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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)

(Toronto Stock Code: SGQ)

Withdrawal of legal proceeding against subsidiary of the Company

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).

The Company announces that, further to its press release dated September 20, 2018, the Company has received notice that on January 24, 2019 the Ejinaqi People’s Court of Inner Mongolia Autonomous Region of China rendered a judgment allowing the application by Jiayuguan Xiyuan Trading Co., Ltd. (“**Xiyuan**”) to voluntarily withdraw its lawsuit against Inner Mongolia SouthGobi Energy Co., Ltd., a subsidiary of the Company, and Ejinaqi Fulemeng Energy Industry Co., Ltd., in relation to a dispute over certain coal sales contracts. Xiyuan’s application cited a lack of evidence.

By order of the Board

SouthGobi Resources Ltd.

Mao Sun

Interim Independent Lead Director

Vancouver, January 30, 2019

Hong Kong, January 30, 2019

** For identification purposes only*

As at the date of this announcement, the executive director of the Company is Mr. Shougao Wang; the independent non-executive directors are Messrs. Yingbin Ian He, Mao Sun and Ms. Jin Lan Quan; and the non-executive directors are Messrs. Wen Yao, Zhiwei Chen, Xiaoxiao Li and Ms. Lan Cheng.



January 30, 2019

Withdrawal of legal proceeding against subsidiary of the Company

VANCOUVER – SouthGobi Resources Ltd. (**TSX: SGQ; HK: 1878**) (“**SouthGobi**” or the “**Company**”) announces that, further to its press release dated September 20, 2018, the Company has received notice that on January 24, 2019 the Ejinaqi People’s Court of Inner Mongolia Autonomous Region of China rendered a judgment allowing the application by Jiayuguan Xiyuan Trading Co., Ltd. (“**Xiyuan**”) to voluntarily withdraw its lawsuit against Inner Mongolia SouthGobi Energy Co., Ltd., a subsidiary of the Company, and Ejinaqi Fulemeng Energy Industry Co., Ltd., in relation to a dispute over certain coal sales contracts. Xiyuan’s application cited a lack of evidence.

About SouthGobi

SouthGobi, listed on the Toronto and Hong Kong stock exchanges, owns and operates its flagship Ovoot Tolgoi coal mine in Mongolia. It also holds the mining licences of its other metallurgical and thermal coal deposits in South Gobi Region of Mongolia. SouthGobi produces and sells coal to customers in China.

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