554.8	0.7	118.0	12,690.9
2	Bayan-Ulgii	320.7	11,094.2	235.2	137.4	162.0	11,949.5
3	Bayankhongor	432.9	18,645.3	1,028.5	24.4	1,445.9	21,577.0
4	Bulgan	298.3	12,755.2	658.9	98.6	417.5	14,228.5
5	Govi-Altai	451.7	15,621.4	92.9	435.9	755.4	17,357.3
6	Dornogovi	2,313.8	35,417.2	2,444.7	536.6	1,995.8	42,708.1
7	Dornod	2,336.7	20,009.5	2,133.7	378.9	563.2	25,422.0
8	Dundgovi	315.4	12,948.3	972.3	494.1	1,150.3	15,880.4
9	Zavkhan	355.7	13,468.6	562.4	82.2	231.9	14,700.8
10	Uvurkhangai	355.6	12,777.3	1,075.6	79.7	192.5	14,480.7
11	Umnugovi	558.9	43,035.2	1,165.1	235.8	2,721.1	47,716.1
12	Sukhbaatar	352.0	15,075.2	2,096.0	275.1	417.4	18,215.7
13	Selenge	307.0	25,014.2	1,932.8	28.5	485.9	27,768.4
14	Tuv	356.6	24,481.5	2,218.7	179.8	1,130.2	28,366.8
15	Uvs	348.1	12,089.5	365.6	75.4	190.4	13,069.0
16	Khovd	354.0	26,904.6	1,807.4	67.5	251.7	29,385.2
17	Khuvsgul	442.5	15,297.0	937.0	0.4	62.2	16,739.1
18	Khentii	352.4	16,219.1	1,279.4	282.2	454.1	18,587.2
19	Darkhan-Uul	253.8	18,772.0	1,671.1	0.7	65.7	20,763.3
20	Ulaanbaatar	1,394.2	48,735.1	-	-	37.7	50,167.0
21	Orkhon	251.3	32,402.1	1,947.5	2.0	107.4	34,710.3
22	Govisumber	168.6	6,035.0	642.7	12.5	141.5	7,000.3
TOTAL		12,653.7	448,481.4	25,822.3	3,428.4	13,097.8	503,483.6

Source: *Ministry of Finance of Mongolia*

4.6.3 Revenue management and expenditure (Requirement 4.1 and Requirement 4.7)

This report presents detailed information on payments and revenues collected from companies and government agencies, disaggregated by revenue stream and project level. A breakdown by project can be found in Annex 21.

The EITI Standard defines what constitutes a “project.” The reason for this definition is to enhance transparency in showing how much revenue governments receive from each specific project. The requirement for project-level reporting was approved by the EITI Board in 2017, to be applied starting from the 2018 reporting year.

According to the Mongolian EITI Multi-Stakeholder Group (MSG), projects and related contracts are defined as follows:

- ✓ A project refers to an operational activity governed by a single contract, license, concession, or **similar legal agreement that forms the basis for payment obligations to the government.**
- ✓ Related contracts refer to a **set of contracts, licenses, concessions, or similar legal agreements** that are operationally and geographically integrated, or contain **substantially similar terms establishing payment obligations to the government.** Such contracts may include joint venture agreements, production sharing agreements, or other overarching legal frameworks regulating similar operations.

In 2024, **a total of 51 companies reported project-level data** through the electronic reporting system. These covered 51 projects with a combined **investment performance amounting to 52,352,358,985.50 MNT.**

For further details on project-level information, refer to Annex 21

In compliance with EITI Requirements 4.1 and 4.7 — ensuring comprehensive disclosure of payments and revenues from extractive activities and disaggregation by project — the General Department of Taxation submitted a comparison of planned and actual revenues collected in the state budget for the reporting year.

Table 58. 2024 performance

State budget	Performance
Corporate Income Tax	3,700,143,708,370.0
Value Added Tax (VAT)	222,513,396,293.6
Mineral resources Royalty	4,009,937,673,119.4
Coal Air Pollution Fee	79,122,005,272.9
TOTAL	5,087,876,750,413.8

Source: General Department of Taxation of Mongolia

Systematic disclosure:

In accordance with EITI Requirement 5.3.a — to ensure transparency of revenues, expenditures, and operations of funds receiving income from the extractive sector — the public can access open information on the state budget, audit activities, budget formulation and execution, and audit reports on project implementation through the following public channels.

Figure 7. Open information on state budget and audit activities

www.mof.gov.mn

- The official website of the Ministry of Finance, which provides information on the ministry's structure, policies, directions, and budget-related news and data.

www.iltod.gov.mn

- Current news and information on the budget, annual budget data, and laws, resolutions, and regulations related to the budget.

www.shilendans.gov.mn

- Information on the budgets and expenditures of all budgetary organizations and state-owned enterprises.

www.tusuv-oronnutag.mof.gov.mn

- Information on projects and programs implemented with funds from the Local Development Fund..

<https://publicinvestment.gov.mn> “Public Investment (Tusviin huruhgu oruulalt)” application

- The online website and mobile application “Public Investment” for managing budget investment financing activities..

www.e-balance.mof.gov.mn

- An integrated system for business reports that provides instructions, orders, and guidance related to accounting.

www.audit.mn

- Audit plans, reports, and recommendations

www.tender.gov.mn

- The electronic system for public procurement.

www.1212.mn

- The integrated database of the National Statistics Office.

www.worldbank.org/mn/country/mongolia

- The World Bank's website containing information about Mongolia.

www.imf.org/en/Countries/ResRep/MNG

- The International Monetary Fund's website containing information about Mongolia.

www.adb.org/countries/mongolia/main

- The Asian Development Bank's website containing information about Mongolia.

www.internationalbudget.org

- The website of the International Budget Partnership NGO.

https://forum.mn/sudalgaa?category_id=14227

- The Open Society Forum's online archive containing information related to economic, budgetary, and financial policy.

<https://budgetwatch.mn/>

- The website of the “Citizens Monitor the Budget” civil society coalition.



OTHER MATTERS



CHAPTER FIVE



CHAPTER FIVE. OTHER MATTERS

5.1 ULTIMATE BENEFICIAL OWNERSHIP AND ITS TRANSPARENCY
(Requirement 2.5)

- An **ultimate beneficial owner** (UBO) refers to the natural person who ultimately owns, controls, or benefits from a company, as distinct from the legal shareholders or officials formally representing the company.
- A **UBO** does not necessarily have to hold shares in the company but may influence decision-making, exercise control, or benefit directly or indirectly while remaining hidden behind complex ownership structures.

Under the International EITI Standard, as of January 1, 2020, implementing countries are required to make the beneficial owners of investors, license holders, and bidders in the extractive sector publicly available and maintain a relevant registry. Consequently, the EITI International Board has undertaken the following measures regarding beneficial ownership:

Table 59. Measures implemented by the EITI International Board on Beneficial Ownership

DATE	MEASURES TAKEN
May 2013	➤ Required reporting of beneficial ownership (BO) information.
October 2013	➤ Eleven EITI countries implemented pilot projects on BO disclosure.
January 2016	➤ Twenty-nine implementing countries had partially implemented BO disclosure; nine included such data in their EITI reports.
February 2016	➤ The revised EITI Standard required public disclosure of beneficial ownership by January 1, 2020.
2023	➤ The EITI introduced an updated model questionnaire and reporting template for beneficial ownership information.

In 2023, a total of 795 entities submitted beneficial ownership data. In the current reporting year, this number has **decreased by 14.2 percent**, with 452 companies having registered beneficial ownership information in the EITI electronic reporting system. Of these, 88 percent (404 entities) disclosed ownership at the individual level, including 8 politically exposed persons (PEPs) identified among the beneficial owners.

Detailed information on the beneficial owners of companies operating in the extractive sector is presented in Annex 19 (b, c).

Table 60. Ultimate beneficial owners of license-holding companies

No	Country	Citizenship	Whether a politically exposed person	Whether holds a managerial position in this company
1	Australia	5	0	3
2	United Kingdom	4	0	0
3	China	58	0	32
4	Mongolia	297	8	182
5	Singapore	2	0	1
6	Hong Kong	2	0	0
7	Japan	3	0	0
8	Others	33	0	21
Total		404	8	239

Source: <https://ereports.eitimongolia.mn/>

According to the EITI electronic reporting system, 12 percent or 48 entities of registered legal entities have disclosed their beneficial ownership information.

Table 61. Beneficial owners registered in the EITI electronic reporting system

No	Company name	Registry number	Registered stock exchange	Registered country
Companies included in the 2024 consolidated report				
1	Baganuur JSC	2008572	Mongolia	Mongolia
2	Badrakh Energy LLC	5502977	Areva Mongolia LLC	Mongolia
			Mon-Atom LLC	Mongolia
			Compagnie Française des Mines et Métaux SAS	France
			Orano Mining S.A.S.	France
			Orano S.A.	France
			Erdenes mongol LLC	Mongolia
3	BorooGold FILLC	2094533	Canadian stock exchange	Canada
4	Ikh Gobi Energy LLC	5522935	Mongolian stock exchange	Mongolia
5	Moncement Building Materials LLC	5106567	-	Mongolia
6	ENTREE FILLC	2705133	Toronto	Canada
7	Oyutolgoi FILLC	2657457	London stock exchange	United Kingdom
			Australian securities exchange	Australia
8	Southgobi Sands FILLC	5084555	Toronto stock exchange	Canada
			Hong Kong stock exchange	China
9	CMKI FILLC	5288703	Republic of Korea	Republic of Korea
			Mongolia	Mongolia
10	Tavantolgoi JSC	2016656	TOKH II	Mongolia
11	Tethysmining LLC	2807459	Mongolia	Mongolia
12	Ten Khun FILLC	2839717	-	Republic of Seychelles
13	Khunt-Uguuj LLC	2166631	GASR	Mongolia
14	Tsui Khang Invest FILLC	6342485	Hong Kong	China, Hong Kong
15	Tsegeen-Uuden LLC	2831686	Not registered	Mongolia
16	Shariin Gol JSC	2050374	Mongolian stock exchange	Mongolia
17	Erdenemongol FILLC	2718243	Hong Kong stock exchange	Hong Kong
			Hong Kong stock exchange	Hong Kong
			Toronto stock exchange	Canada
Others				
18	Ikh Bayan Tumurtei	5221056	Mongolia	Mongolia
19	Leader Exploration	6183077	Toronto stock exchange	Canada
20	Du Rui Zi Yuan Mining	8376115	-	Mongolia
21	Anian Resources	2874229	Toronto stock exchange	Canada
22	Huabei Kuane	5586887	Hong Kong	Hong Kong
23	Boldforda	5095638	-	China
24	Erdenes Bayanbogd	6896197	Ulaanbaatar City Development Corporation	Mongolia
25	Khukh Talst Mining	6853366	-	Mongolia
26	Bayantegsh Impex	2609436	-	-
27	Khanshashir	2618176	Weidu / Hong Kong / Ltd.	China
28	Bayaraam	2578077	-	Mongolia
29	Ikh Uulyn Erdenes	5286808	Hong Kong	British Virgin Islands
30	Modun Resources	5508606	Singapore	Singapore
31	Khanbogd Exploration	2715694	Kerry Group Limited	Cook islands and Cayman islands
32	Bumbat	2075652	Mandal Resource LLC	Mongolia
33	Hung Yuun	6492584	-	China
34	Kainar Wolfram	2844001	Hong Kong	British Virgin Islands
35	ProCube	5864259	-	-
36	Agitkhangai	2597977	-	Mongolia
37	Gurvantamga	2091798	Gurvantamga LLC	Mongolia
38	Altai Gold	2877694	-	Mongolia

No	Company name	Registry number	Registered stock exchange	Registered country
39	AUM Gold	3555763	-	Mongolia
40	Egemining	5568005	Moncon Group LLC	Mongolia
41	Junhao Wei Ye	5039681	-	China
42	Western Mongolian Development	2888696	Kerry Group Limited	Cook islands and Cayman islands
43	Gangarkhash	5003105	-	Mongolia
44	Tumen Yeruult	5980178	Tumen And Mining FILLC	Mongolia
45	Minduotai Di	5082986	Mongolian Tungsten industry group Co.,Ltd	China
46	Lovonko	5084024	BAILITU	Mongolia
47	MOENCO	5141583	The Stock Exchange of Hong Kong	Bermuda
48	FVSP	5137977	The Stock Exchange of Hong Kong Limited	Hong Kong

Source: <https://ereports.eitimongolia.mn/>

Since March 2019, the General Authority for State Registration (GASR) has been collecting and publishing certain data on beneficial owners through the <http://opendata.burtgel.gov.mn> open data portal. As of October 2025, the database includes information on 271,044 legal entities, covering details such as taxb, registration number, registration date, company form (LLC), type (for-profit or non-profit), sector of activity, founders, shareholders, number of members, names of executives, official addresses, and information on founders and shareholders.

5.2 CONTRACT TRANSPARENCY

The **Open Society Forum (OSF)**, in cooperation with the **Ministry of Mining and Heavy Industry (MMHI)** and the **EITI Mongolia Secretariat**, established the website www.iltodgeree.mn. This database provides access to the full texts of key contracts related to the use of Mongolia's natural resources, including **Investment Agreements, Production Sharing Contracts, Concession Agreements, and Community Development Agreements between license holders and local administrations**. The following table lists the main legal provisions relevant to contract disclosure in the extractive sector.

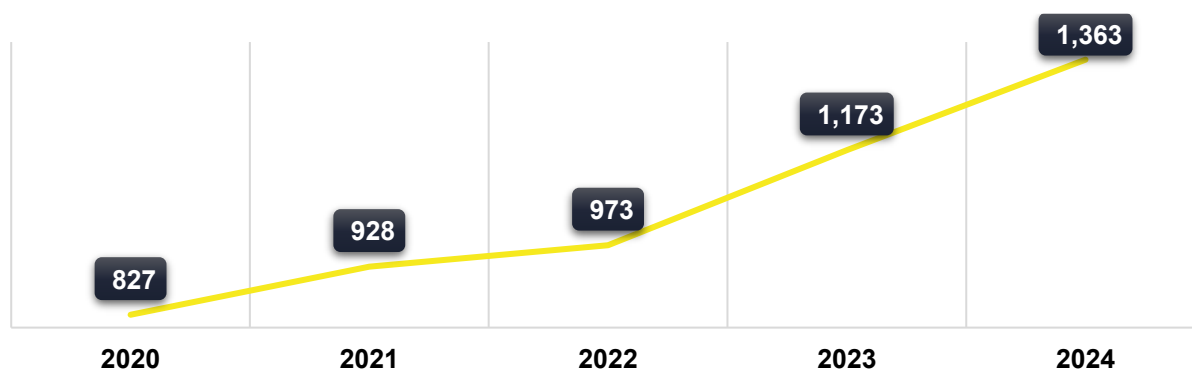
Table 62. Legal provisions related to contract disclosure

No	Name of the legal act	Relevant article and provision	Link
Law			
1	Constitution of Mongolia	Item 6.1, 6.2 of Article 6, Item 16.17 of Article 16	http://legalinfo.mn/law/details/367?lawid=367
2	Minerals Law	Item 5.3-5.5 of Article 5, and Article 42	http://legalinfo.mn/law/details/63?lawid=63
3	Common Minerals Law	Article 40	http://legalinfo.mn/law/details/9750?lawid=9750
4	Petroleum Law	Article 12,13,14, and 17	http://legalinfo.mn/law/details/10484?lawid=10484
5	Nuclear Energy Law	Chapter 4, Article 29-31	http://legalinfo.mn/law/details/97?lawid=97
6	Investment Law	Article 20	http://legalinfo.mn/law/details/9491?lawid=9491
7	Concession Law		http://legalinfo.mn/law/details/312?lawid=312
8	Law on the Procedure for Implementing the Law Prohibiting Mineral Exploration and Mining Operations in Headwaters of Rivers,	Item 2.2 of Article 2 and Article 3 and 4.	http://legalinfo.mn/law/details/224?lawid=224

No	Name of the legal act	Relevant article and provision	Link
	Protected Water Zones, and Forested Areas		
9	General Administrative Law	Article 11 and 26-28	http://legalinfo.mn/law/details/11259?lawid=11259
10	Law on Transparency of Information and Right to Access Information	Entire law	http://legalinfo.mn/law/details/374?lawid=374
11	Law on Organizational Secrets	Article 4 and 6	http://legalinfo.mn/law/details/102?lawid=102
State policy			
12	State Policy on the Mineral Resources Sector	Item 3.1.7 and 3.5.2	http://legalinfo.mn/law/details/9756?lawid=9756
13	Glass Account (Transparency) Law	Item 6.4.8, 6.5.9-6.5.10, 7.1.1 of Article 6	http://legalinfo.mn/law/details/10497?lawid=10497
Regulations			
14	Regulation on Concluding Investment Agreements	Entire law	http://legalinfo.mn/annex/details/6226?lawid=9803
Resolution of the state Great Khural			
15	Investment Agreement on the Oyu Tolgoi Deposit		http://legalinfo.mn/law/details/6405?lawid=6405
16	Resolution on Certain Issues Regarding the Utilization of the Tavan Tolgoi Coal Deposit		http://legalinfo.mn/law/details/6631?lawid=6631
17	Amendments to the Resolution “On Certain Issues Regarding the Utilization of the Tavan Tolgoi Coal Deposit”		http://legalinfo.mn/law/details/10318?lawid=10318
18	Resolution on Determining the State Ownership Share in the Gatsuurt Deposit		http://legalinfo.mn/law/details/11651?lawid=11651
Government Resolution			
19	Resolution on Certain Measures to Ensure the Transparency of the Extractive Industries	Article 7 and 8	http://legalinfo.mn/law/details/8791?lawid=8791
20	Resolution on Certain Measures Regarding the Tavan Tolgoi Deposit		http://legalinfo.mn/law/details/10568?lawid=10568

Over the past four years, the number of contracts published in the transparency database has increased by an average of 14 percent annually, demonstrating growing compliance with EITI transparency requirements.

Graph 13. Number of contracts published in the transparency database



Source: <https://www.iltodqeree.mn/>

As of October 1, 2025, the database contains information on 1,363 contracts. The full list of published contracts can be found in Annex 36.

Table 63. Contracts published in the database

Nº	TYPE OF AGREEMENT	NUMBER
1	Agreement on cooperation with local authorities	393
2	Agreement on mineral extraction through artisanal and small-scale mining	442
3	Land use agreement	130
4	Agreement on reimbursement of exploration costs funded by the state budget	64
5	Water use agreement	88
6	Pre-exploitation agreement	53
7	Production sharing agreement	26
8	Agreement made under the Law on the Prohibition of Mineral Exploration and Mining Operations in Headwaters of Rivers, Protected Water Zones, and Forested Areas	23
9	Petroleum exploration agreement	12
10	Deposit utilization agreement	11
11	Stability agreement	11
12	Others	47
13	Concession agreement	4
14	Investment agreement	8
15	Agreement annex	7
16	Construction and development agreement	7
17	Procurement agreement of state-owned mining companies	2
18	Service agreement	3
19	Memorandum of understanding	4
20	Unspecified	28
TOTAL		1,363

Source: <https://www.iltodgeree.mn/>

5.3 INVESTMENT IN INFRASTRUCTURE AND BARTER ARRANGEMENTS (Requirement 4.3)

In certain cases, extractive industry companies enter into agreements with government institutions to provide goods or services in non-monetary form, such as investing in infrastructure, in exchange for the right to exploit a country's natural resources. Examples of such infrastructure investments include roads, railways, power plants, schools, and hospitals.

The benefits received by the companies under these arrangements are typically in the form of petroleum, natural gas, or mineral resources, as well as other entitlements such as rights to use land, energy, or water resources. Such agreements are referred to as barter agreements or **"infrastructure-for-resource"** contracts.

In 2024, among the 110 selected enterprises and organizations, **six companies made a total of 26 infrastructure investments exceeding 100 million MNT** each.

For detailed information on infrastructure investments and barter exchanges, please refer to Annex 33.

5.4 TRANSPORTATION REVENUE (Requirement 4.4)

When revenues from the transportation of petroleum, natural gas, and mineral resources are material, the government and state-owned enterprises are required to disclose the revenues they have received.

The following table presents information on transportation revenues by the enterprises that received such income. Out of 110 selected enterprises, **six companies reported their transportation revenue through the electronic reporting system, with total transportation income amounting to 679,552,339,506 MNT**. Detailed information on transportation payments made to state and locally owned enterprises can be found in Annex 35.

Table 64. Top 12 companies with the highest transportation revenues

No	Enterprise receiving transportation revenue	Type of mineral	Transported volume /thousand tons/	Transport revenue received /million MNT/
1	UBR JSC	Copper concentrate	566.9	37,431.8
2	Normount LLC	Coal	431.1	32,486.7
3	Bayan Ugii Zegst LLC	Coal	562.2	29,243.7
4	Khongorbees Trans LLC	Coal	588.3	21,172.5
5	Kingland	Concentrate	271.6	19,595.9
6	Bayan Nuur Khusug LLC	Coal	525.7	18,091.5
7	Ikh Davaa Uul LLC	Coal	519.2	17,090.6
8	Tenger and Tengis LLC	Coal	859.7	16,256.3
9	Mungun Khuleg Service LLC	Coal	362.3	15,608.6
10	Eeliin Tsagaan Khargui LLC	Coal	398.4	14,254.6
11	Bayan Undarga Logistic LLC	Coal	261.4	13,495.2
12	VV Trans LLC	Coal	387.2	12,872.3

Source: <https://ereports.eitimongolia.mn/>

Table 65. Export freight transported by road, cumulative total

Port name	Cargo type	2022		2023		2024	
		Number of vehicles	Weight /tons/	Number of vehicles	Weight /tons/	Number of vehicles	Weight /tons/
Gashuun-Sukhait	Total export	150,485	19,491	266,259	36,750	331,317	38,733
	Coal	137,897	18,990	250,564	36,123		
	Copper concentrate	12,588	501	15,695	628		
Shiveekhuren	Total export	35,810	5,369	151,021	19,107	198,651	24,562
	Coal	35,810	5,369	151,021	19,107		
Zamiin-uum	Total export	30,364	550	6,829	696	13,695	864
	Coal	1,303	90	1,789	125		
	Ore	65	1	-	-		

Port name	Cargo type	2022		2023		2024	
		Number of vehicles	Weight /tons/	Number of vehicles	Weight /tons/	Number of vehicles	Weight /tons/
	Fluorspar	-	-	-	-		
Khangji	Total export	41,529	3,051	65,713	5,006	85,714	8,679
	Coal	40,842	3,000	65,604	4,998		
	Iron ore	604	45	-	-		
	Fluorspar	83	6	109	8		
Bichigt	Total export	1,788	112	38,159	2,766	47,894	4,267
	Coal	1,788	112	38,159	2,766		
Burgastai	Total export	15,494	866	4,807	206	14,765	631
	Iron ore	15,494	866	4,807	206		
Bayan-khoshuu	Total export	9,608	346	16,232	528	13,784	457
	Crude oil	9,608	346	16,165	525		
	Coal	-	-	67	4		
Borshoo	Total export	1,345	1	1,387	-	2,158	-
	Other cargo	1,345	1	1,387	-		
Bulgan	Total export	30,360	2,211	34,526	2,714	48,696	3,537
	Coal	30,360	2,211	34,526	2,714		
Altanbulag	Total export	11,718	9	11,277	54	13,484	56
	Other cargo	11,718	9	11,277	54		
Tsagaannuur	Total export	8,022	0	12,769	90	20,082	-
	Other cargo	8,022	0	12,769	90		
Khavirga	Total export	-	-	3,069	320	2,243	291
	Coal	-	-	3,069	320		
	Zinc Concentrate	-	-	-	-		
Sumber	Total export	-	-	76	1	-	-
	Iron ore	-	-	76	1	-	-

Source: Ministry of Road and Transport Development

In 2024, the total volume of export freight transported by rail reached 11.0 million tons.

Table 66. Export freight transported by rail, cumulative total

Indicator		2022		2023		2024	
		Number of railways	Weight /thousand tons	Number of railways	Weight /thousand tons	Number of railways	Weight /thousand tons
Railway export cargo		462,465.0	8,642.5	592,837.0	11,129.2	303,785.0	6,423.2
Russia	Altanbulag Port	114,108	220.3	161,017	212.1	84,649	92.1
	Zamiin-Uud Port	348,357	8,422.2	431,820	10,917.1	219,136	5,373.8
China	Coal	25,810	505.2	18,187	1,207.0	19,221	238.4
	Iron ore and its concentrate	55,710	3,925.9	73,868	5,200.9	34,898	2,433.5
	Copper and molybdenum concentrate	10,698	711.5	4,135	275.4	275	302.2
	Oil and petroleum products	5,630	342.2	7,594	454.3	4,697	285.2
	Fluorspar, fluorspar concentrate	5,834	391.9	2,644	177.3	4	0.3

Indicator	2022		2023		2024	
	Number of railways	Weight /thousand tons	Number of railways	Weight /thousand tons	Number of railways	Weight /thousand tons
Silver ore	1,641	104.5	131	5.8	153	8.8
Zinc	2,271	141.4	1,044	67.1	467	30.2

Source: Ministry of Road and Transport Development

The total export freight in 2024 amounted to **11.6 million tons, representing an increase of 4.3 percent** compared to the previous year.

Table 67. Total export freight, cumulative total

Indicator	2022		2023		2024	
	Number of shipments	Weight /thousand tons/	Number of shipments	Weight /thousand tons/	Number of shipments	Weight /thousand tons/
Total export cargo	798,988.0	40,647.4	1,204,961	79,374.1	794,821.0	93,700.0

Source: Ministry of Road and Transport Development

Published information on transportation revenue must be as detailed and disaggregated as other revenue and payment streams (Requirement 4.7). The Multi-Stakeholder Group (MSG) is responsible for ensuring the quality and verification of transportation revenue data, as set out in Requirement 4.9. The implementing countries are expected to disclose the following information:

- ✓ Details on the organization of transportation, including the products transported, routes, and the companies or state bodies (including state-owned enterprises) involved.
- ✓ Explanation of transportation-related taxes, tariffs, and other payments, as well as the calculation methodology.
- ✓ Disclosure of tariff rates and the quantities of products transported.
- ✓ Disclosure of revenues received by government agencies and state-owned enterprises from the transportation of petroleum, natural gas, and minerals.

5.5 ENVIRONMENTAL REHABILITATION INFORMATION (requirement 6.4)

In Mongolia, the regulation of environmental and social issues in the mining sector is overseen by three main government bodies: the Ministry of Industry and Mineral Resources (MIMR), the Mineral Resources and Petroleum Authority of Mongolia (MRPAM), and the Ministry of Environment and Climate Change (MECC), with operational oversight by the General Agency for Specialized Inspection (GASI).

- ✓ *Mining is one of the most environmentally impactful sectors, as it exploits non-renewable natural resources and negatively affects Mongolia's traditional nomadic livestock-based livelihoods. For this reason, the government has consistently focused on developing, implementing, and enforcing legal frameworks, procedures, and standards for environmental protection and rehabilitation in the mining sector.*

- In 2024, among the 110 selected enterprises and organizations, **technical rehabilitation was carried out on 459.21 hectares and biological rehabilitation on 383.56 hectares through the electronic reporting system.**
- In 2024, ***a total of 7,760.69 hectares across 595 sites in 12 provinces were affected by land degradation***, of which **5,404.3 hectares across 163 sites** were degraded as a result of mining operations.

- ✓ The MECC grants special licenses to professional entities authorized to perform land rehabilitation in accordance with the Law on Permits. In 2024, licensed **companies carried out technical rehabilitation on 655.9 hectares and biological rehabilitation on 486.7 hectares.**

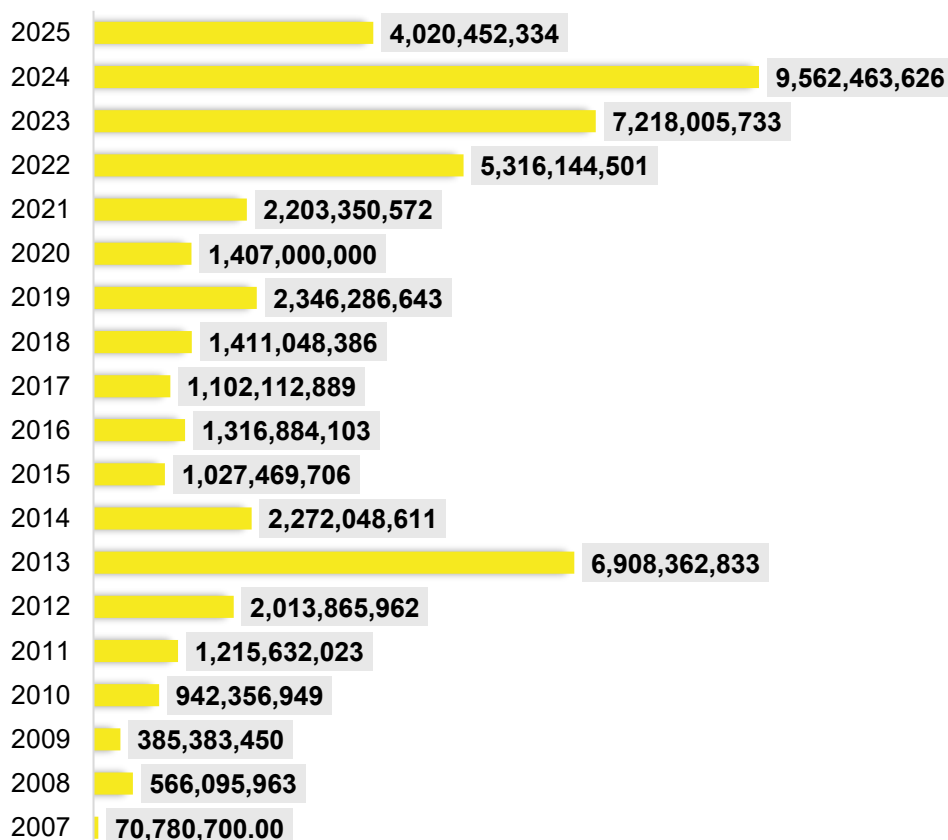
Table 68. Summary of companies authorized to conduct land rehabilitation, 2024

No	Name of enterprise	Date of license	License decision number	License expiration date
1	Mongolian Prospectors' Association NGO	2024-04-29	Order No. A/244 of the Minister of Environment and Tourism dated 29 April 2024	2029-04-29
2	Ulzii Environmental LLC	2024-04-29	Order No. A/244 of the Minister of Environment and Tourism dated 29 April 2024	2029-04-29
3	Arvin Achit LLC	2024-04-29	Order No. A/244 of the Minister of Environment and Tourism dated 29 April 2024	2029-04-29
4	Tavinlan LLC	2024-04-29	Order No. A/244 of the Minister of Environment and Tourism dated 29 April 2024	2029-04-29
5	Eco Erin Development LLC	2024-04-16	Order No. A/210 of the Minister of Environment and Tourism dated 16 April 2024	2029-04-16
6	EBEG LLC	2024-04-16	Order No. A/210 of the Minister of Environment and Tourism dated 16 April 2024	2029-04-16

Source: <https://eic.mn/>

Since 2007, approximately 390 enterprises have deposited a total of 47.7 billion MNT into the State Treasury's Special Environmental Protection and Rehabilitation Guarantee Account.

Graph 14. Balance of the environmental protection and rehabilitation guarantee account



Source: Ministry of Environment and Tourism

In 2024, under EITI Standard **Requirement 6.1**, rehabilitation data were collected through the electronic reporting system. **A total of 55 companies submitted rehabilitation information, reporting 3,579,204,108 MNT deposited** into the special account.

Detailed payment information and rehabilitated land data are provided in Annex 22.

As of 2024, within the framework of environmental rehabilitation, **a total of 145 enterprises in 63 soums of 21 aimags and four districts of Ulaanbaatar utilized 973.22 hectares of land and completed rehabilitation work on 518.70 hectares.**

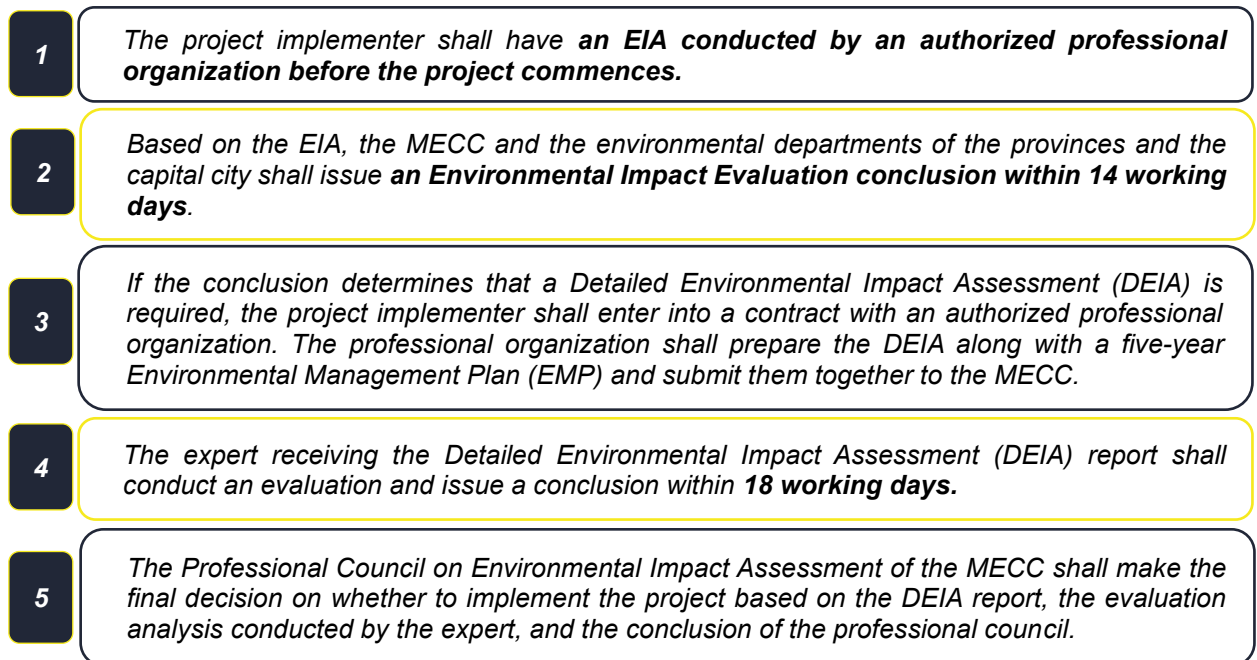
Detailed information is available through the Environmental Statistical Information Database at (eic.mn).

Environmental impact assessment (EIA) and management plan::

The purpose of the Environmental Impact Assessment is to protect the right to live in a healthy and safe environment, prevent environmental pollution and ecological imbalance, and ensure that natural resources are utilized and industrial or service activities are conducted without adverse impacts on the environment and human health. It also serves to pre-determine the environmental implications of sectoral policies and projects.

The mining sector is largely governed by the “**Law on Environmental Impact Assessment (2012)**”. Under this law, a “Baseline Environmental Assessment (BEA)” must be conducted before implementing any mining project. The process is illustrated below.

Figure 8. Process of conducting the Baseline Environmental Assessment (BEA)



From the Environmental Impact Assessment (EIA) mentioned above, an Environmental Management Plan (EMP) and a monitoring program are developed. These are designed to implement the recommendations and conclusions outlined in the EIA. Once mining operations begin, the EMP must be prepared and implemented in the following stages.

Figure 9. Stages of the Environmental Management Plan

- 1 The project implementer shall update and develop the annual Environmental Management Plan (EMP) each year based on environmental protection legislation, the results of the Detailed Environmental Impact Assessment (DEIA), and the approved EMP.
- 2 The performance and implementation report of the Environmental Management Plan (EMP) shall be submitted to the environmental department of the relevant province or the capital city where the project is being implemented by November 1 of the given year, and the implementation of the plan shall be inspected on-site, with the working group's conclusion issued by December 1.
- 3 A project implementer utilizing a mineral deposit shall prepare the relevant information on land rehabilitation resulting from mining operations in accordance with the annual report form on degraded land rehabilitation (Form BOH-3) and submit it to the Governor's Office of the respective soum or district by November 25 of each year. This form must be attached to the Environmental Management Plan (EMP).
- 4 The project implementer shall prepare the Environmental Management Plan (EMP) for the following year by attaching the implementation report of the current year's EMP along with the working group's conclusion and submit it to the MECC by December 20.
- 5 In accordance with Article 101 of the Law on Environmental Protection, the project implementer shall submit the environmental audit report conducted every two years on the implementation of the Detailed Environmental Impact Assessment (DEIA) report and the Environmental Management Plan (EMP) to the MECC together with the EMP of the respective year.
- 6 MECC shall review the implementation report of the Environmental Management Plan (EMP) for the respective year, assess its performance based on the conclusions, and review and approve the EMP to be implemented in the following year.

5.6 ELECTRONIC REPORTING SYSTEM

According to the Ministry of Environment and Climate Change (MECC), the environmental impact assessment reports of mining projects are **compiled in the environmental impact assessment information section** of the Environmental Information Database, in accordance with **Chapter 7 of the Law on Environmental Protection**.

You can access this database via the following link: <https://www.eic.mn/eia/>.

As of 2024, a total of **7,875** approved detailed environmental impact assessment **reports** have been recorded, of which **1,835 are related to the mining sector**. During the past year alone, 184 detailed environmental impact assessment reports were completed.

- Transparency and accessibility of information have improved;
- Information can now be obtained promptly and without delay;
- Data from different sources can be accessed in one place;
- License locations and comparative indicators can be viewed directly from the cadastral map;
- It is now possible to search and filter information from the integrated database on mining exploration, extraction, oil production, sales, and testing activities.

Figure 10. Principles followed in developing the electronic reporting system

Open and free access to information

- To publish information on the internet, thereby providing the public with access to information free of charge.

It must be accessible to the public.

- By using computer- and electronic-based tools, access to information is ensured, allowing stakeholders to view all types of information they need.

• Users can directly

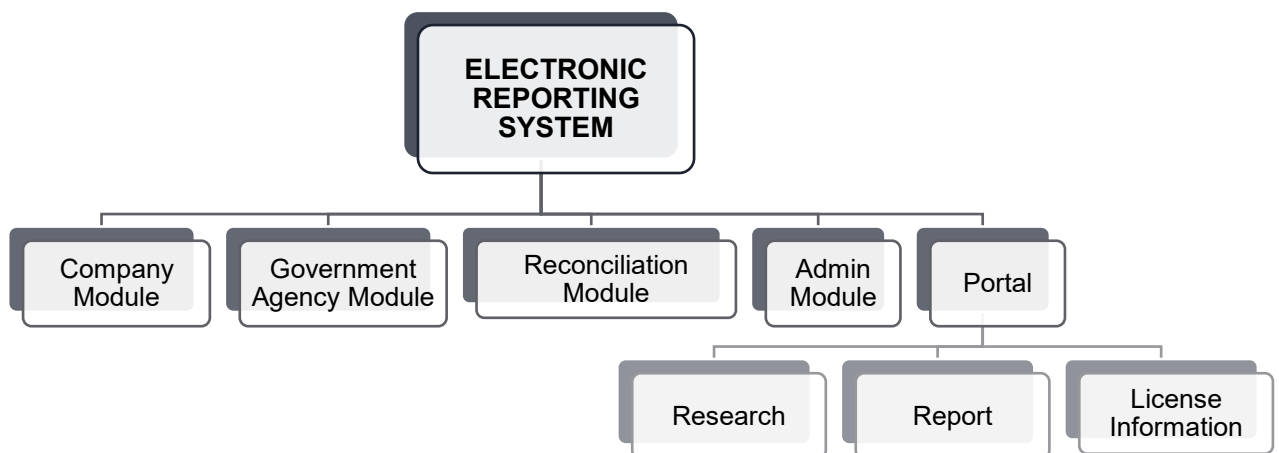
Currently, through the website <http://eitimongolia.mn/>, the public and citizens can freely access Mongolia’s EITI consolidated reports along with their annexes. In addition, the site provides key statistical overviews and information about activities in the mining sector as follows.

INFORMATION
AVAILABLE
FROM THE
WEBSITE

- Statistical information on issued licenses
- Statistical information on license movements
- Statistical information on exploration activities
- Statistical information on product sales
- Statistical information on taxes and payments
- Statistical information on donations and support
- Information on license movements
- Information on exploration activities
- Environmental impact assessments
- Statistical information on environmental rehabilitation
- Statistical information on contributions to the economy
- Contracts concluded between local administrative bodies and license holders
- Transparent and open companies
- Transparency of beneficial ownership
- Petroleum production sharing agreements
- Beneficial owners

Source: <https://www.eitimongolia.mn/>

Graph 15. User guide for the EITI electronic reporting system



Source: *User Guide for the EITI Electronic Reporting System*

5.7 WATER USE INFORMATION

Water use data are compiled through the electronic reporting form. In 2024, a total of **1,598,707,532.28 cubic meters** of water was contracted for use, of which **51,820,775.28** cubic meters, or **3.2 percent** of the contracted amount, was actually used. For the 110 selected companies, a total of **61,806,645,197.0 MNT** was collected as water use fees.

Table 69. Water usage

MEANING	AMOUNT
Contracted water usage volume (m ³)	1,598,707,532.3
Total water used (m ³)	51,820,775.3
Surface water used (m ³)	1,023,235.0
Groundwater used (m ³)	50,342,435.9
Water usage below contracted volume (m ³)	1,552,148,053.1
Water usage fee (MNT)	61,806,645,197.0
Water pollution fee (MNT)	887,255,559.5

Source: <https://www.eitimongolia.mn/>

In 2024, the top 10 companies that paid the highest water use fees together accounted for 97 percent of total payments, contributing 60,199,499,280.0 MNT. Detailed information on water use payments can be found in Annex 24a and 24b.

Table 70. TOP 10 companies paying the highest water use fees in 2024, in million MNT

	COMPANY NAME	WATER USAGE FEE	Percentage of total
1	Erdenet Mining Corporation SOE	30,232.9	48.9%
2	Oyutolgoi FILLC	22,124.6	35.8%
3	Energy Resource LLC	4,693.1	7.6%
4	TsairtMineral FILLC	652,711	1.1%
5	COAL LLC	629,638	1.0%
6	Khan Altai Resource LLC	549,179	0.9%
7	Shariin Gol JSC	465,081	0.8%
8	Southgobi Sands FILLC	429,582	0.7%
9	Naran Mandal Enterprises LLC	236,427	0.4%
10	Tsagaan-Uvuljuu LLC	186,315	0.3%
	TOTAL	60,199.5	97%

Source: <https://www.eitimongolia.mn/>

5.8 WASTE MANAGEMENT INFORMATION

In 2024, 37 companies paid a total of 1,531.6 million MNT in waste management fees.

These payments were concentrated in Ulaanbaatar and 14 provinces. Detailed data on waste volume and payments are available in Annex 25.

Table 71. Waste management data, m³

Waste generated by the plant	49,143	Non-hazardous	39,655
		Hazardous	9,487
Waste disposed	23,963	Hazardous	9,487
		Incinerated	1,569
		Treated chemically and physically	-

		Others	5,677
Waste transferred to specialized enterprises	25,134	Non-hazardous	19,100
		Hazardous	6,035

Source: <https://www.eitimongolia.mn/>

The following table presents information on the top 10 companies that made the highest waste management payments, based on data submitted through the electronic reporting system.

Table 72. TOP 10 companies paying the highest waste management fees, thousand MNT

No	COMPANY NAME	PROVINCE	PAYMENT MADE
1	Energy Resource LLC	Umnugovi	768,851.9
2	Erdenet Mining Corporation SOE	Orkhon	522,796
3	Erdenes Tavantolgoi JSC	Umnugovi	116,608
4	Khunt-Uguuj LLC	Umnugovi	26,400
5	MAK Cement LLC	Dundgovi, Dornogovi	18,813.6
6	Platinumland LLC	Bulgan	8,000
7	Southgobi Sands FILLC	Umnugovi	6,066
8	Olon Ikht Bayan LLC	Dornogovi	6,000
9	Sora International LLC	Dornogovi	6,000
10	Erdenemongol FILLC	Bayankhongor	6,000

Source: <https://www.eitimongolia.mn/>

5.9 GREENHOUSE GAS EMISSIONS AND PROJECT COSTS (requirements 3.4 and 4.10)

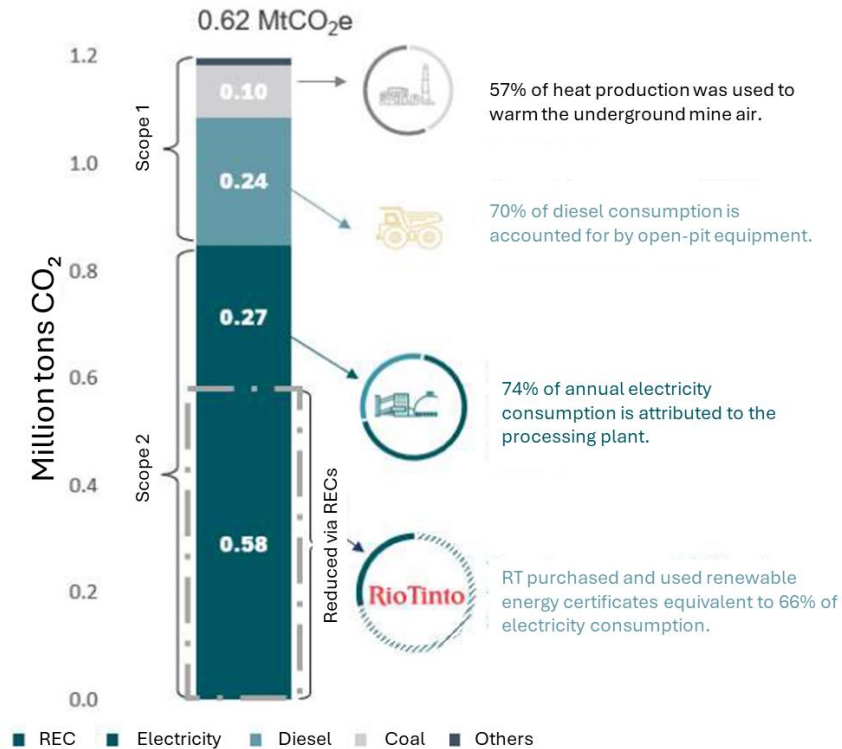
5.9.1 Oyu Tolgoi LLC greenhouse gas emissions

Since 2012, Oyu Tolgoi LLC has been measuring its greenhouse gas (GHG) emissions monthly and recording the data on Rio Tinto's S&E Survey platform. The main sources of the company's **Scope 1** GHG emissions are **diesel fuel used by mining equipment** and **coal used at the Central Heating Plant (CHP)**. **Scope 2** emissions originate from **electricity purchased from the Inner Mongolia Power Grid (IMPC) of China**. In recent years, renewable energy sources in the IMPC grid have increased, with the grid's composition now being **60 percent coal and 40 percent renewable energy**.

In 2024, Oyu Tolgoi's total GHG emissions amounted to **1.2 million tons of CO₂(eq)**, of which **0.35 million tons were Scope 1** and **0.85 million tons were Scope 2** emissions.

- 71 percent from electricity consumption (Scope 2)
- 20 percent from diesel fuel use (Scope 1)
- 8 percent from coal consumption (Scope 1)

Figure 11. Scope 1 and Scope 2 greenhouse gas emissions, 2024



Since early 2023, Rio Tinto has been reducing Oyu Tolgoi’s net GHG emissions by purchasing Renewable Energy Certificates (RECs) from China **equivalent to 66 percent of the company’s total electricity consumption**.

In 2024, Oyu Tolgoi purchased and used RECs equivalent to **977 GWh** of electricity, which reduced the company’s total GHG **emissions by 48 percent, down to 0.62 million tons of CO₂(eq)**.

Rio Tinto aims to reduce its greenhouse gas emissions by 15 percent for Scope 1 and 2 emissions by 2025 and by 50 percent by 2030 compared to 2018 levels, with a goal of achieving net-zero emissions by 2050. To implement this goal, Rio Tinto plans to **invest USD 7.5 billion** by 2030. For Oyu Tolgoi (OT), the target is to reduce emissions by 30 percent by 2025 and by 50 percent by 2030 compared to 2018 levels.

Oyu Tolgoi’s greenhouse gas reduction strategy:

Based on Oyu Tolgoi’s historical and long-term projections, **70 to 80 percent of total emissions** will continue to come from electricity consumption. Therefore, the greenhouse gas reduction strategy will be implemented through the following measures.

1. Introducing clean energy sources

Although there are many low-emission energy sources globally, the most realistic and feasible option is renewable energy.

OT/RT are developing a renewable energy project called OT RES, which aims to supply at least 30 percent of OT’s long-term annual electricity demand (**1,900 GWh**), equivalent to about **600 GWh**. In the future, OT plans to increase the share of renewable energy and, depending on regulatory and technical conditions, reach 70 percent renewable energy supply for its electricity needs.

2. Electrification of heavy equipment

Currently, the market offers limited options for electric heavy mining equipment, and most are still in early development stages. OT must balance electrification efforts without compromising the following:

- ✓ **Safety** – ensure adequate training for the operation and maintenance of new types of equipment.
- ✓ **Production targets** – as first-generation equipment may face operational or availability challenges, production targets could be affected.

Despite these challenges, OT is currently testing **14 electric units in the underground mine and 16 units** in the open pit (*including 8 heavy-duty trucks and 8 light vehicles*).

3. Phasing out coal use

OT's Central Heating Plant (CHP) consumes **40–50 thousand tons of coal** per year, supplying heat not only to camps, offices, and workshops but also to the underground mine's ventilation system during winter. About **60 percent** of annual heat production is used for **heating the underground mine's air**. After evaluating all feasible heating solutions, OT identified electric boilers as the most reliable alternative. However, to achieve real emission reductions, the electric boilers must be powered by at least 60 percent clean energy, meaning the electricity's GHG **emission factor should be 0.4 tons of CO₂/MWh**. Currently, this factor stands at **0.592 tons of CO₂/MWh**.

5.9.2 Oyu Tolgoi LLC project expenditures

Table 73. Oyu Tolgoi LLC project expenditures

Total expenses	Row323=row(324÷326+350+354+359)	323	x	11,779,900,299.1
Raw materials cost		324	Credit amount related to Account 14	776,577,478.7
Cost of goods purchased for resale		325	Amount related to Account 61	-
Service expenses	row 326=row(327 ÷349)	326		7,997,189,898.5
• Operating expenses		327		38,387.0
• Office supplies		328		153,928.8
• Fuel, oil, and lubricants		329		31,640.5
• Routine repair expenses		330		-
• Business trip (transportation)		331		-
• Business trip (lodging, meals)		332		46,717,261.3
• Transportation expenses		333		995,501,103.6
• Postal expenses		334		438,331.9
• Communication and internet service fees		335	Credit amount related to Account 31	-
• Bank and financial service charges		336		31,395,058.9
• Interest expenses		337		5,490,078,345.5
• Insurance premiums		338		1,527,357.5
• Building rental		339		53,674,813.7
• Machinery and equipment rental		340		942,677.0
• Research and analysis expenses		341		-
• Professional (external) service fees		342		646,423,510.2
• Advertising and promotion		343		4,723,145.4
• Machinery, equipment, and goods repair or installation services		344		-
• Occupational safety expenses		345		2,677,674.6
• Employee training expenses		346		2,650,627.8

Total expenses	Row323=row(324÷326+350+354+359)	323	x	11,779,900,299.1
• Health services		347		-
• Cleaning, beauty, and other services		348		-
• Other expenses		349		720,216,035.1
Total salaries and wages	row350=row(351 ÷ 353)	350		609,197,363.1
• Employee salary expenses		351		488,763,516.3
• Bonuses, aid, and support paid to employees in cash or in kind		352		-
• Social and health insurance contributions paid by the entity		353		120,433,846.9
Other expenses	row354=row(355 ÷ 358)	354	x	1,443,504,319.0
• Depreciation of fixed assets		355	Amount related to Account 20	1,291,238,310.1
• Penalty expenses		356	Amount related to Account 87	-
• Donations		357		96,109,669.9
• Foreign exchange loss		358		56,156,339.0
Taxes and fees		359		953,431,239.8

Source: Oyu Tolgoi LLC

5.9.3 Badrakh Energy LLC project expenditures

Table 74. Badrakh Energy LLC project expenditures, thousand MNT

Operating expenses	Amount
Salaries and benefits	5,205,784
Depreciation and amortization	582,016
Public relations	1,566,421
Technical assistance	478,992
IT - communications and supplies	192,975
Supply and material consumption	271,827
Professional fees	266,171
Sponsorship and donations	1,306,229
Insurance	134,798
Expense related to short-term leases and low value assets	83,469
Technical studies and services	59,752
Travel and mission expense	346,585
Operator fee charged by related parties	441,898
Other operating expenses, Camp and support	503,691
TOTAL	11,440,608
Operating expenses	Amount
Interest	19,442,507
Depreciation and amortization	858,303
Salaries and benefits	3,896,525
Land fees	82,952
Camp and support	2,269,165
Supply and material consumption	1,244,710
License fee	1,052,173
Technical studies and services	90,386
Operator fee	497,235
Technical assistance	2,053,953
Industrial site - Basic design studies	11,063,500
Foreign exchange losses and other	787,375
Other operating expenses	885,411
Total	44,224,195

Source: Badrakh Energy LLC



IMPLEMENTATION OF RECOMMENDATIONS



**CHAPTER
SIX**

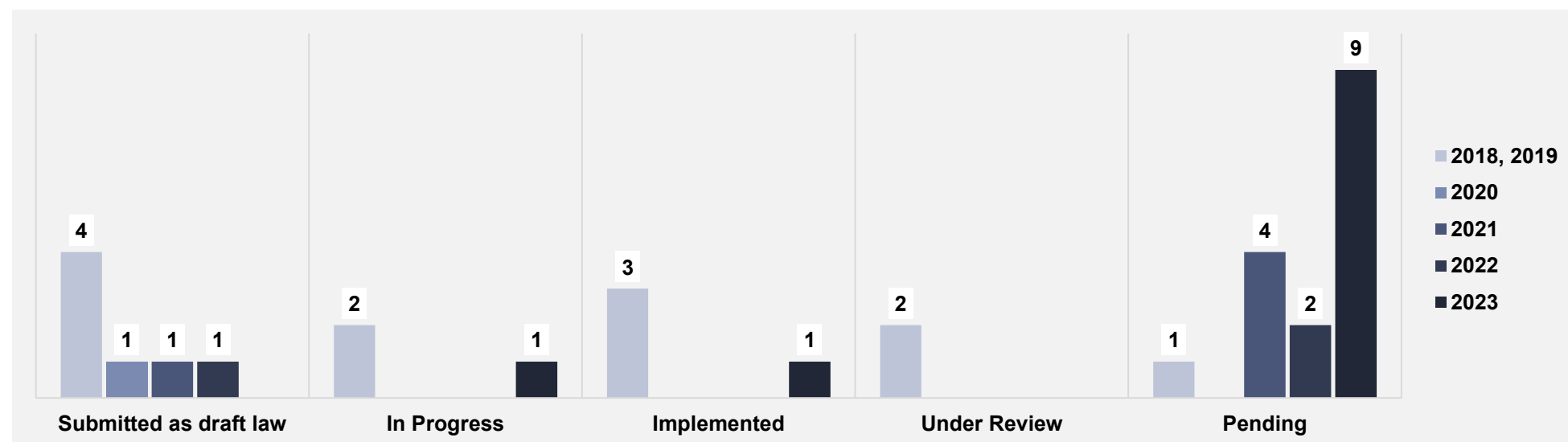


CHAPTER SIX. IMPLEMENTATION OF RECOMMENDATIONS

6.1 IMPLEMENTATION OF RECOMMENDATIONS FROM PREVIOUS CONSOLIDATED REPORTS

A total of 32 recommendations were included in the EITI reconciliation reports for 2018–2023. Their implementation status is shown below.

Graph 16. Implementation of Recommendations by status and year



Detailed information on the implementation of the recommendations can be found in the following table.

Table 75. Status of implementation of the Action Plan based on recommendations from the 2018, 2019, 2020, 2021, 2022, and 2023 EITI Mongolia Consolidated Reports — as of October 6, 2025

Objectives	Actions planned	Outcome	Responsible party	Timeline	Remarks	Supervising agency	Status
Objective 20. Implement recommendations from the 2018 and	20.1. Centralize extractive sector information at the Ministry of Mining and Heavy Industry (MMHI), review and verify the data before sharing with other government agencies;	Elimination of discrepancies in reported information.	Secretariat	Annually	Article 13.2 of the draft EITI Law[1] states that the mineral extraction information database shall be managed by the government agency responsible	MMHI, PWYP Coalition	Included in the draft Law on EITI.

Objectives	Actions planned	Outcome	Responsible party	Timeline	Remarks	Supervising agency	Status
2019 consolidated reports;					for geology, mining and petroleum.		
	20.2. Publish all donations received by local authorities on an electronic platform; ensure that local audit offices audit donation funds;	Increased accessibility of information.	Governors' Offices of relevant provinces		The 2023 State Budget Law stipulates that donations shall be received, recorded, and spent through the Local Development Fund (LDF).	Local Audit Office, MMHI,, PWYP Coalition	Implementation initiated.
	20.3. Upload audited financial statements to the EITI website;	Increased accessibility of information.	Secretariat		Under the Law on Public Information Transparency, entities are required to publish their reports independently.	MMHI,, PWYP Coalition	Implementation initiated.
	20.4. Disclose SOE Board members and make public the procedure and criteria for selecting independent members;	Increased accessibility of information.	Secretariat		"Disclose SOE Board members and make public the procedure and criteria for selecting independent members;- this recommendation has been incorporated into Article 8.6.6 of the Law on Public Information	MMHI, PWYP Coalition	Implemented.
	20.5. Make minutes of SOE Board meetings publicly available;	Increased accessibility of information.	Secretariat	Annually	To be addressed under the EITI Law.	MMHI, PWYP Coalition	Included in the draft Law on EITI.
	20.6. Upload companies' Environmental Impact Assessment (EIA), Management Plans, and Reports on the EITI website;	Increased accessibility of information.	Secretariat	Annually	Relevant provisions have been included in Articles 7.1.10(b) and 7.1.15(a) of the draft EITI Law[2].	MMHI, PWYP Coalition	Under review.
	20.7.MSWG should study major manufacturers and subcontractors in the processing sector, pre-select companies that make significant contributions to the state budget, officially notify them, and enter their basic information into the electronic reporting system to enable them to submit transparency reports, thereby	Increased accessibility of information.	Secretariat	Annually	To be addressed under the EITI Law.	MMHI, PWYP Coalition	Under review.

Objectives	Actions planned	Outcome	Responsible party	Timeline	Remarks	Supervising agency	Status
	including them in the EITI reconciliation;						
	20.8 Although annual reconciliation reports provide recommendations on ensuring the accuracy of reports submitted by companies and government agencies and on institutionalizing the submission of EITI reports, there has been little progress in this area, highlighting the importance of adopting and enforcing the Law on Mineral Resource Transparency.	Increased accessibility of information.	Secretariat	Annually	The draft EITI law[3] developed by the Ministry of Justice and Home Affairs is under public discussion. To be addressed within the framework of the EITI Law.	MMHI, PWYP Coalition	Included in the draft Law on EITI.
	20.9. Although the amendment to the law affected the procedures for imposing and paying the mineral resource royalties on gold companies by the General Department of Taxation (GDT), it does not impact the accuracy of EITI reporting or the monitoring of royalty assessment and payments. Therefore, the GDT should improve its information systems and pay further attention to ensuring accurate EITI reporting;	Increased accessibility of information.	General Department of Taxation	Annually	Since the amendment to the Minerals Law in March 2019 increased the mineral resource royalty rate on gold sold to the Bank of Mongolia and its authorized commercial banks to 5.0%, it is necessary to study how this change affects royalty assessment and payments by gold-mining companies and individuals. The Bank of Mongolia should continue improving its relevant information systems, while companies and individuals should focus on accurate EITI reporting.	MMHI, PWYP Coalition	

Objectives	Actions planned	Outcome	Responsible party	Timeline	Remarks	Supervising agency	Status
	20.10. Eliminate discrepancies between the information in the Mineral Resources and Petroleum Authority's (MRPA) cadastre system and the EITI electronic reporting system, and operate the electronic reporting system based on a single unified data source. Information on common mineral licenses issued in rural areas should be promptly entered into the cadastre system and made publicly available;	Increased accessibility of information.	Mineral Resources and Petroleum Authority / Secretariat	Annually	-	MMHI	Information on valid licenses is currently updated once a year in the EITI reporting system.
	20.11. Data submitted electronically should be verified by participating entities and made fully public. Alternatively, selected companies' data could be reviewed and improved by the Independent Administrator/Reconciler before publication to ensure transparency;	Increased accessibility of information.	Secretariat	Annually	To be addressed under the EITI Law.	MMHI	Included in the draft Law on EITI.
	20.12. It is advisable that operations consider that, as the involvement of the Independent Administrator decreases in the future, greater emphasis will be placed on the quality and accuracy of the data. To this end:						
	1. Provide training, guidance, and take appropriate measures for entities that show the largest discrepancies, fail to disclose information publicly, or do not take responsibility for reporting.	Timely publication of reports.	Secretariat	Annually	Training is proposed for January and February 2025.	MMHI	Training is planned to be conducted in 2026.
	2. Deliver the 2019 Mongolia EITI reconciliation report with an official letter and advise on future cooperation.	Enhanced quality of reports.	Secretariat		The report has been published on the official website.		Implemented.

Objectives	Actions planned	Outcome	Responsible party	Timeline	Remarks	Supervising agency	Status
Objective 21. Implement the recommendations provided in the 2020 flexible reconciliation report;	21.1 It is necessary to institutionalize a system in which transparency reports submitted by the Government are verified by the State Audit Office, and company reports are certified by independent audit organizations;	Enhanced quality of reports.	Secretariat	Annually	Relevant provisions have been included in Articles 17.3 and 18.4 of the draft Law on EITI[4].	MMHI	Included in the draft Law on EITI.
Objective 22. Implement the recommendations provided in the 2021 flexible reconciliation report;	22.1 Pay attention to the recurring discrepancies between government revenues and company payments observed each year, and improve data quality;	Enhanced quality of reports.	Secretariat	Annually	Proposal to develop a training plan.	MMHI	Training is planned to be conducted in 2026.
	22.2 Configure the EITI electronic reporting system to ensure that uploaded data sets are complete and error-free;	Enhanced quality of reports.	Secretariat	Annually	The EITI electronic reporting system is being improved to reduce errors.	MMHI	Additional contract to be signed for configuration work.
	22.3 In the coming years, prepare non-flexible reconciliation reports that cover a larger number of companies, and allocate the necessary budget and resources for this purpose.	Expanded coverage of reports.	Secretariat		The approach of developing the 2025 reconciliation report based on a risk-based methodology is under review.	MMHI	Additional contract to be signed for configuration work.
	22.4 Continue improving the quality of reports, disclose more types of information, and ensure that reporting is clear and understandable to users;	Improved use of reports..	Secretariat	Annually	Further improvement of the EITI electronic reporting system is required.	MMHI	Additional contract to be signed for configuration work.
	22.5 Enhance contract transparency—for example, by disclosing information and provisions in mining agreements that are not subject to confidentiality. The government should assume responsibility for institutionalizing the operation of the contract information database;	Improved transparency of contracts.	Secretariat	Annually	Relevant provisions have been included in Article 7.1.3 of the draft Law on EITI[5].	MMHI, PWYP Coalition	Included in the draft Law on EITI.

Objectives	Actions planned	Outcome	Responsible party	Timeline	Remarks	Supervising agency	Status
Goal 23. Implement the recommendations provided in the 2022 reconciliation report;	23.1 The Ministry of Mining and Heavy Industry (MMHI), the Ministry of Finance (MoF), and other relevant institutions should pay special attention to institutionalizing the practice of ensuring that all state-owned enterprises (SOEs) participating in the reconciliation fully and accurately certify and submit their transparency reports;	Compliance with international standards.	Secretariat	Annually	The MMHI State Secretary sent an official letter in November assigning the preparation of an implementation plan. Erdenes Tavantolgoi has approved its plan.	MMHI	MMHI delivered an official letter.
	23.2 Companies and government agencies should make progress in introducing and institutionalizing quality improvements in the EITI reporting process, and ensure the accuracy and reliability of the reports.	Compliance with international standards.	Secretariat	Annually	The MMHI State Secretary sent an official letter in November assigning the development of a plan and informing the relevant government.	MMHI	MMHI delivered an official letter.
	23.3 Since the process of fully obtaining information on the implementation of EITI requirements from SOEs is unclear, attention should be paid to ensuring compliance with standards and requirements;	Compliance with international standards.	Secretariat	Annually	The MMHI State Secretary sent an official letter in November assigning the preparation of a plan.	MMHI	Included in the draft Law on EITI.
Objective 24. Implement the recommendations provided in the 2023 reconciliation report;	24.1 To reduce discrepancies between government revenues and company payments, improve reporting rates in the system—especially ensuring that data from local government organizations is fully entered;	Increased accessibility of information.	Secretariat	Annually	Organize training for local government organizations.	MMHI	Training is planned to be conducted in 2026.
	24.2 Send specific recommendations and appeals to companies that do not publicly disclose information or fail to fully submit their data to the reporting system;	Increased accessibility of information.	Secretariat	Annually	Issue recommendations and appeals.	MMHI	Names of non-reporting companies will be disclosed publicly.
	24.3 Remind provincial and district governor's offices to enter complete data into the reporting system within the designated deadlines each year, and issue time-bound instructions;	Increased accessibility of information.	Secretariat	Annually	The MMHI State Secretary's official letter will be sent in January 2025.	MMHI	Training is planned to be conducted in 2026.

Objectives	Actions planned	Outcome	Responsible party	Timeline	Remarks	Supervising agency	Status
	24.4 Organize capacity-building training and awareness activities for data entry staff to ensure that information entered into the EITI electronic reporting system is - accurate and complete;	Increased accessibility of information.	Secretariat	Annually	Conduct training for staff working on the reports..	MMHI	Training is planned to be conducted in 2026.
	24.5 Have civil society or research organizations conduct monitoring of the transparency reports uploaded to the electronic system;	Strengthened oversight of reporting.	Secretariat	Annually	Commission research through representatives of civil society organizations.	MMHI, PWYP Coalition	To be included in the 2026 plan.
	24.6 In the process of clarifying incomplete or inaccurate information during reconciliation, take measures against employees or officials who failed to respond to official inquiries or refused to provide information;	Strengthened oversight of reporting.	Secretariat	Annually	Publish the names of companies and organizations identified in the 2023 reconciliation report on the official website.	MMHI	Pending.
	24.7 For entities that failed to submit their reports to the electronic system on time, the system should allow extensions and ensure their data is collected without exception;	Strengthened oversight of reporting.	Secretariat	Annually	Late reports are currently being collected in paper format.	MMHI	In progress.
	24.8 Since common reporting errors and delays in clarifications are linked to the accountability of responsible employees, organize awareness and accountability measures to improve staff responsibility;	Strengthened oversight of reporting.	Secretariat	Annually	Conduct training for staff working on reports.	MMHI	Training is planned to be conducted in 2026.
	24.9 Organize training and awareness activities for staff of provincial and district governor's offices on how to enter data into the EITI electronic reporting system;	Increased reporting capacity.	Secretariat	Annually	Conduct training for local organizations.	MMHI	Online training conducted on May 7.
	24.10 Adjust the software configuration of the electronic reporting system to ensure that uploaded data sets are complete and error-free;	Increased accessibility of information.	Secretariat	Annually	Perform system configuration adjustments	MMHI	Additional contract to be signed for configuration work.

Objectives	Actions planned	Outcome	Responsible party	Timeline	Remarks	Supervising agency	Status
	24.11 Although the electronic reporting system has been updated and improved, several issues remain in preparing reconciliation reports—for instance, the inability to download data submitted by companies and organizations in Excel format, and the inability to view how many companies have submitted data for each indicator. These aspects should be improved.	Improved quality of information.	Secretariat	Annually	Perform system configuration adjustments	MMHI	Additional contract to be signed for configuration work.

6.2 ACTION PLAN TO IMPLEMENT THE RECOMMENDATIONS PROVIDED IN THE 2022 VALIDATION REPORT

Table 76. Action plan to implement the recommendations provided in the 2022 Validation Report

Objectives	Actions planned	Outcome	Responsible party	Time-line	Remarks	Supervising agency	Status
Objective 25. Implement measures in accordance with the recommendations provided in the 2022 EITI Validation Report;	25.1 Develop the 2023 EITI work plan in accordance with international standards, review it during the first half of the year, and regulate the process for making necessary amendments;	Improved quality of the work plan.	Secretariat		The 2023 Work Plan has been developed, approved, and implemented in compliance with EITI Standard requirements.[6]	MMHI	Implemented.
	25.2 Include members of local civil society organizations in capacity-building training;	Enhanced capacity of civil society organization staff.	Secretariat	Annually	Capacity-building activities are being carried out in cooperation with civil society organizations.	MMHI, PWYP Coalition	It is proposed to resolve within the framework of the EITI Law.
	25.3 Encode and open up EITI and other data sets to the public, and enable comparisons with other publicly available datasets;	Improved use of information.	Secretariat	Annually	The EITI electronic reporting system is being improved to lay the foundation for open data access.	MMHI	It is proposed to resolve within the framework of the EITI Law.
	25.4 Establish a sub-working group to monitor the implementation of recommendations made in annual EITI reports and to conduct self-assessments, with results to be presented to the Working Group and National Council;	Strengthened self-monitoring and oversight.	Secretariat	Annually	All recommendations have been received and reflected in the work plan and the draft Law on EITI.	MMHI	It is proposed to resolve within the framework of the EITI Law.
	25.5 Have a senior-level government official make a public statement to promote EITI implementation in Mongolia;	Contributes to enhancing the reputation of Mongolia.	Secretariat	Annually	Pending.	MMHI	It is proposed to resolve within the framework of the EITI Law.
	25.6 Strengthen and regulate the participation of company representatives and management in EITI activities;	Increased participation and engagement of companies.	Secretariat	Annually	Pending.	MMHI	It is proposed to resolve within the framework of the EITI Law.
	25.7 Organize a national dialogue on the validation results and recommendations;	Achieves a shared understanding	Secretariat		Held in June 2024 in cooperation with the World Bank; a sub-working group has been established.	MMHI	Implemented. A seminar will be organized again in 2026.

Objectives	Actions planned	Outcome	Responsible party	Time-line	Remarks	Supervising agency	Status
		of objectives and goals.					
	25.8 Revise the rules of procedure for Mongolia's EITI National Council and Working Group to increase gender representation and introduce additional ethical requirements;	Ensures compliance with international standards.	Secretariat	Annually	Pending.	MMHI	It is proposed to resolve within the framework of the EITI Law.
	25.9 Develop and institutionalize systematic information sharing with the Geological Information Center to ensure transparency of ongoing and planned exploration activities and geological data;	Ensures compliance with international standards.	Secretariat	Annually	Relevant provision included in Article 7.1.5 of the draft Law on EITI [7].	MMHI	It is proposed to resolve within the framework of the EITI Law.
	25.10 Ensure transparency in employment data in the mining sector, disaggregated by gender, company, and occupation, as well as information on informal mining activities;	Ensures compliance with international standards.	Secretariat	Annually	Relevant provision included in Article 7.1.14 of the draft Law on EITI[8].	MMHI	Information is now accessible via the website www.ereports.eitimongolia.mn
	25.11 Institutionalize systematic disclosure by government agencies and regulate citizen participation in monitoring activities;	Ensures compliance with international standards.	Secretariat	Annually	Pending.	MMHI	It is proposed to resolve within the framework of the EITI Law.
	25.12 Regularly update the online transparency portal for contracts, ensuring that all contracts, amendments, licenses, and annexes signed since January 1, 2021, are fully disclosed;	Ensures compliance with international standards.	Secretariat	Annually	Pending.	MMHI	A total of 1,459 contracts have been published on the website www.lltodgeree.mn
	25.13 Disclose legal provisions and administrative acts related to environmental management and investment monitoring in the extractive sector.	Ensures compliance with international standards.	Secretariat	Annually	Relevant provisions included in Articles 7.1.1, 8.1.1, 9.1.1, and 10.1.1 of the draft Law on EITI[9].	MMHI	It is proposed to resolve within the framework of the EITI Law.

Objectives	Actions planned	Outcome	Responsible party	Time-line	Remarks	Supervising agency	Status
	25.14 Disclose all information on licenses, including newly issued, transferred, directly granted, or tendered licenses;	Ensures compliance with international standards.	MRPA	Annually	Relevant provision included in Article 7.1.2 of the draft Law on EITI[10].	MMHI	Information is now accessible via the MRPA website www.ereports.eitimonngolia.mn
	25.15 Disclose application, issuance, and expiry dates for each license.	Ensures compliance with international standards.	MRPA	Annually	Relevant provision included in Article 7.1.2 of the draft Law on EITI[11].	MMHI	Information is now accessible via the MRPA website www.ereports.eitimonngolia.mn
	25.16 Disclose detailed beneficial ownership information—including name, country of incorporation, nationality, country of residence, and whether the person is politically exposed—as well as the level and means of ownership or control;	Clarifies roles and responsibilities and ensures compliance with international standards.	GASR	Annually	Disclosure of beneficial owners began in accordance with Article 8.6.19 of the Law on Public Information Transparency, which took effect in 2022. Relevant provision included in Article 7.1.11 of the draft Law on EITI[12].	MOJHA	The website is operational https://beneficialowner.mn
	25.17 Disclose rules and regulations governing financial relationships between the Government and state-owned enterprises (SOEs), including reinvestment and third-party financing, along with explanatory annual reports;	Ensures compliance with international standards.	Secretariat	Annually	Relevant provision included in Article 7.1.12 of the draft Law on EITI[13].	MMHI	It is proposed to resolve within the framework of the EITI Law.
	25.18 Disclose how companies transport and sell petroleum belonging to the state and ensure transparency in the process of selecting buyer companies;	Ensures compliance with international standards.	Secretariat	Annually	Relevant provision included in Article 7.1.12(j) of the draft Law on EITI[14].	MMHI	It is proposed to resolve within the framework of the EITI Law.

Objectives	Actions planned	Outcome	Responsible party	Time-line	Remarks	Supervising agency	Status
	25.19 Disclose complete and accurate information on all transfers between companies and SOEs, between SOEs and government agencies, and between the Government and SOEs that exceed the materiality threshold;	Ensures compliance with international standards.	Secretariat	Annually	Relevant provision included in Article 7.1.12(e) of the draft Law on EITI[15].	MMHI	It is proposed to resolve within the framework of the EITI Law.
	25.20 Develop the EITI process to ensure that budget-like expenditures of SOEs with material payments are disclosed at the same level of transparency as other payment and revenue flows, including their subsidiaries and branches;	Ensures compliance with international standards.	Secretariat	Annually	Relevant provision included in Article 7.1.12(e) of the draft Law on EITI[16].	MMHI	It is proposed to resolve within the framework of the EITI Law.
	25.21 Collect and disclose production volume and price data for all mineral commodities produced in a timely and disaggregated manner by product;	Ensures compliance with international standards.	MRPA	Annually	Relevant provision included in Article 7.1.6 of the draft Law on EITI[17].	MMHI	It is proposed to resolve within the framework of the EITI Law.
	25.22 Systematically disclose export data for mining products, disaggregated by region, company, or project, and make the methodology for calculating export volumes and prices transparent;	Ensures compliance with international standards.	MRPA	Annually	Relevant provision included in Article 7.1.6 of the draft Law on EITI[18].	MMHI	It is proposed to resolve within the framework of the EITI Law.

Objectives	Actions planned	Outcome	Responsible party	Time-line	Remarks	Supervising agency	Status
	25.23 Fully and publicly disclose all material payments made by mining, petroleum, and natural gas companies to the Government, as well as all material revenues the Government receives from these companies, ensuring comprehensive accessibility and transparency;	Ensures compliance with international standards.	Secretariat	Annually	Relevant provision included in Article 7.1.7 of the draft Law on EITI[19].	MMHI	It is proposed to resolve within the framework of the EITI Law.
	25.24 Consider and disclose any arrangements in which the right to extract minerals, oil, or gas involves the exchange of goods or services (such as loans, guarantees, or infrastructure projects), including resource-backed loans consistent with EITI Requirement 4.3 on barter-type transactions.;	Ensures compliance with international standards.	Secretariat	Annually	Relevant provision included in Article 7.1.13 of the draft Law on EITI[20].	MMHI	It is proposed to resolve within the framework of the EITI Law.
	25.25 Take measures to disclose additional information on transportation contracts in the extractive sector, including the type of products transported, transport routes, and the companies and entities involved;	Ensures compliance with international standards.	Secretariat	Annually	Relevant provision included in Article 7.1.6 of the draft Law on EITI[21].	MMHI	It is proposed to resolve within the framework of the EITI Law.
	25.26 Disclose all revenues earned by the Government from the mineral sector and all taxes and fees paid by extractive companies, disaggregated by project;	Ensures compliance with international standards.	General Department of Taxation	Annually	Pending.	Ministry of Finance	It is proposed to resolve within the framework of the EITI Law.

Objectives	Actions planned	Outcome	Responsible party	Time-line	Remarks	Supervising agency	Status
	25.27 Explore innovative reporting approaches and use existing government portals to provide timely, accessible, and demand-driven transparency tools for government, industry, and civil society stakeholders;	Ensures compliance with international standards.	Secretariat	Annually	Pending.	MMHI	It is proposed to resolve within the framework of the EITI Law.
	25.28 Ensure that data reported annually by companies (as payments made) and by government agencies (as revenues received) are independently audited, certified as accurate, and compliant with international auditing standards;	Ensures compliance with international standards.	Secretariat	Annually	Relevant provisions included in Articles 17.3 and 18.4 of the draft Law on EITI[22].	MMHI	It is proposed to resolve within the framework of the EITI Law.
	25.29 Disclose to the public which revenues collected from the extractive sector—whether in cash or in kind—are recorded in the state budget;	Ensures compliance with international standards.	Secretariat	Annually	Pending.	MMHI	It is possible to be addressed within the framework of the Sovereign Wealth Fun
	25.30 Utilize the EITI process as a rapid and transparent communication tool to improve public understanding of revenue stability and Mongolia's dependence on mineral resources;	Ensures compliance with international standards.	Secretariat	Annually	Pending.	MMHI	It is proposed to resolve within the framework of the EITI Law.
	25.31 Disclose, by province and soum, all taxes paid by companies above the materiality threshold and all revenues received by the government at the local level;	Ensures compliance with international standards.	Secretariat	Annually	Relevant provision included in Article 7.1.7 of the draft Law on EITI[23].	MMHI	It is proposed to resolve within the framework of the EITI Law.

Objectives	Actions planned	Outcome	Responsible party	Time-line	Remarks	Supervising agency	Status
	25.32 Disclose all payments transferred from extractive revenues to local governments (provinces and soums);	Ensures compliance with international standards.	Secretariat	Annually	Relevant provision included in Article 7.1.8 of the draft Law on EITI[24].	MMHI	Can be addressed in accordance with the Budget Law.
	25.33 Disclose all mandatory social expenditures required by law, including amounts specified in local development agreements or investment-related contracts.	Ensures compliance with international standards.	Secretariat	Annually	Relevant provision included in Article 7.1.3(d) of the draft Law on EITI[25].	MMHI	Can be addressed in accordance with the Budget Law.

6.3 RECOMMENDATIONS ON EITI REPORTING AND ITS IMPLEMENTATION

The results of the 2024 EITI reconciliation show that, compared to previous years, the quality of data and reporting, as well as the engagement of stakeholders, has declined — indicating several areas that require attention.

Government agencies — *especially those at the local level* — *continue to submit incomplete or missing information*, while companies likewise persist in providing inaccurate or partial reports.

- ✓ This situation reflects not only technical shortcomings but also *the lack of a fully developed culture of transparency and understanding of its importance at the policy level*.
- ✓ Therefore, *to improve the quality of EITI implementation, clarify stakeholder roles and responsibilities*, and *institutionalize a culture of transparency*, the following recommendations are made:

1) INSTITUTIONALIZE TRANSPARENCY IN THE LEGAL FRAMEWORK.

Adopt the “Law on Mineral Resource Transparency” without delay, or incorporate transparency provisions into the “Minerals Law” and related rules and procedures. It is necessary to *clearly define the responsibilities, reporting obligations, monitoring, incentives, and accountability* mechanisms under the EITI framework.

By adopting the legislation, transparency *standards would be established as an integral part of state policy, creating the conditions to institutionalize the participation of government, companies, and civil society*.

2) STRENGTHEN COMPANY REPORTING AND ACCOUNTABILITY SYSTEMS.

It is necessary to reflect the obligations of companies participating in the EITI *in the law, in license conditions, and in contractual terms*, and *to introduce a mechanism that imposes specific accountability measures in cases where reports are not submitted*.

To promote good practices in transparency, establishing an “Open Company Rating” and *publicly announcing it each year* would be an effective measure to increase company participation.

Internal control and accountability can also be *improved by including transparency indicators in the performance criteria of the members of the boards of directors* of state-owned enterprises.

Although a draft law on the mineral resources sector has been developed, it has not yet been enacted, and therefore it remains necessary to enhance corporate accountability within the existing legal framework. Specifically, under Article 48.10 of the Minerals Law, companies are obliged to ensure the transparency of information reported under the EITI framework. Failure to comply with this obligation can lead to legal sanctions in accordance with Article 7.11, paragraph 2.2 of the Law on Infringements. Accordingly, it is essential to consistently hold companies legally accountable if they fail to submit transparency reports or to cooperate in the reconciliation process, as this would significantly improve EITI implementation. It is recommended to update the Government resolution related to EITI implementation in order to formalize these obligations and responsibilities, and to discuss the reconciliation report results and the implementation status of EITI at the Government meeting, followed by the adoption and execution of specific corrective measures.

3) SUPPORTING LOCAL ORGANIZATIONS' REPORTING AND CAPACITY AT THE POLICY LEVEL.

In order to ensure that EITI implementation at the local level is stable and effective, policies are needed to simultaneously **strengthen the capacity, accountability** of personnel responsible for data, and **institutional systems**. For this purpose, the legal and institutional position of the officials responsible for EITI information must be clearly defined.

This position should include, *in the job description and performance indicators*, responsibilities for progress in annual reporting and the accuracy of data entry.

It would also be effective to implement an annual training program for local EITI focal officers on topics such as the **EITI electronic reporting system, data quality assessment, and transparency standards**. In addition, a local transparency sub-portal integrated with the EITI electronic reporting system should be developed to provide citizens with *open access to information on provincial, soum, and district revenues, expenditures, and allocations*.

4) IMPROVING COORDINATION AND INFORMATION SHARING AMONG GOVERNMENT AGENCIES.

One of the main difficulties encountered in EITI reporting has been the **lack of coordination and information exchange among government institutions**.

When requesting information, some organizations **fail to respond**, **avoid providing data**, or **submit incomplete information**.

As a result, it becomes impossible to obtain complete data required for EITI reporting, ***creating a risk of reduced report quality***. Therefore, the following measures are proposed:

- ✓ Clarify the responsibility for requesting and providing information, and require all relevant parties to submit complete information in a timely manner during report preparation.
- ✓ Impose accountability measures on organizations and officials that fail to provide information, delay submissions, or provide incomplete data.
- ✓ Conduct training for government employees on EITI reporting standards, timely data submission, and inter-agency coordination.

5) IMPROVING THE TRANSPARENCY OF BENEFICIAL OWNERSHIP INFORMATION

Under the EITI framework and the state registration of legal entities, the process of verifying beneficial ownership information is not currently implemented, which poses challenges to ensuring the accuracy, reliability, and transparency of such data. Therefore, it is recommended to:

- ✓ Establish legal and methodological mechanisms for verification of beneficial ownership information through cooperation between the legal entity registration authority and relevant government agencies, and develop procedures to review the accuracy of the reported information.
- ✓ Introduce regulations requiring companies to disclose their ownership structure diagrams and to publicly declare whether their beneficial owners are politically exposed persons (PEPs), related parties, or nominee owners acting on behalf of others.

6) ENHANCING THE LEGAL AND REGULATORY FRAMEWORK FOR CONTRACT TRANSPARENCY

- ✓ Further improve the legal framework for ensuring contract transparency, and establish a legal environment that requires the disclosure of all types of contracts related to the exploration, prospecting, extraction, processing, transportation, infrastructure, and sale of

mineral resources, as well as contracts concluded between state bodies, state-owned or locally owned enterprises, and their affiliates.

- ✓ Since natural resources are public property, all contracts, agreements, and related processes concerning them must be open to public oversight. However, certain provisions of the Law on Transparency of Public Information and the Law on State and Official Secrets currently allow for the classification of information related to natural resources, thereby limiting transparency. Therefore, it is necessary to narrow the scope of confidentiality and enhance opportunities for public scrutiny.
- ✓ The Ministry of Mining and Heavy Industry (MMHI), as the main body responsible for EITI implementation, should pay particular attention to contract transparency, support the operation of the online database www.iltodgeree.mn, and institutionalize the responsibilities and procedures of state and local authorities regarding the publication of contracts.

7) RELATED TO AUDIT RECONCILIATION

Customs duties and customs VAT continue to be confused: This year, many errors were found where local tax revenues were incorrectly adjusted with state budget tax amounts. Regularly provide reporting companies with information in cooperation with professional institutions. Continuously inform them about the frequently corrected tax types and how to input reports based on the correct tax bases.

Incomplete information was again received from local authorities: Supply partner government agencies with sufficient information and explain the importance of information sharing.

Discrepancies were found due to poor data submission from both companies and government agencies: Regularly provide education and awareness on the benefits of public disclosure of this information, its importance, and how to correctly interpret data from reports.

Discrepancies occurred due to reports submitted on an accrual basis instead of a cash basis: Provide public guidance and video instructions on how to correctly fill out the transparency report template.

8) ESTABLISHING A MECHANISM TO ENSURE THE IMPLEMENTATION OF RECOMMENDATIONS

Over the past six years, a total of 32 recommendations has been made through the EITI reconciliation reports, of which 50 percent remain pending for implementation as of 2025. This indicates the absence of an effective mechanism to ensure the systematic implementation of recommendations. Therefore, it is essential to strengthen the process for improving recommendation follow-up and establishing a robust mechanism to ensure their implementation.

ANNEXES

ANNEX	INFORMATION
Annex 1	Information on companies covered in the 2024 Mongolia EITI Report
Annex 2	Officials from government agencies who provided data for the reconciliation work
Annex 3	Officials from local administrative organizations who provided data for the reconciliation work
Annex 4	List of reporting templates sent to companies
Annex 5	Reporting templates sent to government agencies
Annex 6	Information submitted by companies
Annex 7	Information submitted by government agencies
Annex 8	Clarifications made for companies, by payment type
Annex 9	Unexplained discrepancies in the initial reconciliation (by company)
Annex 10	Initial reconciliation, corrections, and post-correction reconciliation (by company)
Annex 11	Unexplained discrepancies, by company
Annex 12	Major national revenue streams after reconciliation adjustments, by government data
Annex 13	Major local revenue streams after reconciliation adjustments, by government data
Annex 14	Employment information
Annex 15A	List of mining (exploitation) licenses (as of December 31, 2024)
Annex 15B	List of exploration licenses (as of December 31, 2024)
Annex 15C	List of newly issued licenses in 2024
Annex 15D	List of exploration and mining licenses revoked in 2024
Annex 15E	List of disqualified entities
Annex 16A	Coal production volume in 2024
Annex 16B	Domestic and export sales volume and average (thousand tons) in 2024
Annex 17	Status of audited financial statements
Annex 18	Composition of Boards of Directors
Annex 19A	Shareholder information
Annex 19B	Beneficial owners (individuals)
Annex 19C	Beneficial owners (legal entities)
Annex 19D	Dividends
Annex 20	Information on contracts made with local administrative organizations
Annex 21	Project-level information
Annex 22	Environmental rehabilitation information submitted by companies
Annex 23A	Evaluation of company participation in EITI reconciliation
Annex 23B	Evaluation of government and state institutions' participation in EITI
Annex 24A	Water usage information
Annex 24B	Water usage fees paid to the government (by company)
Annex 25	Waste management information
Annex 26A	Information on electricity and steel ball usage
Annex 26B	Purchases of mineral raw materials and fuel consumption

Annex 26C	Information on food products used (meat, milk, dairy products)
Annex 26D	Information on occupational safety and hygiene products used
Annex 27	Information on subcontractors
Annex 28	Information from the Glass Accounts of state-owned enterprises
Annex 29	Loan information of state-owned and private enterprises
Annex 30	Resource data
Annex 31	Information on impact zones
Annex 32	Information on chemicals used by mineral processing companies
Annex 33	Investments in infrastructure and barter agreements
Annex 34	Information on mineral extraction, production, and sales (sales data)
Annex 35	Transportation fees of state-owned and private enterprises
Annex 36	List of contracts disclosed to the public
Annex 37	List of contracts disclosed since 2024
Annex 38	2024 revenue transfer information of the Local Development Consolidated Fund (thousand MNT)

