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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)

POSITIVE PROFIT ALERT

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 inform its shareholders and potential investors that, based on the Company’s preliminary assessment of the unaudited management accounts for the year ended December 31, 2023 and the information currently available to the Company, it is expected that the Company would record a net profit attributable to equity holders of the Company of approximately no more than US\$1 million for the year ended December 31, 2023, as compared to a net loss attributable to equity holders of the Company of approximately US\$30 million for the year ended December 31, 2022. The turnaround from net loss to expected net profit is primarily attributable to the increase in sales volume and improvement in the Company’s average realized selling price of coal during the year ended December 31, 2023.

As at the date of this announcement, the Company is still in the process of preparing and finalizing its annual results for the year ended December 31, 2023. The information contained in this announcement is based on the preliminary assessment of the information currently available to the Company and the unaudited management accounts of the Group, which have not been audited by the Company’s auditors and may be subject to adjustments. Details of the Company’s financial information and performance will be disclosed in the annual results announcement for the year ended December 31, 2023, which is to be published on March 28, 2024 (Thursday).

** For identification purposes only*

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

By order of the Board
SouthGobi Resources Ltd.

Mao Sun
Lead Director

Vancouver, March 26, 2024

Hong Kong, March 26, 2024

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.