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

UPDATE ON PAYMENT OBLIGATIONS UNDER NOVEMBER 2022 DEFERRAL AGREEMENT

This announcement is made by SouthGobi Resources Ltd. (the “**Company**”) pursuant to Rule 13.09(2) and Chapter 14A 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).

Reference is made to the announcements of the Company dated November 11, 2022, August 30, 2023 and October 13, 2023 (collectively, the “**Announcements**”) and the Management Proxy Circular of the Company dated July 20, 2023 (the “**Management Proxy Circular**”) in relation to the deferral agreements under the Convertible Debenture. Unless otherwise specified, terms used in this announcement shall have the meaning as defined in the Announcements and the Management Proxy Circular.

The Company announces that, on November 15, 2023, and in accordance with the terms of the Convertible Debenture and the related deferral agreement dated November 11, 2022 (the “**November 2022 Deferral Agreement**”), the Company paid JD Zhixing Fund L.P. (“**JDZF**”, the Company’s substantial shareholder) the US\$7,065,753 of cash interest which is due and payable on November 19, 2022 under the Convertible Debenture, the payment of which was deferred under the November 2022 Deferral Agreement until November 19, 2023.

On November 17, 2023, JDZF agreed to waive (the “**Waiver**”) the Company’s payment obligations under the November 2022 Deferral Agreement in relation to: (i) the remaining US\$1,100,000 of payment-in-kind interest which was payable on November 19, 2022 under the Convertible Debenture

* For identification purposes only

(the “**November 2022 PIK Interest**”), the payment of which was deferred under the November 2022 Deferral Agreement until November 19, 2023 (the “**Waived PIK Interest Default**”), as well as the right to collect deferral fees in respect of the November 2022 PIK Interest under the November 2022 Deferral Agreement for the period between November 20, 2023 until January 19, 2024 (both dates inclusive); and (ii) the management fees (the “**November 2022 Deferred Management Fees**”) which were payable on November 15, 2022, February 15, 2023, May 16, 2023 and August 15, 2023 under the amended and restated cooperation agreement dated April 23, 2019 (the “**Amended and Restated Cooperation Agreement**”), the payments of which were deferred under the November 2022 Deferral Agreement until November 19, 2023 (the “**Waived Deferred Management Fees Default**”, and together with the Waived PIK Interest Default, the “**Waived Defaults**”). In order to allow the Company to remedy the Waived Defaults, the Waiver as it relates to the Waived PIK Interest Default will be in effect up to and until January 19, 2024 (or such other date as may be agreed upon by JDZF and the Company in writing), and the Waiver as it relates to the Waived Deferred Management Fees Default will be in effect up to and until August 31, 2024 (or such other date as may be agreed upon by JDZF and the Company in writing).

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

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

Vancouver, November 17, 2023

Hong Kong, November 17, 2023

As at the date of this announcement, the executive directors of the Company are Mr. Ruibin Xu, 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. Zaixiang Wen.

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 about the potential of further future

deferrals of its payment obligations under the Convertible Debenture. 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 Company’s ability to successfully fulfil its payment obligations of the November 2022 PIK Interest on or before January 19, 2024 under the Convertible Debenture and related November 2022 Deferral Agreement and the November 2022 Deferred Management Fees on or before August 31, 2024 under the Amended and Restated Cooperation Agreement and the related November 2022 Deferral Agreement, and other similar factors that may cause actual results to differ materially from what the Company currently expects. 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 the website of the Hong Kong regulatory filings and disclosures of listed issuer information. These can be found under the Company’s profile on SEDAR+ and HKEXnews respectively, at www.sedarplus.ca and www.hkexnews.hk.