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

Adoption of dividend policy

This announcement is made by SouthGobi Resources Ltd. (the “**Company**”) pursuant to Rule 13.09 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 the board of directors (the “**Board**”) has approved and adopted a dividend policy (the “**Dividend Policy**”) effective from March 27, 2019. According to the Dividend Policy, the Board shall consider the following factors in determining if and when dividends should be declared and paid in the future based on, amongst other things:

- i. the actual and expected financial results of the Company at the relevant time (including whether the Company has adequate retained earnings);
- ii. economic conditions and other internal or external factors that may have an impact on the business or financial performance and position of the Company;
- iii. the Company’s business strategy and operational plans, including future cash commitments and investment needs to sustain the long-term growth of the Company;
- iv. the current and expected liquidity position and capital requirements of the Company; and
- v. any other factors that the Board deems appropriate.

The declaration of dividends (if any) by the Board pursuant to this Dividend Policy shall be subject to:

** For identification purposes only*

- i. the Board receiving a certificate from the Chief Executive Officer and Chief Financial Officer of the Company as to the financial condition of the Company;
- ii. the Board satisfying itself that the Company does not have reasonable grounds to conclude that (a) the Company is insolvent; or (b) the payment of the dividend would render the Company insolvent;
- iii. there being no agreement to which the Company is party which restricts the ability of the Company to declare and pay dividends;
- iv. compliance with the provisions of the Company's articles, stock exchange requirements and applicable law; and
- v. the Board determining that the dividend is in the best interest of the Company and its shareholders.

The Board will review this Dividend Policy from time to time and has the right to amend, suspend or terminate this Dividend Policy at any time in its sole and absolute discretion. There is no assurance that dividends will be paid in any particular amount for any given period. If a dividend is declared by the Board, all of the Company's common shares are entitled to an equal share in any dividends declared and paid.

By order of the Board

SouthGobi Resources Ltd.

Mao Sun

Interim Independent Lead Director

Vancouver, April 2, 2019

Hong Kong, April 2, 2019

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.