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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)

DISCLOSEABLE TRANSACTION
ENTERING INTO A BUILD-TRANSFER AGREEMENT
IN RELATION TO
THE DRY COAL SEPARATION SYSTEM

INTRODUCTION

The Board hereby announces that on April 22, 2026, the Company's wholly-owned Mongolian subsidiary, Southgobi Sands LLC ("**SGS**"), entered into a Build-Transfer agreement (the "**BT Agreement**") with Tangshan Shenzhou Manufacturing Group Co., Ltd (唐山神州機械集團有限公司) ("**Tangshan Shenzhou**"), pursuant to which Tangshan Shenzhou is responsible for the construction (excluding site preparation works) of a new dry coal separation system, including the key equipment of ZM600 礦物高效分離機 and IDS-2000 智能乾選機, which, for transliteration purpose only, mean high-efficiency mineral separation machine and intelligent dry selection machine, respectively (collectively, the "**Dry Coal Separation System**") at the Company's Ovoot Tolgoi Mine in Mongolia. The Dry Coal Separation System will be a stand-alone plant separate from the Company's existing dry processing plants.

* *For identification purpose only*

Tangshan Shenzhou is also responsible for the construction of all related facilities for the Dry Coal Separation System (the "**Related Facilities**"). Tangshan Shenzhou shall transfer the ownership and relevant intellectual property right of the Dry Coal Separation System to SGS upon the satisfaction of the conditions for transfer in accordance with the BT Agreement. Under the BT Agreement, SGS has the right to supervise and inspect Tangshan Shenzhou's construction progress and safety management. The total consideration payable by SGS over the term of the BT Agreement is approximately RMB53.8 million (equivalent to approximately USD$7.8 million) (the "**Consideration**"). Subject to the terms as set out therein, the BT Agreement is effective from April 22, 2026 until the Consideration has been fully paid by SGS which is expected to take place on or around April 22, 2031.

LISTING RULES IMPLICATIONS

As one or more of the applicable percentage ratio(s) (as defined under the Listing Rules) in respect of the transactions contemplated under the BT Agreement is/are more than 5% but less than 25%, the entering into of the BT Agreement constitutes a discloseable transaction on the part of the Company under Chapter 14 of the Listing Rules and is thus subject to the reporting and announcement requirements. None of the Directors has any material interest in the BT Agreement or is required to abstain from voting on the board resolutions approving the BT Agreement.

INTRODUCTION

The Board hereby announces that on April 22, 2026, the Company's wholly-owned Mongolian subsidiary, SGS, entered into a BT Agreement with Tangshan Shenzhou, pursuant to which Tangshan Shenzhou is responsible for the construction (excluding site preparation works) of the Dry Coal Separation System and all Related Facilities at the Company's designated location in Mongolia. Under the BT Agreement, SGS has the right to supervise and inspect Tangshan Shenzhou's construction progress and safety management.

The total Consideration payable by SGS over the term of the BT Agreement is approximately RMB53.8 million (equivalent to approximately USD$7.8 million). Subject to the terms as set out therein, the BT Agreement is effective from April 22, 2026 until the Consideration has been fully paid by SGS which is expected to take place on or around April 22, 2031.

PRINCIPAL TERMS OF THE BT AGREEMENT

Date

April 22, 2026

Parties

(1) SGS; and

(2) Tangshan Shenzhou

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, each of Tangshan Shenzhou and its respective ultimate beneficial owner(s) are Independent Third Parties and are at arm's length to the Company.

Scope of Work

Pursuant to the terms of the BT Agreement, the key responsibilities of Tangshan Shenzhou include:

i. engineering survey, design, construction, equipment supply, transportation from Tangshan Shenzhou's factory to the China-Mongolia border, Chinese export customs clearance, and installation, in each case in relation to the Dry Coal Separation System and the Related Facilities; and

ii. commissioning, trial operation, debugging, technical support, and training services, in each case in relation to the Dry Coal Separation System and the Related Facilities.

Pursuant to the terms of the BT Agreement, the key responsibilities of SGS include:

i. provision of construction equipment such as cranes, aerial lifts, loaders, trenching machines, engineering vehicles and generators for Tangshan Shenzhou's use at nil cost and be responsible for the related fuel cost during the construction period, provided that Tangshan Shenzhou shall bear responsibility for the management and safety of such equipment and personnel during the period of use;

ii. conduct of site preparation works, including utility connections, site leveling, foundation excavation, soil removal and backfilling;

iii. transportation of the Dry Coal Separation System and the Related Facilities from the China-Mongolia border to the project site in Mongolia, as well as related Mongolian import customs clearance, taxes and duties;

iv. obtaining all necessary approvals, permits and qualifications required for construction and production operations in Mongolia; and

v. provision of water and electricity for the premises used for Dry Coal Separation System and the Related Facilities (including temporary living facilities) and arrangement of meals and accommodation for Tangshan Shenzhou's personnel during the construction period at nil cost, provided that Tangshan Shenzhou shall be responsible for the fire safety, hygiene and safety management of such facilities.

(altogether the "**Agreed Project**").

The construction period for the Agreed Project is anticipated to be three (3) months. Upon completion of the construction of the Agreed Project, Tangshan Shenzhou shall promptly notify SGS to conduct inspection. The construction shall be completed upon the successful completion of the inspection. Alternatively, the construction shall be deemed completed upon the earlier of: (i) the expiry of 30 days following receipt by SGS of Tangshan Shenzhou's notification for inspection and SGS' failure to conduct inspection within such 30-day period; and (ii) the Dry Coal Separation System having been in trial operation under load for three (3) months, with all performance indicators meeting the standards specified in the BT Agreement.

Consideration

The Consideration is approximately RMB53.8 million, which consists of:

i. RMB10.0 million as prepayment (equivalent to approximately USD$1.5 million) (the "**Prepayment**") according to the following schedule:

   a. RMB2.0 million to be paid on the date of signing the BT Agreement;

   b. RMB3.0 million to be paid within ten (10) days of signing the BT Agreement;

   c. RMB2.0 million to be paid within ten (10) days after the main equipment arrives in Mongolia; and

   d. RMB3.0 million to be paid within ten (10) days after the earlier of: (i) SGS' acceptance of the inspection of the Dry Coal Separation System and the Related Facilities; or (ii) the expiry of three (3) months during which the Dry Coal Separation System and the Related Facilities have been in normal production.

ii. The repurchase fees to be paid as follows, commencing from the start of normal production of the Dry Coal Separation System and the Related Facilities:

   a. year one: approximately RMB11.9 million (equivalent to approximately USD$1.7 million);

   b. year two: approximately RMB11.3 million (equivalent to approximately USD$1.6 million);

   c. year three: approximately RMB10.8 million (equivalent to approximately USD$1.6 million);

   d. year four: approximately RMB10.2 million (equivalent to approximately USD$1.5 million); and

   e. year five: approximately RMB9.6 million (equivalent to approximately USD$1.4 million).

SGS shall be entitled to apply the Prepayment to offset the repurchase fees payable in year five. To the extent the total Prepayment exceeds the year five repurchase fees, such excess shall be applied to offset the repurchase fees payable in year four, in reverse chronological order commencing from the twelfth month of year four. In the event of early termination of the BT Agreement: (i) if the termination is due to reasons attributable to SGS (other than termination by mutual agreement), the portion of the Prepayment already paid by SGS shall be retained by Tangshan Shenzhou as exit costs, and shall not be applied to offset any repurchase fees, provided that if any portion of the Prepayment has already been applied to offset repurchase fees prior to termination, SGS shall pay an equivalent amount to Tangshan Shenzhou; or (ii) if the termination is due to reasons attributable to Tangshan Shenzhou, Tangshan Shenzhou shall refund to SGS all payment received under the BT Agreement, together with interest calculated thereon at the rate of 15% per annum.

Transfer of Dry Coal Separation System and Related Facilities

Ownership Prior to the Transfer

Prior to the completion of the final transfer, all assets of the Dry Coal Separation System and the Related Facilities shall be jointly owned by SGS and Tangshan Shenzhou, with SGS' ownership interest being proportionate to the aggregate contract payments made by SGS relative to the total Consideration. When SGS' aggregate payments under the BT Agreement reach 90% of the Consideration, the ownership of the Dry Coal Separation System and the Related Facilities shall vest in SGS, provided that SGS shall remain obligated to pay the remaining balance.

Conditions for Transfer

The transfer of the Dry Coal Separation System and the Related Facilities to SGS shall be subject to the satisfaction of the following conditions (the "**Conditions for Transfer**"):

i. the construction of the Dry Coal Separation System and the Related Facilities has been completed in accordance with the BT Agreement;

ii. the Dry Coal Separation System has passed inspection, or has been in normal operation for more than three (3) months; and

iii. the payment of at least 90% of the Consideration by SGS.

Transfer Procedure

i. Tangshan Shenzhou shall issue a transfer notice to SGS within ten (10) days after the satisfaction of the Conditions for Transfer. Both parties shall complete the transfer and execute a transfer certificate within ten (10) days of the date of such transfer notice.

ii. Upon completion of the transfer, ownership, right of use and all associated risks of the Dry Coal Separation System and the Related Facilities shall vest in SGS.

Transfer Content

Tangshan Shenzhou shall transfer to SGS the following:

i. all equipment and facilities comprising the Dry Coal Separation System and the Related Facilities in accordance with the BT Agreement and all related intellectual property rights;

ii. equipment operation manuals and maintenance manuals;

iii. process drawings and technical documentation; and

iv. equipment certificates.

Basis for determining the Consideration

The Consideration was determined after assessing (i) the previous experience of Tangshan Shenzhou in working with the Company on the existing dry coal processing plant; (ii) the experience, competency and market position of Tangshan Shenzhou in dry coal processing, which is suitable for the Company's business; (iii) the expected scope, complexity and quality of the Agreed Project based on the agreement terms with Tangshan Shenzhou for carrying out similar construction works of comparable scale and complexity as the new Dry Coal Separation System; (iv) the construction costs, including equipment procurement, transportation, installation and other costs incurred by Tangshan Shenzhou in completing the construction of the Agreed Project; and (v) bank interest calculated on the construction costs.

Therefore, the Company determined the Consideration is on normal commercial terms and on arm's length basis. The Directors consider the Consideration to be fair and reasonable and in the interests of the Company and the Shareholders as a whole.

INFORMATION ON TANGSHAN SHENZHOU

Tangshan Shenzhou is headquartered in Tangshan City, Hebei Province, PRC. It is principally engaged in the research, development, manufacturing, construction and installation of dry coal preparation equipment. It is owned 66.7% and 33.3% by Mr. Li Gongmin（李功民）and Ms. Li Shan（李姗）, respectively.

Founded in 2001, Tangshan Shenzhou has a registered capital of RMB90 million and has various experience in manufacturing and construction of advanced large-scale machinery and manufacturing equipment. Tangshan Shenzhou is designated as a national high-tech enterprise with operations covering (i) new process of dry coal beneficiation technology; (ii) research and development of new equipment; (iii) coal preparation engineering design and consulting; and (iv) coal preparation equipment manufacturing. Tangshan Shenzhou has obtained more than 100 authorised patents, including invention patents and international patents for its products, including but not limited to "a kind of high-efficiency automated dry coal separator for coal mines"（一種煤礦用高效率自動化乾法選煤機）, "a kind of dry coal beneficiation screening equipment and its use method"（一種乾式選煤篩分設備及其使用方法）and "a kind of mobile dry coal separating and de-dusting machine"（一種移動式乾式選煤除塵機）.

INFORMATION ON SGS

SGS is a wholly-owned subsidiary of the Company incorporated under the laws of Mongolia, which is principally engaged in coal mining, development and exploration of mineral properties in Mongolia. SGS holds the mining and exploration licences in Mongolia and operates the flagship Ovoot Tolgoi Mine.

REASONS FOR AND BENEFITS OF ENTERING INTO THE BT AGREEMENT

The Company is an integrated coal mining, development and trading company. SGS is a wholly-owned subsidiary of the Company incorporated under the laws of Mongolia, which is principally engaged in coal mining, development and exploration of mineral properties in Mongolia.

The BT Agreement falls within the Company's scope of principal business of coal mining. As the Company's total coal production in Mongolia increases, the volume of coal requiring processing before it can meet the requirements for export to the Chinese market also increases. Accordingly, the Dry Coal Separation System will be beneficial to the Company in processing such coal to enable its export and sale to the Chinese market, thereby expanding its market share while increasing the Company's revenue and profit. The BT Agreement will be of significance to the Company in increasing the influence in the local communities and expanding the overall mining capacity, in line with the development strategy of the Company. The operation of the BT Agreement will enable the Company to utilize its management and technical personnel resources, enhance coal processing efficiency and product quality and improve the performance of the production line, thereby enhancing the Company's competitiveness and sustainable development capabilities. The Company cautions, however, that there can be no guarantee or assurance that any increase in revenue or profit will be achieved, as actual results may differ materially from those anticipated. The realization of the expected benefits of the BT Agreement is subject to a number of risks and uncertainties, including, without limitation, market conditions, regulatory developments, and the costs and expenses associated with the construction, commissioning and ongoing operation of the Dry Coal Separation System.

The terms of the BT Agreement were determined after arm's length negotiations among the parties thereto. Having considered all of the above reasons, the Directors (including the independent non-executive Directors) believe that the BT Agreement is consistent with the overall business direction of the Company and that the terms of the BT Agreement are on normal commercial terms and fair and reasonable and are in the interests of the Company and the Shareholders as a whole.

LISTING RULES IMPLICATIONS

As one or more of the applicable percentage ratio(s) (as defined under the Listing Rules) in respect of the transactions contemplated under the BT Agreement is/are more than 5% but less than 25%, the entering into of the BT Agreement constitutes a discloseable transaction on the part of the Company under Chapter 14 of the Listing Rules and is thus subject to the reporting and announcement requirements. None of the Directors has any material interest in the BT Agreement or is required to abstain from voting on the board resolutions approving the BT Agreement.

Shareholders and potential investors of the Company are advised to exercise caution when dealing in the Shares.

"Agreed Project"	has the meaning ascribed thereto under the section headed "Principal Terms of the BT Agreement" in this announcement
"Board"	the board of Directors
"BT Agreement"	has the meaning ascribed thereto under the section headed "Introduction" in this announcement
"Conditions for Transfer"	has the meaning ascribed thereto under the section headed "Principal Terms of the BT Agreement" in this announcement
"Company"	SouthGobi Resources Ltd., a company continued under the laws of British Columbia, Canada with limited liability, the issued shares of which are listed on the Main Board of the Stock Exchange (stock code: 1878) and the TSX Venture Exchange (stock symbol: SGQ)
"Consideration"	approximately RMB53.8 million payable by SGS to Tangshan Shenzhou
"connected person(s)"	has the same meaning ascribed heretounder the Listing Rules
"Directors"	directors of the Company
"Dry Coal Separation System"	full-scale dry beneficiation system used for coal upgrading, including key equipment of ZM600 high-efficiency mineral separation machine (ZM600 礦物高效分離機) and IDS-2000 intelligent dry selection machine (IDS-2000 智能乾選機)
"HK$"	Hong Kong dollar(s), the lawful currency of Hong Kong
"Hong Kong"	the Hong Kong Special Administrative Region of the PRC
"Independent Third Party(ies)"	party(ies) independent of and not connected with the Company and its connected persons
"Listing Rules"	the Rules Governing the Listing of Securities on the Stock Exchange
"Ovoot Tolgoi Mine"	the Company's operating coal mine located approximately 40km from the Shivee Khuren-Ceke crossing at the Mongolia-China border and is the Company's flagship asset
"percentage ratio(s)"	has the same meaning as ascribed heretounder the Listing Rules

"PRC"	the People's Republic of China, which for the purpose of this announcement excludes Hong Kong, the Macao Special Administrative Region of the People's Republic of China and Taiwan
"Prepayment"	has the meaning ascribed thereto under the section headed "Principal Terms of the BT Agreement" in this announcement
"Related Facilities"	any auxiliary production systems and facilities required to support the operation of the Dry Coal Separation System
"RMB"	Renminbi, the lawful currency of the PRC
"SGS"	Southgobi Sands LLC, a wholly-owned subsidiary of the Company incorporated under the laws of Mongolia
"Share(s)"	shares of the Company
"Shareholder(s)"	holder(s) of the Shares
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"Tangshan Shenzhou"	Tangshan Shenzhou Manufacturing Group Co., Ltd.（唐山神州機械集團有限公司）, a company incorporated in the PRC with limited liability
"%"	per cent
USD$	United States dollar(s), the lawful currency of the United States

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

Hong Kong, April 27, 2026

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**"), such as information relating to future operational matters and the BT Agreement, including the construction period for the Agreed Project, the term of the BT Agreement, the transfer of the Dry Coal Separation System and Related Facilities, the labour and material costs to be incurred thereunder and the anticipated benefits and business outcomes as a result of SGS entering into the BT Agreement. Forward-looking statements are frequently characterized by words such as "anticipate", "plan", "expect", "project", "intend", "believe", "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, unanticipated construction delays, availability of labour, equipment and materials, future changes in labour and material costs, construction cost estimates, unanticipated issues with transportation logistics and customs clearance, the annual tonnage of coal processed through the Dry Coal Separation System, the ability of the parties to fulfill their respective obligations under the BT Agreement, the ability of SGS to obtain all necessary approvals, permits and qualifications required for construction and production operations in Mongolia, market conditions, the increase of the Company's coal production in Mongolia, the continued alignment of the BT Agreement with the Company's development strategy 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 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.