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(A company continued under the laws of British Columbia, Canada with limited liability)
(Hong Kong Stock Code: 1878)
(Toronto Stock Code: SGQ)

DELAY IN PUBLICATION OF 2021 AUDITED ANNUAL RESULTS AND UPDATE REGARDING MANAGEMENT CEASE TRADE ORDER APPLICATION

This announcement is made by SouthGobi Resources Ltd. (the “**Company**”) pursuant to Rule 13.09(2) of the Rules Governing the Listing of Securities on the Hong Kong Stock Exchange and the Inside Information Provisions under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

The Company wishes to provide the Company’s shareholders and potential investors with an update in relation to the delay in publication of 2021 Audited Annual Results, and its application for a Management Cease Trade Order (the “**MCTO**”) made to the British Columbia Securities Commission (“**BCSC**”), the Company’s principal securities regulator in Canada.

Reference is made to the announcements of the Company dated March 11 and March 24, 2022 (the “**Announcements**”). Unless otherwise defined herein, capitalized terms used in this announcement shall have the same respective meanings as defined in the Announcements.

DELAY IN PUBLICATION OF 2021 AUDITED ANNUAL RESULTS AND DELAY IN ANNUAL FILINGS

As disclosed in the Announcements, the Company has been advised by its Auditors that they will be unable to render an unmodified opinion on the 2021 Financial Statements prior to the filing deadline of March 31, 2022 (the “**Annual Filing Deadline**”), as they have not been able to obtain sufficient evidence to support management’s going concern assumptions. As a result, it is anticipated that the

* For identification purposes only

Company will not be able to publish the 2021 Audited Annual Results prior to the Annual Filing Deadline. Furthermore, the Company will not be able to file the 2021 Annual Filings prior to the Annual Filing Deadline as required under applicable Canadian securities laws. Accordingly, subsequent to the Annual Filing Deadline, the Company will be in default of its continuous disclosure obligations under applicable Canadian securities laws and placed on the defaulting issuers list of the BCSC.

APPLICATION OF MANAGEMENT CEASE TRADE ORDER

On March 17, 2022, the Company made an application to the BCSC under National Policy 12-203 of the Canadian Securities Administrators (“**NP 12-203**”) requesting that a MCTO be granted in respect of the late filing of the 2021 Annual Filings. As of the date hereof, the BCSC has not issued a decision in respect of the Company’s MCTO application. There is no guarantee that a MCTO will be granted.

If a MCTO is granted, the Company will attempt to obtain and provide to the Auditors sufficient evidence to support management’s going concern assumptions, and will attempt to obtain an unmodified opinion from the Auditors on the 2021 Financial Statements prior to the expiry of the MCTO. While the MCTO is in effect, the Company’s Chief Executive Officer and Chief Financial Officer will be and, subject to the BCSC’s discretion, the Company’s other directors, senior officers and insiders may be restricted from trading in the Company’s securities. The Company will be required to comply with the provisions of the alternative information guidelines as set out in NP 12-203 for so long as the MCTO remains in effect, including the issuance of bi-weekly default status reports by way of press releases. If a MCTO is granted, the MCTO would not affect the ability of investors who are not directors, officers and insiders to trade in the securities of the Company on the Toronto Stock Exchange (“**TSX**”) and the Hong Kong Stock Exchange (“**HKEx**”).

However, if a MCTO is not granted, it is anticipated that the BCSC will issue a general “failure to file” cease trade order (“**CTO**”) shortly after the Annual Filing Deadline prohibiting the trading by any person of any securities of the Company in Canada, including trades in the Company’s common shares made through the TSX. As a result of CTO, the Company anticipates that the trading in the Company’s common shares will be halted on the TSX, and the trading in the common shares of the Company on the HKEx will also be suspended until such time as the CTO is lifted and trading resumes on the TSX.

If a CTO is issued, the CTO will remain in place until such time as the 2021 Annual Filings are filed by the Company. The issuance of a CTO would have a significant adverse impact on the liquidity of the Company’s common shares and shareholders may suffer a significant decline or total loss in value of its investment in the Company’s common shares as a result.

PUBLICATION OF 2021 UNAUDITED ANNUAL RESULTS

As disclosed in the Announcements, the Company will publish the 2021 Unaudited Annual Results on March 30, 2022, in order to ensure the Company's shareholders and potential investors are informed of the Company's latest business operation and financial position.

The Company will make further announcements with respect to (i) the status of the 2021 Annual Filings; (ii) the date of board meeting to consider and approve the 2021 Audited Annual Results; (iii) the date of the release of the 2021 Audited Annual Results; and (iv) any material information as and when appropriate.

If there is any inconsistency or discrepancy between the English version and the Chinese version, the English version shall prevail.

Shareholders of the Company and potential investors are advised to exercise caution when dealing in the securities of the Company.

By order of the Board
SouthGobi Resources Ltd.
Mao Sun
Lead Director

Vancouver, March 27, 2022

Hong Kong, March 28, 2022

As at the date of this announcement, the executive director of the Company is Mr. Dalanguerban; the independent non-executive directors are Messrs. Yingbin Ian He, Mao Sun and Ms. Jin Lan Quan; and the non-executive directors are Messrs. Jianmin Bao, Zhiwei Chen, Ben Niu and Ms. Ka Lee Ku.

Forward-Looking Statements

Certain information included in this press release that is not current or historical factual information constitutes forward-looking statements or information within the meaning of applicable securities laws (collectively, "forward-looking statements"), including information regarding that the Auditors will not be able to render an unmodified opinion on the 2021 Financials Statements prior to the Annual Filing Deadline, the Company will not be able to file the 2021 Annual Filings prior to the applicable filing deadlines, the Company's application for a MCTO with the BCSC, the BCSC will issue a CTO if a

MCTO is not granted, the TSX will halt trading in the Company's common shares if a CTO is issued and the HKEx will suspend trading in the Company's common shares if trading is halted on the TSX. Forward-looking statements are frequently characterized by words such as "plan", "expect", "project", "intend", "believe", "anticipate", "could", "should", "seek", "likely", "estimate" and other similar words or statements that certain events or conditions "may" or "will" occur. Forward-looking statements are based on certain factors and assumptions including, among other things, the decision of the BCSC to grant a MCTO and the ability of the Company to obtain and provide to the Auditors sufficient evidence to support management's going concern assumptions. Actual results may vary from the forward-looking statements. Readers are cautioned not to place undue importance on forward-looking statements, which speaks only as of the date of this disclosure, and not to rely upon this information as of any other date. While the Company may elect to, it is under no obligation and does not undertake to, update or revise any forward-looking statements, whether as a result of new information, further events or otherwise at any particular time, except as required by law. Additional information concerning factors that may cause actual results to materially differ from those in such forward-looking statements is contained in the Company's filings with Canadian securities regulatory authorities and can be found under the Company's profile on SEDAR at www.sedar.com.