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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)

PROPOSED ISSUE OF PAYMENT-IN-KIND INTEREST SHARES 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 it has received from JD Zhixing Fund L.P. ("**JDZF**") a notice to exercise JDZF's right to require the Company to pay US$6.1 million of payment-in-kind interest ("**PIK Interest**") accrued and outstanding under the terms of the Company's US$250 million convertible debenture issued on November 19, 2009 (the "**Convertible Debenture**") and certain related deferral agreements (the "**PIK Interest Payment Request**").

Pursuant to the PIK Interest Payment Request, the Company would issue to JDZF 26,143,202 Common Shares (the "**PIK Interest Shares**"), representing approximately 6.59% of the issued and outstanding Common Shares, in satisfaction of the PIK Interest Payment Request. The issuance and completion of the PIK Interest Shares remains subject to the approval of the TSX Venture Exchange (the "**TSX-V**").

Pursuant to the terms of the Convertible Debenture and certain related deferral agreements, JDZF may, at its discretion, require the Company to satisfy the remaining PIK Interest by issuing Common Shares in an amount equal to the remaining PIK Interest divided by the 50 Day VWAP (defined below) of the Common Shares as of the date on which JDZF makes such request. The 50 Day VWAP is defined under the Convertible Debenture as the volume weighted average price of the Common Shares including trading on all stock exchanges on which the Company is listed during the 50 consecutive trading days preceding such date expressed in Canadian dollars with non-Canadian currencies converted at the Bank of Canada noon rates on the date of the calculation (the "**50 Day VWAP**"). The number of PIK Interest Shares issuable under the PIK Interest Payment Request has been determined based on the 50 Day VWAP of approximately C$0.3341 (US$0.2333) per Common Share as of the date of the PIK Interest Payment Request.

* *For identification purpose only*

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, November 20, 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 the proposed issuance and completion of the PIK Interest Shares, the timing thereof and the receipt of TSX-V approval. 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, the receipt of TSX-V approval for the issuance of the PIK Interest Shares 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.