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SouthGobi
RESOURCES

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)

INSIDE INFORMATION

JD ZHIXING FUND L.P. ASSIGNS PAYMENT-IN-KIND INTEREST UNDER CONVERTIBLE DEBENTURE

This announcement is made by SouthGobi Resources Ltd. (TSX-V: SGQ, HK: 1878) (“**SouthGobi**” or 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).

The Company announces that, as disclosed in the press release issued by JD Zhixing Fund L.P. (“**JDZF**”) on July 10, 2026 in Canada, JDZF, being the registered holder of the Company’s US\$250 million Convertible Debenture issued on November 19, 2009 (the “**Convertible Debenture**”) and the Company’s largest shareholder, has entered into an assignment agreement with Od Sar Trading Co. Limited (the “**Assignee**”) pursuant to which JDZF has assigned to the Assignee pursuant to the terms of the Convertible Debenture, the right to receive US\$19 million of payment-in-kind interest accrued and outstanding under the Convertible Debenture and certain related deferral agreements (the “**Assigned PIK Interest**”). The payment date of the Assigned PIK Interest was deferred until August 31, 2027 (the “**Deferral Date**”) pursuant to the terms of the deferral agreement dated March 23, 2026 between JDZF, the Company and certain of its subsidiaries, as discussed in the Company’s press release issued on March 23, 2026 (the “**March 2026 Deferral Agreement**”). The assignment of the Assigned PIK Interest does not have any impact on the Deferral Date nor does it amend or result in a deviation of the terms of the March 2026 Deferral Agreement.

Pursuant to the terms of the Convertible Debenture and related deferral agreements, the Assignee may, at its discretion, require the Company to satisfy the Assigned PIK Interest by issuing fully paid

** For identification purposes only*

and non-assessable common shares of the Company (the “**Common Shares**”) in an amount equal to the Assigned PIK Interest divided by the 50-day volume-weighted average price (“**VWAP**”) of the Common Shares as of the requested payment date of the Assigned PIK Interest.

The Company has been notified by the Assignee that the Assignee intends to convert the Assigned PIK Interest into, and require the Company to issue, Common Shares in the near future.

Shareholders are cautioned that, the final number of Common Shares that the Company will issue to satisfy the Assigned PIK Interest will depend on the prevailing 50-day VWAP as of the future payment date. For illustrative purposes, assuming a payment date as of the date hereof and using the 50-day VWAP of CAD\$0.327 per share and Bank of Canada Canadian dollar to U.S. dollar daily average exchange rate of 0.7069, upon issuance of the Common Shares in satisfaction of the Assigned PIK Interest, the Assignee would receive 82,140,266 Common Shares, representing 21.66% of the issued and outstanding Common Shares.

The Company will make a further announcement regarding the issuance of Common Shares in satisfaction of the Assigned PIK Interest as and when appropriate.

Shareholders and potential investors of the Company should exercise caution when dealing in the shares of the Company.

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

Hong Kong, July 13, 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.