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南戈壁資源有限公司*

(A company continued under the laws of British Columbia, Canada with limited liability)

(Hong Kong Stock Code: 1878)

(Toronto Stock Code: SGQ)

CHANGE OF NON-EXECUTIVE DIRECTORS; RESIGNATION OF EXECUTIVE DIRECTOR; CHANGE OF COMPOSITION OF BOARD COMMITTEE; AND CHANGE OF AUTHORIZED REPRESENTATIVE

SouthGobi Resources Ltd. (“**SouthGobi**” or the “**Company**”) is pleased to announce the following changes in the composition of the Company’s board (the “**Board**”) of directors (the “**Director(s)**”), with effect from December 6, 2022: (i) Mr. Zhiwei Chen (“**Mr. Chen**”) and Ms. Ka Lee Ku (“**Ms. Ku**”) have resigned as non-executive Directors; (ii) Mr. Zhu Gao (“**Mr. Gao**”), Mr. Gang Li (“**Mr. Li**”) and Mr. Chen Shen (“**Mr. Shen**”) have been appointed as non-executive Directors; (iii) Mr. Dalanguerban (“**Mr. Dalanguerban**”) has resigned as an executive Director and the authorized representative of the Company (the “**Authorized Representative**”) under Rule 3.05 of the Rules Governing the Listing of Securities on the Hong Kong Stock Exchange (the “**Hong Kong Listing Rules**”) and ceased to be a member of the operations committee of the Board (the “**Operations Committee**”), but will continue to serve as the President of the Company and its wholly-owned subsidiary in Mongolia; and (iv) Mr. Dong Wang (“**Mr. Wang**”), the executive Director and Chief Executive Officer of the Company, has been appointed as the Authorized Representative.

(i) RESIGNATION OF NON-EXECUTIVE DIRECTORS

As disclosed in the Company’s announcement dated November 29, 2022, Novel Sunrise Investments Limited (“**Novel Sunrise**”), a wholly-owned subsidiary of China Cinda (HK) Asset Management Co., Limited, one of the substantial shareholders of the Company, completed the sale of all of its interests in the Company (the “**Sale Transaction**”) to Land Grand International Holding Limited (“**Land Grand**”).

* For identification purposes only

Mr. Chen and Ms. Ku have resigned as non-executive Directors with effect from December 6, 2022. Both Mr. Chen and Ms. Ku were nominated by Novel Sunrise for appointment as the Company's non-executive Directors, pursuant to the contractual director nomination right granted in favor Novel Sunrise in connection with the Subscription Agreement entered into between Novel Sunrise and the Company in 2015 (the "**Subscription Agreement**").

Each of Mr. Chen and Ms. Ku confirmed that he/she has no disagreement with the Board or the senior management of the Company, and there is no matter relating to his/her ceasing to act as the non-executive Director that needs to be brought to the attention of the shareholders of the Company (the "**Shareholders**").

The Board would like to express its sincere gratitude to both Mr. Chen and Ms. Ku for their contribution to the Board and the Company during their tenure of office.

(ii) **APPOINTMENT OF NON-EXECUTIVE DIRECTORS**

Mr. Gao and Mr. Li were nominated by Land Grand for appointment as non-executive Directors with effect from December 6, 2022, pursuant to the contractual director nomination right granted in favor of Land Grand in connection with the Subscription Agreement and the associated assignment letter entered into among the Company, Land Grand and Novel Sunrise.

Mr. Shen was nominated by JD Zhixing Fund L.P. ("**JDZF**") for appointment as a non-executive Director with effect from December 6, 2022, pursuant to the contractual director nomination right granted in favor of JDZF in connection with the securityholders agreement entered into among the Company, JDZF and a former shareholder of the Company, and certain deferral agreements entered into among JDZF, the Company and its certain subsidiaries relating to the Company's US\$250 million convertible debenture (the "**Convertible Debenture**") held by JDZF.

The Company has appointed the aforementioned three director nominees to the Board as permitted under the Company's Articles of Continuation (the "**Articles**") and the *Business Corporations Act* (British Columbia).

The biographical details of Mr. Gao, Mr. Li and Mr. Shen are as follows:

Mr. Zhu Gao, aged 65, is the founder of Mengfa Energy Holding Group (the "**Mengfa Group**"). Since the establishment of the Mengfa Group in 1998, he has served as its Chairman and President. Mr. Gao has nearly 40 years of investment and management experience in the traditional energy industry.

Prior to the establishment of the Mengfa Group, he held management positions in several coal companies in Inner Mongolia.

Mr. Gao received an honorary doctorate in management from Princeton University, in the United States, in 2017. He is a member of the Canadian Institute of Directors.

Mr. Gang Li, aged 46, has over 25 years of experience in investment management and asset operations. He has extensive operating experience and network resources in Ceke Port, China, and has been involved in various aspects of mining, railway transportation, road transportation, and sea transportation. Mr. Li served as the executive director and general manager of Inner Mongolia Weihong Energy Co., Ltd. ("**Weihong Energy**") from 2017 to 2022, and was responsible for the management of assets exceeding RMB 100 million and operation of the company, which provides distribution management of bulk cargo, international import and export, transportation management, warehousing, logistics park planning, construction and other aspects of operations management. Prior to joining Weihong Energy in 2017, Mr. Li was the founder of an energy technology company (2004 - 2017) , and served as its general manager and sales director, providing trade services, logistics and transportation services in energy, mining and other bulk trading industries.

Mr. Li graduated from Guilin University of Electronic Technology with a bachelor degree in communication engineering in 2000. He is a member of the Canadian Institute of Directors.

Mr. Chen Shen, aged 33, has many years of professional legal knowledge and experience in the energy industry. Mr. Shen has served as the executive director and supervisor of Zhonghong Energy (Inner Mongolia) Co., Ltd. ("**Zhonghong Group**") since April 2021, and is responsible for investment in traditional energy and new energy fields in the Northwest districts in China. From October 2020 to January 2022, Mr. Shen served as a supervisor of Zhonghong Zhengyi Energy Holding (Inner Mongolia) Co., Ltd. Before joining Zhonghong Group, Mr. Shen worked as an attorney in Tahota Law Firm from 2015 to 2020 in China.

Mr. Shen obtained his Bachelor of Law degree from Southwest University of Political Science and Law in 2011 and his Master of Law degree from Guizhou University in 2014 in China. He is a member of the Canadian Institute of Directors.

As at the date of this announcement, save as disclosed above, none of Mr. Gao, Mr. Li or Mr. Shen (i) hold any directorships in other public companies, the securities of which are listed on any securities market in Hong Kong or overseas, over the last three years preceding the date of this announcement or other major appointments and professional qualifications; (ii) hold any other position with any

member of the Group and has not previously held any other position with any member of the Group; (iii) have any interest in the shares, underlying shares or debentures of the Company or any of its associated corporations within the meaning of Part XV of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong); and (iv) have any relationship with any Directors, senior management, or substantial or controlling Shareholders.

There is no specific term or proposed length of service for Mr. Gao, Mr. Li or Mr. Shen as non-executive Directors. Each of Mr. Gao, Mr. Li and Mr. Shen will be subject to re-election at the annual general meeting of the Company in accordance with the Articles. Consistent with the existing Company's director compensation, the director's fee for Mr. Gao, Mr. Li and Mr. Shen will be determined by the Board based on the recommendation of the Compensation and Benefits Committee of the Board, which comprises the independent non-executive Directors.

Saved as disclosed above, there is no other information relating to the appointment of Mr. Gao, Mr. Li or Mr. Shen that is required to be disclosed pursuant to Rule 13.51(2)(h) to (v) of the Hong Kong Listing Rules nor any matters that need to be brought to the attention of the Shareholders.

The Board would like to welcome Mr. Gao, Mr. Li and Mr. Shen for joining the Board.

(iii) RESIGNATION OF EXECUTIVE DIRECTOR

Mr. Dalanguerban has resigned as an executive Director and the Authorized Representative and ceased to be a member of the Operations Committee, with effect from December 6, 2022, but remains as the President of the Company and its wholly-owned subsidiary in Mongolia in order to focus on the Company's government relations. He confirmed that he has no disagreement with the Board or the senior management of the Company, and there is no matter relating to his ceasing to act as the executive Director that needs to be brought to the attention of the Shareholders.

The Company will identify a suitable candidate to fill the vacancy on the Operations Committee and further announcement(s) will be made by the Company in this regard as and when appropriate.

The Board would like to express its sincere gratitude to Mr. Dalanguerban for his contribution to the Board and the Company as an executive Director and the Authorized Representative.

(iv) APPOINTMENT OF AUTHORIZED REPRESENTATIVE

Mr. Wang has been appointed as the Authorized Representative with effect from December 6, 2022 following Mr. Dalanguerban's resignation as the Authorized Representative.

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

Vancouver, Canada, December 6, 2022

Hong Kong, December 6, 2022

As at the date of this announcement, the executive Directors are Mr. Dong Wang and Ms. Chonglin Zhu; the independent non-executive Directors are Mr. Yingbin Ian He, Mr. Mao Sun and Ms. Jin Lan Quan; and the non-executive Directors are Mr. Zhu Gao, Mr. Gang Li and Mr. Chen Shen.