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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, March 28, 2025 and May 6, 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 June 9, 2025, the Company’s wholly owned subsidiary in Mongolia, Southgobi Sands LLC (“**SGS**”), obtained a copy of a judgement dated May 27, 2025 (“**Appellate Court Judgement**”) issued by the Appellate Court for Administrative in Ulaanbaatar, Mongolia (the “**Appellate Court**”). As per the Appellate Court Judgement, the Appellate Court upheld the court order issued by the Judge of the Administrative Court of First Instance in Mongolia on April 15, 2025. As a result, the claim brought by certain MTA Officials against the TDRC in an attempt to dispute or overturn the previous decision made by the TDRC regarding the Re-assessment Result has been dismissed and rejected. According to applicable Mongolian law, the Appellate Court Judgement shall be final and is not subject to further appeal.

As of the date of this announcement, the Re-assessment Result remains legally valid and effective. The Company expects no further dispute regarding the Re-assessment Result and will only make further announcement(s) as and when there is new development regarding this matter.

** For identification purposes only*

By order of the Board
SouthGobi Resources Ltd.

Yingbin Ian He
Lead Director

Vancouver, June 13, 2025

Hong Kong, June 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.