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SouthGobi
R E S O U R C E S

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 Symbol: SGQ)

FILING OF NI 43-101 TECHNICAL REPORTS FOR OVOOT TOLGOI COAL MINE AND SOUMBER COAL PROJECT

This announcement is made by SouthGobi Resources Ltd. (the “**Company**”) pursuant to Rule 13.09 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 is pleased to announce the filing of new independent technical reports, each prepared by BAW Mineral Partners Limited (“**BAW**”), in accordance with the requirements of National Instrument 43-101 – *Standards of Disclosure for Mineral Projects* (“**NI 43-101**”) under applicable Canadian securities laws in respect of its Ovoot Tolgoi Coal Mine and its Soumber Coal Project.

The Ovoot Tolgoi technical report is entitled “*NI 43-101 Technical Report – Ovoot Tolgoi Coal Mine, South Gobi Province, Mongolia*” with an effective date of December 31, 2023 and dated December 2, 2024 (the “**Ovoot Tolgoi Technical Report**”). The Soumber technical report is entitled “*NI 43-101 Technical Report – Soumber Coal Project, South Gobi Province, Mongolia*” with an effective date of December 31, 2023 and dated December 2, 2024 (the “**Soumber Technical Report**,” and together with the Ovoot Tolgoi Technical Report, the “**Technical Reports**”).

The primary objectives of the Technical Reports are to provide updated estimates of mineral resources (“**Resources**”) and mineral reserves (“**Reserves**”), as such terms are defined under NI 43-101, for each of the Ovoot Tolgoi Coal Mine and the Soumber Coal Project. The Company is pleased to present its first Resource estimates for the B Field Prospect at the Ovoot Tolgoi Coal Mine, as further discussed below, and its first Reserve estimates for the Soumber Coal Project.

* *For identification purposes only*

Selected summary information from the Technical Reports is presented below. Readers are cautioned that the summary information set out in this press release is subject to important qualifications, assumptions, and exclusions, all of which are detailed in the Technical Reports. To fully understand the summary information set out below, the Technical Reports should be read in their entirety, and are available under the Company's profile on SEDAR+ at www.sedarplus.com and on the Company's website at www.southgobi.com.

OVOOT TOLGOI TECHNICAL REPORT

Background

The Ovoot Tolgoi Mine is the Company's flagship asset, and is comprised of the Sunrise Pit, Sunset Pit, B Field Prospect, and C Field Prospect. The Ovoot Tolgoi Coal Mine is situated in the southwestern corner of the Umnugobi Aimag (South Gobi Province) of Mongolia, within the administrative territory of Gurvantes Soum. It is located approximately 320 km southwest of the provincial capital, Dalanzadgad, and approximately 45 km north of the Mongolia-China border at the Ceke border crossing. Ceke, located on the Chinese side of the Shiveekhuren Border Crossing, is a major coal distribution terminal with rail connections to key coal markets in China, and serves as the primary distribution center for coal produced from the Ovoot Tolgoi Mine.

The Company commenced mining at the Ovoot Tolgoi Mine in 2008. The Company sells a portion of its coal at the mine-gate to Chinese customers, while the remaining coal inventory is transported to China and sold through its Chinese subsidiaries at the stockyards in Ceke or certain designated locations in China as requested by customers. Saleable products from the Ovoot Tolgoi Mine primarily consist of SouthGobi standard and SouthGobi premium semi-soft coking coal products. Some higher ash content product is processed and sold as semi-soft coking coal product while some of the unwashed products are sold as a thermal coal product when the market allows.

Highlights

Highlights of the updated Ovoot Tolgoi Technical Report include:

- Measured and Indicated Resources for the Sunrise Pit increased by approximately 9.8% from 121.70 million tonnes (Mt) as of December 31, 2016 to 133.60 Mt as of December 31, 2023.
- Measured and Indicated Resources for the Sunset Pit decreased by approximately 3.2% from 180.50 Mt as of December 31, 2016 to 174.71 Mt as of December 31, 2023.
- Measured and Indicated Resources for the B Field Prospect is 14.29 Mt as of December 31, 2023.

Reserve Estimate

The following is a table summarizing the Reserves of the Ovoot Tolgoi Coal Mine as of December 31, 2023, for the Sunrise Pit and the Sunset Pit.

Coalfield	Proven (Mt)	Probable (Mt)	Total (Mt)
Sunrise Pit	27.90	11.69	39.59
Sunset Pit	41.56	1.12	42.68
Total	69.46	12.81	82.26

Notes:

- (1) Coal price adopted in the Reserve estimates is US \$90/t.
- (2) Reserves do not include any Inferred Resources.
- (3) Totals may not add up due to rounding.

Resource Estimate

The following is a table summarizing the Resources of the Ovoot Tolgoi Coal Mine as of December 31, 2023, divided into Surface and Underground Resources for the Sunrise Pit, the Sunset Pit, and the B Field Prospect.

Coalfield		Measured (Mt)	Indicated (Mt)	Measured + Indicated (Mt)	Inferred (Mt)
Sunrise Pit	Surface	54.98	42.96	97.94	37.90
	Underground	10.46	25.20	35.66	49.19
Sunset Pit	Surface	77.08	11.86	88.94	2.99
	Underground	70.03	15.74	85.77	10.75
B Field Prospect	Surface	2.48	7.96	10.44	21.48
	Underground	0.00	3.85	3.85	3.89
Total		215.03	107.57	322.60	126.20

Notes:

- (1) Resources are inclusive of Reserves.
- (2) Resources that are not Reserves and may not demonstrate economic viability.
- (3) Surface Resources are constrained to a depth of 300 m below surface.
- (4) Underground Resources are constrained to a depth of 300 m - 500 m below surface.
- (5) Totals may not add up due to rounding.

Economic Analysis

For further information regarding the economic analysis and life of mine plan of the Ovoot Tolgoi Mine, please refer to the full text of the Ovoot Tolgoi Technical Report.

SOUMBER TECHNICAL REPORT

Background

The Soumber Coal Project is located in the southwestern part of Umnugobi Aimag, within the Uvuljuu Uul area of Gurvantes Soum. It is bordered by Dundogovi and Dornogovi Aimags to the northeast and southeast, respectively, and by Uvurkhangai and Bayankhongor Aimags to the northwest and southwest, respectively. It is located approximately 20 km east of the Ovoot Tolgoi Coal Mine and approximately 50 km north of the Mongolia-China border at the Ceke border crossing. The Soumber Coal Project consists of four concessions: Central Soumber, East Soumber, Biluut and Jargalant.

Highlights

Highlights of the updated Soumber Technical Report include:

- Proven and Probable Reserves for the Soumber Coal Project of 25.14 Mt in aggregate as of December 31, 2023.
- Measured and Indicated Resources for the Biluut concession increased by approximately 72.7% from 67.90 Mt as of January 10, 2013 to 117.24 Mt as of December 31, 2023.
- Measured and Indicated Resources for the Jargalant concession decreased by approximately 7.1% from 25.70 Mt as of January 10, 2013 to 23.88 Mt as of December 31, 2023.
- Measured and Indicated Resources for the East Soumber concession decreased by approximately 14.4% from 32.00 Mt as of January 10, 2013 to 27.40 Mt as of December 31, 2023.

Reserve Estimate

The following is a table summarizing the Reserves of the Soumber Coal Project as of December 31, 2023, for the Biluut, Jargalant and East Soumber concessions.

Concession	Proven (Mt)	Probable (Mt)	Total (Mt)
Biluut	16.62	2.39	19.02
Jargalant	1.52	1.36	2.89
East Soumber	2.99	0.24	3.24
Total	21.14	4.00	25.14

Notes:

- (1) Coal price adopted in the Reserve estimates is US \$90/t.
- (2) Reserves do not include any Inferred Resources.
- (3) Totals may not add up due to rounding.

Resources Estimate

The following is a table summarizing the Resources of the Soumber Coal Project as of December 31, 2023, divided into Surface and Underground Resources for the Biluut, Jargalant and East Soumber concessions.

Concession		Measured (Mt)	Indicated (Mt)	Measured + Indicated (Mt)	Inferred (Mt)
Biluut	Surface	61.99	33.17	95.16	8.67
	Underground	3.40	18.68	22.08	16.07
Jargalant	Surface	9.91	13.76	23.68	5.64
	Underground	0.14	0.06	0.20	0.33
East Soumber	Surface	15.19	10.48	25.67	1.68
	Underground	0.20	1.53	1.73	1.53
Total		90.83	77.68	168.52	33.92

Notes:

- (1) Resources are inclusive of Reserves.
- (2) Resources that are not Reserves and may not demonstrate economic viability.
- (3) Surface Resources are constrained to a depth of 300 m below surface.
- (4) Underground Resources are constrained to a depth of 300 m - 500 m below surface.
- (5) Totals may not add up due to rounding.
- (6) The authors of the Soumber Technical Report have opted to not include a Resource estimate for the Central Soumber concession in the Soumber Technical Report because the special protected area status which prohibits mining activities within the Central Soumber concession remains effective until December 3, 2025. The Soumber Technical Report states that Resources can be estimated and classified in the future once the protected area status is resolved.

QUALIFIED PERSONS

The technical information contained in this press release has been reviewed and approved by Jaydee Ammugauan (MAIG) and Tao Xu (P. Eng), who are “qualified persons” and “independent” of the Company, as such terms are defined under NI 43-101.

By order of the Board
SouthGobi Resources Ltd.
Yingbin Ian He
Lead Director

Vancouver, December 2, 2024
Hong Kong, December 2, 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, Ms. Jin Lan Quan and Mr. Fan Keung Vic Choi; and the non-executive directors of the Company are Mr. Zhu Gao and Mr. Zaixiang Wen.

FORWARD LOOKING STATEMENTS

Except for statements of fact relating to SouthGobi and its subsidiaries, certain information contained herein constitutes forward-looking statements within the meaning of applicable securities laws (collectively referred to herein as “**forward-looking statements**”) and such forward-looking statements are based on expectations, estimates, and projects as of the date of this press release. 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 in this press release include, but are not limited to, statements regarding the estimates of Reserves and Resources for the Ovoot Tolgoi Coal Mine and Soumber Coal Project and the realization of such estimates; estimated coal prices; statements regarding the life of mine plan and the realization of such plan, and other statements that are not historical facts.

The Company cautions the reader that forward-looking statements are necessarily based upon a number of estimates and assumptions that, while considered reasonable by the Company, are inherently subject to significant business, financial, operational, and other risks, uncertainties, contingencies, and other factors, including those described below, which could cause actual results, performance, or achievements of the Company to be materially different from results, performance, or achievements expressed or implied by such forward-looking statements and, as such, undue reliance must not be placed on them.

Forward-looking statements are also based on numerous material factors and assumptions, including as described in this press release: the Company's present and future business strategies; operations performance within expected ranges; anticipated future production and cash flows; local and global economic conditions and the environments in which the Company will operate in the future; the price of coal; projected grades of coal; international exchange rates; anticipated capital and operating costs; the availability and timing of governmental, and other approvals for the construction of the Company's projects.

Risks and uncertainties, including as described in this press release, include but are not limited to: risks that the actual production or sales will be less than projected or expected; liabilities inherent in coal mine production; mining and processing technical problems; inability to obtain required mine licences, mine permits, and regulatory approvals or renewals required in connection with the mining and processing of coal; risks that the Company's coal preparation plant will not operate at production capacity during the relevant period; unexpected changes in coal quality and specification; variations in the coal mine or coal preparation plant recovery rates; dependence on third party coal transportation systems; changes in commodity prices and exchange rates; the effects of competition and pricing pressures in the coal market; the oversupply of, or lack of demand for, coal; inability of management to secure coal sales or third party purchase contracts; labour stoppages and severe weather conditions; the demand for and availability of port and other transportation services; and management's ability to anticipate and manage the foregoing factors and risks. This list is not exhaustive of the factors that may affect any of the Company's forward-looking statements. Due to the risks and uncertainties identified above and elsewhere in this press release, actual events may differ materially from current expectations. The Company uses forward-looking statements because it believes such statements provide useful information with respect to the currently expected future operations and financial performance of the Company, and cautions readers that the information may not be appropriate for other purposes. Except as required by law, the Company undertakes no obligation to update forward-looking statements if circumstances or management's estimates or opinions should change. The reader is cautioned not to place undue reliance on the forward-looking statements, which speak only as of the date of this press release; they should not rely upon this information as of any other date.