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SouthGobi
RESOURCES

SOUTHGobi RESOURCES LTD.

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)

(TSX Venture Exchange Stock Code: SGQ)

REDESIGNATION OF DIRECTOR AND CHANGE OF CHIEF EXECUTIVE OFFICER

REDESIGNATION OF DIRECTOR AND REMOVAL OF CHIEF EXECUTIVE OFFICER

SouthGobi Resources Ltd. (the “**Company**”) announces that Mr. Dong Wang (“**Mr. Wang**”) has been removed as the Company’s chief executive officer (the “**CEO**”) and authorized representative (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**”) with effect from May 15, 2023, due to there being substantial differences in the ideology and style of Mr. Wang in managing the Company’s executive affairs from that of the remaining directors (each, a “**Director**”) and the senior management of the Company.

Mr. Wang will be redesignated from an executive Director to a non-executive Director, and remain a member of the Health, Environment, Safety and Social Responsibility Committee and the Operations Committee of the Board of Directors (the “**Board**”). The Nominating and Corporate Governance Committee of the Board, which comprises the independent non-executive Directors, will continue to evaluate the suitability of Mr. Wang for the Board’s directorship and memberships in various Board committees, and commence a search process to identify a suitable candidate to replace Mr. Wang, if appropriate.

The biographical details for Mr. Wang are as follows:

Mr. Wang, aged 49, was appointed as the executive Director and CEO on September 8, 2022 and the Authorized Representative on December 6, 2022. Mr. Wang was nominated for appointment as

* For identification purposes only

Director by JD Zhixing Fund L.P. (“**JDZF**”) pursuant to contractual nomination rights contained in the securityholders agreement between the Company, JDZF and a former shareholder of the Company and certain deferral agreements between JDZF, the Company and certain of its subsidiaries relating to the Company’s US\$250 million convertible debenture held by JDZF (as disclosed in the announcement of the Company dated May 27, 2022 and the Management Proxy Circular of the Company dated June 29, 2022). The Company had appointed him to the Board as permitted under the Company’s Articles of Continuation (the “**Articles**”) and the *Business Corporations Act* (British Columbia). Mr. Wang was also the legal representative, executive director and general manager of SouthGobi Trading (Beijing) Co., Ltd. from January 2023 to April 2023, and an employee of SouthGobi Resources (Hong Kong) Limited and Inner Mongolia SouthGobi Energy Co., Ltd. from September 2022 to May 2023.

For other details of Mr. Wang’s biographical details, please refer to the announcement of the Company dated September 8, 2022.

As at the date of this announcement, save as disclosed above, Mr. Wang does not (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 of the Company.

There is no specific term or proposed length of service for Mr. Wang as the non-executive Director. Mr. Wang will be subject to nomination and re-election at the annual general meeting of the Company in accordance with the Articles.

Save as disclosed above, there is no other information relating to Mr. Wang’s redesignation to a non-executive Director 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 of the Company (the “**Shareholders**”).

Save as disclosed above, the Company is not aware of any disagreement between Mr. Wang and the Board and there are no matters relating to his removal as the CEO or his redesignation to a non-executive Director that need to be brought to the attention of the Shareholders.

APPOINTMENT OF CHIEF EXECUTIVE OFFICER

The Company is pleased to announce that Mr. Ruibin Xu (“**Mr. Xu**”) has been appointed as its CEO and Authorized Representative under Rule 3.05 of the Hong Kong Listing Rules, with effect from May 15, 2023 (Hong Kong time).

The biographical details for Mr. Xu are as follows:

Mr. Xu, aged 52, has over 15 years’ of experience in the energy and coal logistics industry, as well as financial investment. Mr. Xu served as a director and board secretary of Inner Mongolia Dajiang Runye Industrial Group Co. Ltd. (“**Dajiang Group**”) from 2021 to 2023, where he was responsible for development strategy, energy investment, and capital operation affairs of the Dajiang Group. He also held the position of general manager in a subsidiary of Dajiang Group between 2018 and 2021. Before joining Dajiang Group, Mr. Xu served as the deputy general manager and board secretary of Inner Mongolia Zheng Tang Co. Ltd. from 2016 to 2018. Prior to that, he held the position of director in an investment company located in Inner Mongolia, China and worked for several companies in the financial investment industry. Mr. Xu has extensive experience in corporate governance, corporate financing and enterprise management.

Mr. Xu graduated from Inner Mongolia Radio and TV University in 2000 with a major in Computer Application (Financial Management). He obtained his Master's degree in Business Administration from Inner Mongolia University in 2007. In 2010, Mr. Xu obtained the qualification as a lawyer and an intermediate economist in China. In 2015, he completed an EMBA program at Inner Mongolia University.

There is no specific term or proposed length of service for Mr. Xu as CEO. Consistent with the Company’s executive compensation program, the remuneration for Mr. Xu will be determined by the Board based on the recommendation of the Compensation and Benefits Committee of the Board, which is comprised of the independent non-executive Directors. Mr. Xu is expected to receive a total compensation package of US\$300,000 per annum as the CEO, which was determined by reference to his duties and responsibilities with the Company as well as the prevailing market conditions.

As at the date of this announcement, save as disclosed above, Mr. Xu does not (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 of the Company.

Save as disclosed above, there is no other information relating to the appointment of Mr. Xu as CEO 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 take this opportunity to welcome Mr. Xu to the Company.

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

Vancouver, May 15, 2023

Hong Kong, May 15, 2023

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