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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)

RMB 235 MILLION SECURED LOAN

This announcement is made by SouthGobi Resources Ltd. (the "**Company**") pursuant to Rule 13.09(2) 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 announces that its Mongolian operating subsidiary, Southgobi Sands LLC ("**SGS**"), has entered into a secured loan with Khan Bank JSC (the "**Lender**") for a principal amount of up to RMB235,000,000 (equivalent to approximately CAD46,095,250) (the "**Loan**"), pursuant to the terms of a loan agreement by and among SGS and the Lender dated October 7, 2025 (the "**Loan Agreement**").

Loan Terms

The key terms of the Loan provide that the Lender will lend up to RMB235,000,000 (equivalent to approximately CAD46,095,250) to SGS. The Loan has a term of 18 months from the date of initial disbursement (the "**Term**"). The Loan accrues interest at a rate of 10% per annum on the outstanding principal, calculated on a 365-day year basis. In the event of default, additional interest equal to 20% of the loan interest will be charged on the outstanding principal, as set out in the Loan Agreement. The Loan is subject to a 0.5% loan service fee, capped at RMB7,500 (equivalent to approximately CAD1,471), and a 0.5% amendment fee on the outstanding principal, also capped at RMB7,500 (equivalent to approximately CAD1,471). The total principal amount of the Loan of RMB235,000,000 (equivalent to approximately CAD46,095,250) will be advanced by the Lender to SGS upon satisfaction of certain customary conditions precedents, including the registration of the collateral.

** For identification purposes only*

Loan repayments will consist of interest-only payments during the initial 12 months of the Term, followed by principal amortization payments during months 13 to 18 of the Term, all in accordance with the agreed loan disbursement and repayment schedule set forth in the Loan Agreement.

The Loan is secured by first-ranking pledges over specified immovable properties and land-use rights belonging to SGS at Nariin Sukhait (Gurvantes soum, Umnugobi province), including office buildings, employee accommodation, maintenance shop and camp infrastructure, a gas and fuel station and related facilities, as well as multiple mining and infrastructure land-use parcels. In addition, the Loan is secured by pledges over movable and intangible assets of SGS, including a mining licence, exploration and prospecting data and feasibility studies, accounts receivable, and inventory (goods and materials), together with proceeds thereof, and as further described in the related pledge agreements for immovable properties and for movable and intangible properties, both dated October 7, 2025 (the "**Pledge Agreements**"). The Company intends to use the proceeds of the Loan to support working capital, operating expenses, taxes and the settlement of accounts payable of SGS.

Pursuant to the terms of (1) the convertible debenture issued by the Company to China Investment Corporation on October 26, 2009, and subsequently assigned to JD Zhixing Fund L.P. ("**JDZF**") on August 30, 2022 (the "**Convertible Debenture**"), and (2) the deferral agreement dated March 20, 2025 between JDZF, the Company, SGS and SGQ Coal Investment Pte. Ltd. (the "**March 2025 Deferral Agreement**"), the aforementioned assets of SGS shall be charged in favour of JDZF, and SGS shall not create further charges over such assets. To facilitate SGS in obtaining the Loan, JDZF has agreed, for as long as the Loan remains outstanding, to waive (1) its rights over such SGS assets, and (2) its right to claim against the Company and SGS for breach of terms of the Convertible Debenture and the March 2025 Deferral Agreement as a result of the agreements in relation to the Loan.

A copy of the English version of the Loan Agreement will be available under the Company's profile on SEDAR+ at www.sedarplus.ca.

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

Vancouver, October 13, 2025
Hong Kong, October 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 statements included in this news release constitute forward-looking statements or forward-looking information ("forward-looking statements") under applicable securities legislation. Such forward-looking statements are provided for the purpose of providing information about management's current expectations and plans relating to the future. Readers are cautioned that reliance on such information may not be appropriate for other purposes. Forward-looking statements typically contain statements with words such as "anticipate", "believe", "expect", "plan", "intend", "estimate", "propose", "project" or similar words suggesting future outcomes or statements regarding an outlook. Forward-looking statements in this news release include, but are not limited to, those statements relating to the anticipated use of proceeds, the terms, timing and disbursement(s) of the Loan, the Company and SGS' abilities to meet conditions precedent and ongoing covenants, and the expected benefits of the Loan to the Company and SGS' liquidity and operations. Forward-looking statements are based on assumptions and are subject to known and unknown risks, uncertainties and other factors that may cause actual results to differ materially, including those related to operational performance, commodity prices, regulatory approvals, registration of security, satisfaction of conditions, performance of counterparties, compliance with financial covenants, currency exchange, and other risks detailed in the Company's filings on SEDAR+ and HKEXnews. Readers are cautioned not to place undue reliance on forward-looking statements. The Company undertakes no obligation to update or revise any forward-looking statements 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 the website of the Hong Kong regulatory filings and disclosures of listed issuer information. These can be found under the Company's profile on SEDAR+ and HKEXnews respectively, at www.sedarplus.ca and www.hkexnews.hk.