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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)

INSIDE INFORMATION UPDATE ON MONGOLIA TAX AUDIT

This announcement is made by SouthGobi Resources Ltd. (the “**Company**” and together with its subsidiaries, the “**Group**”) pursuant to Rule 13.09(2)(a) 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 July 31, 2023, August 18, 2023, February 26, 2024, May 22, 2024, June 12, 2024 and January 20, 2025 (the “**Announcements**”) in relation to the Mongolia tax audit. Unless otherwise specified, capitalised terms used herein shall have the same meanings as those defined in the Announcements.

As disclosed in the announcement of the Company dated January 20, 2025, the Company’s wholly owned subsidiary in Mongolia, Southgobi Sands LLC (“**SGS**”), received a resolution (“**Resolution**”) from the Tax Dispute Resolution Council (“**TDRC**”) on January 10, 2025 in relation to the Tax Audit. As set forth in this Resolution, the TDRC has determined to reduce the re-assessed amount of the tax penalty against SGS from approximately US\$80.0 million to US\$26.5 million (the “**Revised Re-assessment Result**”). According to the applicable Mongolian laws, SGS is entitled to file an appeal to the Administrative Court regarding the Revised Re-assessment Result within a 30-day period from the date of receiving the Resolution (the “**Appeal Period**”).

After careful consideration and consultation with the Company’s independent tax consultant in Mongolia, the Company has determined not to pursue a further appeal of the Revised Re-assessment Result with the Administrative Court within the Appeal Period. As a result, the Revised Re-assessment Result will impact the Company’s financial statements for the year ended December 31, 2024.

** 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.
Yingbin Ian He
Lead Director

Vancouver, February 13, 2025

Hong Kong, February 13, 2025

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

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 impact of the Revised Re-assessment Result on the Company’s financial statements for the year ended December 31, 2024 and the potential of the Company coming to an agreement with the Mongolian Tax Authority over a repayment plan for the outstanding amount of the Revised Re-assessment Result. 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 negotiate with the Mongolian Tax Authority over a repayment plan for the outstanding amount of the Revised Re-assessment Result 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 can be found under the Company's profile on SEDAR+ at www.sedarplus.ca.