

**AMENDMENT AGREEMENT
TO CONVERTIBLE DEBENTURE**

THIS AMENDMENT AGREEMENT (this “**Agreement**”) is made as of May 13, 2024 among:

SOUTHGOBI RESOURCES LTD.
(formerly Southgobi Energy Resources Ltd., the “**Issuer**”)

- and -

JD ZHIXING FUND L.P.,
(the “**Holder**”)

WHEREAS:

- A. The Issuer issued a Convertible Debenture to Land Breeze II S.a.r.l (“**Land Breeze**”) on November 19, 2009 originally in the principal amount of U.S.\$500,000,000 (as amended, restated, supplemented or otherwise modified to the date hereof, the “**Convertible Debenture**”);
- B. The Holder, Land Breeze and Fullbloom Investment Corporation (“**Fullbloom**”), an affiliate of Land Breeze, completed a private sale transaction on August 30, 2022 (the “**Sale Transaction**”), pursuant to which (i) Land Breeze sold all of its interests in the Convertible Debenture to the Holder; and (ii) Land Breeze and Fullbloom assigned to the Holder all of Land Breeze’s and Fullbloom’s respective rights in and obligations under the Convertible Debenture and related security documents and Transaction Documents;
- C. Following the Sale Transaction and pursuant to the Convertible Debenture, the Issuer is indebted to the Holder in the principal amount of U.S.\$250,000,000 as of the date hereof, together with interest, fees and costs incurred or accruing in respect of the Convertible Debenture (the “**Indebtedness**”);
- D. The Issuer and the Holder have agreed to certain amendments to the Convertible Debenture on the condition, among other things, that this Agreement be entered into,

NOW THEREFORE for good and valuable consideration, the receipt and sufficiency of which are acknowledged by each of the parties to this Agreement, it is agreed as follows:

1.0 INTERPRETATION

Unless the context otherwise requires, capitalized terms used in this Agreement (including paragraphs A to D above) have the meanings given to them in the Convertible Debenture.

2.0 EFFECTIVENESS OF THIS AGREEMENT

The parties acknowledge and agree that the effective date of this Agreement (the “**Effective Date**”) and the effectiveness of the respective covenants, agreements and obligations of each party under this Agreement must meet the following conditions:

- (a) this Agreement is approved by (i) disinterested shareholders of the Company in accordance with Part 5 of Multilateral Instrument 61-101 – Protection of Minority Security Holders in Special Transactions under Canadian Securities Laws and Rule 14A.36 of the Rules Governing the Listing of Securities (“**Hong Kong Listing Rules**”) on The Stock Exchange of Hong Kong Limited (“**Hong Kong**”)

- Stock Exchange**”), and (ii) the Hong Kong Stock Exchange pursuant to Rule 28.05 of the Hong Kong Listing Rules; and
- (b) the Issuer providing notice to, and obtaining acceptance (if any), of this Agreement from the TSX Venture Exchange (“**TSX-V Acceptance**”);

If TSX-V Acceptance is required pursuant to subsection (b) above, this Agreement shall become effective and enter into force when the conditions described in both subsections (a) and (b) above are achieved; otherwise, this Agreement shall become effective and enter into force when the condition in subsection (a) above is achieved. The condition in subsection (a) must be achieved by August 30, 2024, or this Agreement shall automatically terminate and cease to be of any force and effect, without liability of any party to any other party hereto.

3.0 AMENDMENTS TO CONVERTIBLE DEBENTURE

With effect on and from the Effective Date, the Convertible Debenture will be amended as follows:

- (a) Section 3.6 of the Convertible Debenture is deleted in its entirety and replaced with the following:

“Prepayment and Repayment of Principal Amount

- 3.6 (a) The Company may, by resolution of the Directors, at any time and from time to time prepay, without penalty, the whole or any part of the Principal Amount, together with accrued Cash Interest and PIK Interest thereon to the date of prepayment, provided that:
- (i) the Company has, not later than three (3) Business Days prior to the proposed prepayment date, delivered to the Holder an irrevocable written notice, signed by an independent director of the Company and setting out (A) the proposed prepayment date, and (B) the amount of the proposed prepayment;
 - (ii) the amount of such prepayment reduces the then outstanding Principal Amount by an amount that is (I) not less than US\$500,000 and (II) if in excess of US\$500,000, an integral multiple of US\$500,000; and
 - (iii) the proposed prepayment date is a Business Day.

In the case of a partial prepayment of the Principal Amount, the Holder will make a notation on the Grid Note setting out the balance of the Principal Amount that remains outstanding after such partial prepayment, and shall deliver a copy of the Grid Note so annotated to the Issuer.

- (b) If any Principal Amount remains outstanding as of the Maturity Date, the Company shall repay the then outstanding Principal Amount, together with accrued Cash Interest and PIK Interest, on the Maturity Date to the Holder.

4.0 EFFECT ON CONVERTIBLE DEBENTURE

- (a) This Agreement is a Transaction Document and is supplemental to and amends the Convertible Debenture.
- (b) With effect from the Effective Date:
- (i) this Agreement and the Convertible Debenture will be read together and be construed as one document; and

- (ii) the Convertible Debenture as changed, altered, amended, modified and supplemented by this Agreement shall be and continue in full force and effect and be binding upon the Issuer and the Holder and is hereby confirmed in all respects.

5.0 FURTHER ASSURANCE

Each party will, at its own reasonable cost and expense, make, execute and deliver, or cause to be done, made, executed and delivered, all such further documents, acts, matters and things which may be reasonably required in order to give effect to the terms of this Agreement.

6.0 SEVERABILITY

Any provision of this Agreement which is illegal, prohibited or unenforceable in any jurisdiction, in whole or in part, shall not invalidate the remaining provisions hereof; and any such illegality, prohibition or unenforceability in any such jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction.

7.0 COUNTERPARTS

This Agreement may be signed electronically, including through DocuSign and similar applications. This Agreement may be signed in any number of counterparts (including counterparts by scanned or electronic signature) and each counterpart will be deemed an original; taken together, all counterparts will be deemed to constitute one and the same instrument. Delivery of a printed counterpart (whether or not the counterpart was signed electronically) and electronic delivery (including by email transmission or transmission over an electronic signature platform) of an executed counterpart of this Agreement are each as valid, enforceable and binding as if the signatures were upon the same instrument and delivered in person.

8.0 NOTICE

Any notice, direction or other communication given pursuant to this Agreement (each a “**Notice**”) must be in writing, sent by personal delivery, courier, facsimile or email and addressed:

If to the Holder: JD ZHIXING FUND L.P.
[address]

Attention: Chonglin Zhu
Email: 635181983@qq.com
Fax: [*]

If to the Issuer: SOUTHGOBI RESOURCES LTD.
20th floor – 250 Howe Street
Vancouver, BC.
V6C 3R8

Attention: Corporate Secretary
Email: Allison.snetsinger@southgobi.com
Fax: (852) 2156 1439

Any Notice, if personally delivered, shall be deemed to have been validly and effectively given and received on the date of such delivery, if delivered before 5:00 p.m. on a Business Day in the place of

delivery, or the next Business Day in the place of delivery, if not delivered on a Business Day or if sent after 5:00 p.m., and if sent by telecopier or other electronic communication with confirmation of transmission, shall be deemed to have been validly and effectively given and received on the Business Day in the place of delivery next following the day it was transmitted. Any Party may at any time change its address for service from time to time by giving notice to the other Parties in accordance with this Section 8.0.

9.0 GENERAL

Clauses 10.10 (Dispute Resolution), 10.11 (Arbitration) and 10.12 (Governing Law) of the Convertible Debenture shall be incorporated herein by reference and shall apply as if fully set forth herein *mutatis mutandis*.

[signature pages follow]

IN WITNESS WHEREOF the parties have caused this Agreement to be duly executed as of the day and year first above written.

ISSUER

SOUTHGOBI RESOURCES LTD.

By: 
Name: Mao Sun
Title: Independent Director

HOLDER

**JD ZHIXING FUND L.P., by its general partner,
JD DINGXING LIMITED**

By: 
Name: Chonglin Zhu
Title: Director