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(A company continued under the laws of British Columbia, Canada with limited liability)
(Hong Kong Stock Code: 1878)
(TSX Venture Exchange Stock Symbol: SGQ)

ISSUE OF PAYMENT-IN-KIND INTEREST SHARES UNDER CONVERTIBLE DEBENTURE

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 announcement of the Company dated July 13, 2026 (the “**Announcement**”). Unless otherwise specified, terms used in this announcement shall have the same meanings as defined in the Announcement.

The Company announces that it has received from Od Sar Trading Co. Limited (the “**Assignee**”) a notice to exercise the Assignee’s right to require the Company to pay US\$17 million of the total Assigned PIK Interest (the “**PIK Interest Payment Request**”) through the issuance of Common Shares, with a requested payment date of July 13, 2026 (the “**Payment Date**”).

As a result, the Company will issue to the Assignee a total of 73,497,622 Common Shares (the “**PIK Interest Shares**”), representing approximately 19.83% of the issued and outstanding shares of the Common Shares following completion of the PIK Interest Shares issuance, in satisfaction of the PIK Interest Payment Request. The number of PIK Interest Shares issuable was determined based on the 50-day VWAP of approximately CAD\$0.3272 (equivalent to US\$0.2313) per Common Share as of the Payment Date.

* For identification purposes only

The PIK Interest Shares were issued to the Assignee pursuant to an assignment agreement (the “**Assignment Agreement**”) entered into between the Assignee and JD Zhixing Fund L.P., being the registered holder of the Company’s US\$250 million Convertible Debenture issued on November 19, 2009 (the “**Convertible Debenture**”). Pursuant to the Assignment Agreement, JD Zhixing Fund L.P. had assigned to the Assignee 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 Company will make a further announcement regarding the issuance of the PIK Interest Shares in satisfaction of the PIK Interest Payment Request 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 14, 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”), including information about timing with respect to the issuance of Common Shares in satisfaction of the Assigned PIK Interest. Forward-looking statements are frequently characterized by words such as “plan”, “expect”, “project”, “intend”, “believe”, “anticipate”, “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, completion of the issuance of the PIK Interest Shares to the Assignee in satisfaction of the PIK Interest Payment Request 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 speak only as of the date of this disclosure, and readers should not 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.