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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)

INSIDE INFORMATION UPDATE ON MONGOLIA TAX AUDIT

This announcement is made by SouthGobi Resources Ltd. (the “**Company**”) 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, January 20, 2025, February 13, 2025, March 26, 2025 and March 28, 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.

On April 25, 2025, the Company’s wholly owned subsidiary in Mongolia, Southgobi Sands LLC (“**SGS**”), obtained a copy of an order dated April 15, 2025 (“**Latest Court Order**”) issued by the Administrative Court of First Instance in Ulaanbaatar, Mongolia (the “**Administrative Court of First Instance**”) refusing to accept the claim brought by certain MTA Officials against the TDRC (“**Proposed Case**”) in an attempt to dispute or overturn the previous decision made by the TDRC regarding the Re-assessment Result, in which the TDRC concluded that the tax penalty against SGS be reduced from approximately US\$80.0 million to US\$26.5 million. According to the Latest Court Order, the Proposed Case has been dismissed by the Administrative Court of First Instance. According to applicable Mongolian laws, the plaintiff is entitled to file an appeal to the appellate court, and the Company understands that the MTA Officials, as plaintiff in the Proposed Case, has filed an appeal as at the date of this announcement.

* For identification purposes only

As of the date of this announcement, the Re-assessment Result remains legally valid and in effect. The Company will continue to monitor the status of the above and will make further announcement(s) in order to keep its shareholders and potential investors informed as and when appropriate.

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

Vancouver, May 6, 2025

Hong Kong, May 6, 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.