*Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited (the "**Hong Kong Stock Exchange**") take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.*

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)

SETTLEMENT OF CLASS ACTION LAWSUIT

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). Reference is made to the announcements of the Company dated January 8, 2014, November 9, 2015, May 31, 2016, September 22, 2017 and August 13, 2025 (the "**Announcements**") in relation to the class action lawsuit in Canada.

The Company announces that, pursuant to the decision delivered on December 3, 2025 (the "**Decision**") by Justice Morgan, a judge of the Superior Court of Justice of Ontario (the "**Ontario Court**"), the previously disclosed settlement of the class action lawsuit (the "**Class Action**") filed against the Company in relation to the Company's restatement of certain financial statements previously disclosed in the Company's public fillings (the "**Restatement**"), has been approved by the Ontario Court.

As previously disclosed in the Company's public filings, in January 2014, Siskinds LLP, a Canadian law firm, filed the Class Action against the Company, certain of its former senior officers and directors, and its former auditor (the "**Former Auditor**"), in the Ontario Court in relation to the Restatement.

To commence and proceed with the Class Action, the plaintiff was required to seek leave of the Court under the Ontario Securities Act ("**Leave Motion**") and certify the action as a class proceeding under the Ontario Class Proceedings Act. The Ontario Court rendered its decision on the Leave Motion on November 5, 2015, dismissing the action against the former senior officers and directors and allowing the action to proceed against the Company in respect of alleged misrepresentation affecting trades in the secondary market for the Company's securities arising from the Restatement. The action against the Former Auditor was settled by the plaintiff on the eve of the Leave Motion.

* *For identification purpose only*

Both the plaintiff and the Company appealed the Leave Motion decision to the Ontario Court of Appeal. On September 18, 2017, the Ontario Court of Appeal dismissed the Company's appeal of the Leave Motion to permit the plaintiff to commence and proceed with the Class Action. Concurrently, the Ontario Court of Appeal granted leave for the plaintiff to proceed with their action against the former senior officers and directors in relation to the Restatement.

The Company filed an application for leave to appeal to the Supreme Court of Canada in November 2017, but the leave to appeal to the Supreme Court of Canada was dismissed in June 2018.

In December 2018, the parties agreed to a consent Certification Order, whereby the action against the former senior officers and directors was withdrawn and the Class Action would proceed only against the Company, creating the class plaintiffs ("**Class Plaintiffs**") and permitting the Class Plaintiffs to proceed with the Class Action against only the Company.

Counsel for the plaintiffs and the defendant successfully concluded a mediation process on August 11, 2025 (the "**Mediation**"), with the participation of the Company's insurers and under the guidance of the former Chief Justice of Ontario, the Honourable George Strathy. A settlement (the "**Settlement**") was finalized in a written agreement made as of October 2, 2025 (the "**Settlement Agreement**"), conditional upon final Ontario Court approval pursuant to the requirements set out in the Class Proceedings Act (Ontario).

Under the Settlement Agreement, the Class Plaintiffs and the Company settled the Class Action for CA$6.8 million, including all liability and class counsel fees, notice and administrative costs, fees, costs and expenses related to the litigation and the Settlement (the "**Settlement Payments**"). The Settlement Payments are the obligation of the Company's insurers and have been paid by the insurers to the solicitors representing the Class Plaintiffs.

The last remaining issue necessary for final approval of the Settlement is the expiration of a 30-day appeal period beginning from the date of the Decision approving the Settlement. The appeal period expires on January 2, 2026, during which an appeal of the Decision may be commenced on or before that date.

The Settlement is based on the mutual consideration that should the litigation proceedings continue, the costs incurred may exceed the amount of the Settlement agreed upon between both parties through negotiation. Therefore, the Settlement is reached for economic benefits. Upon the Settlement ultimately taking effect and in consideration of the Settlement Payment, the Class Plaintiffs agree to forever and absolutely discharge, without qualification and limitation, the Company and other released parties from any legal claims they may have in relation to the Restatement and to take no further actions in respect of the matter.

The Settlement, if made effective, is within the Company's insured limits. Accordingly, the Company has determined that a provision for this matter is not required on its financial statements.

The Company cannot provide any assurance that the Settlement will satisfy the conditions and requirements necessary for it to become final. The Company continues to believe that it has a strong defence on the merits of the said action and the Settlement shall not be construed in any way as the Company's admission of responsibility and liability to the said action. The Settlement was driven by Mediation process and the determining factor that the Settlement Payments are within the insured limits provided by the Company's insurers. The Company will issue further announcement(s) to update shareholders and potential investors regarding material developments as and when necessary.

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

Vancouver, December 8, 2025
Hong Kong, December 8, 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.