

# **SouthGobi Resources Ltd.**

## **NOTICE OF ANNUAL AND SPECIAL MEETING OF SHAREHOLDERS**

**to be held on May 30, 2019**

**and**

## **MANAGEMENT PROXY CIRCULAR**

**DATED: April 23, 2019**

### **TAKE ACTION AND VOTE TODAY**

These materials are important and require your immediate attention. They require shareholders of SouthGobi Resources Ltd. to make important decisions. If you are in doubt as to how to make such decisions, please contact your financial, legal, tax or other professional advisors.

Your vote is important regardless of the number of shares you own. Whether or not you are able to attend, we urge you to vote using the enclosed proxy or voting instruction form. Please carefully follow the instructions provided to vote your shares.

**SOUTHGOBI RESOURCES LTD.**

**Notice of the annual and special meeting of Shareholders  
to be held on May 30, 2019**

**NOTICE IS HEREBY GIVEN** that the annual and special meeting of the shareholders of **SOUTHGOBI RESOURCES LTD.** (the “**Company**”) will be held at the offices of Dentons Canada LLP, 20<sup>th</sup> floor – 250 Howe Street, Vancouver, British Columbia, on Thursday, May 30, 2019 at 10:00 a.m. (Pacific DST) (the “**Meeting**”) for the following purposes:

1. to receive the report of the Board of Directors (the “**Board**”);
2. to receive the Company’s audited financial statements for the financial year ended December 31, 2018 and the auditors’ report thereon;
3. to appoint auditors for the Company for the ensuing year and to authorize the Board to fix the auditors’ remuneration;
4. to consider, and if thought advisable, to pass an ordinary resolution fixing the number of directors to be elected at the Meeting at eight (8);
5. to elect directors for the ensuing year; and
6. to consider, and if thought advisable, to pass an ordinary resolution of the disinterested shareholders of the Company authorizing and approving the deferral agreement (the “**2019 Deferral Agreement**”) between Land Breeze II S.à.r.l. (“**CIC Subco**”), a wholly-owned subsidiary of China Investment Corporation (“**CIC**”), the Company and certain of its subsidiaries in relation to the convertible debenture issued by the Company to CIC on October 26, 2009 and assigned by CIC to CIC Subco on November 19, 2009.

The Company will transact such other business as may properly come before the Meeting or any adjournment thereof.

The Board has fixed April 8, 2019 as the record date for the determination of shareholders entitled to receive notice of, and to vote at, the Meeting and at any adjournment thereof.

Instructions to access the Management Proxy Circular and a form of proxy solicited by management of the Company for the Meeting (the “**Form of Proxy**”) accompany this Notice. The Management Proxy Circular contains details of the matters to be considered at the Meeting. Information respecting the appointment of auditors, the election of directors and approvals relating to the 2019 Deferral Agreement may be found in the Management Proxy Circular under the headings “Appointment of Auditors”, “Election of Directors” and “Approval of 2019 Deferral Agreement”, respectively.

**Notice-and-Access**

The Company is utilizing the Canadian Securities Administrators’ notice-and-access delivery mechanism (the “**Notice-and-Access Provisions**”) under National Instrument 54-101 – *Communication with Beneficial Owners of Securities of a Reporting Issuer* and National Instrument 51-102 – *Continuous Disclosure Obligations*, for distribution of Meeting materials to registered and beneficial shareholders.

## Website Where Meeting Materials are Posted

The Notice-and-Access Provisions are a set of rules that allows reporting issuers to post electronic versions of proxy-related materials and annual financial statements (including the Management Proxy Circular) on-line, via the System for Electronic Document Analysis and Retrieval (“**SEDAR**”) and one (1) other website, rather than mailing paper copies of such materials to shareholders. Electronic copies of the Management Proxy Circular, the annual audited consolidated financial statements of the Company for the year ended December 31, 2018 (the “**Financial Statements**”) and management’s discussion and analysis of the Company’s results of operations and financial condition for the year ended December 31, 2018 (the “**MD&A**”) may be found on the Company’s SEDAR profile at [www.sedar.com](http://www.sedar.com) and the Company’s website at [www.SouthGobi.com](http://www.SouthGobi.com). In relation to the Meeting, the notice package for all shareholders will include the Form of Proxy, this notice of the annual and special general meeting of shareholders and a supplemental return card (collectively, the “**Meeting Materials**”). The Meeting Materials for those shareholders with existing instructions on their account to receive printed materials and those shareholders with addresses outside of Canada and the United States will also include a printed copy of the Management Proxy Circular. All other shareholders will receive only the required notification documentation under the Notice-and-Access Provisions, which will not include a paper copy of the Management Proxy Circular.

## Obtaining Paper Copies of Materials

The Company anticipates that using the Notice-and-Access Provisions for delivery will directly benefit the Company through a substantial reduction in both postage and material costs, and also promote environmental responsibility by decreasing the large volume of paper documents generated by printing proxy-related materials.

Shareholders with questions about the Notice-and-Access Provisions may call our transfer agent, AST Trust Company (Canada) (formerly *CST Trust Company*) (the “**Transfer Agent**”), toll-free at 1-888-433-6443. The Meeting Materials can be viewed online on the Company’s website at [www.SouthGobi.com](http://www.SouthGobi.com). Please note that if you request a paper copy of the Meeting Materials, you will not receive a new Form of Proxy or voting instruction form, so you should retain these forms sent to you in order to vote. Shareholders may also obtain paper copies of the Management Proxy Circular, Financial Statements and MD&A free of charge by contacting the Company’s Corporate Secretary at +1 604-762-6783 (which is not a toll-free number).

A request for paper copies which are required in advance of the Meeting should be sent so that the request is received by the Company or the Transfer Agent, as applicable, by 10:00 a.m. (Pacific DST) on Tuesday, May 14, 2019 in order to allow sufficient time for shareholders to receive the paper copies and to return their proxies or voting instruction forms to intermediaries not later than 48 hours (excluding Saturdays, Sundays and statutory holidays in the City of Vancouver, British Columbia, Canada) prior to the time set for the Meeting or any adjournments or postponements thereof.

## Voting

A Form of Proxy is enclosed herewith. Registered shareholders who are unable to attend the Meeting in person are requested to complete, date, sign and return the enclosed Form of Proxy to AST Trust Company (Canada) in accordance with the instructions set out on the Form of Proxy and in the Management Proxy Circular. If you are voting your shares by proxy, AST Trust Company (Canada) must receive your completed Form of Proxy by 10:00 a.m. (Pacific DST) on Tuesday, May 28, 2019 (which is 1:00 a.m. (Hong Kong time) on Wednesday, May 29, 2019), or

48 hours (excluding Saturdays, Sundays and statutory holidays in the City of Vancouver, British Columbia, Canada) before any adjournment(s) or postponement(s) of the Meeting.

Non-registered shareholders receiving these materials through their broker or other intermediary should complete and return the voting instruction form provided to them by their broker or other intermediary in accordance with the instructions provided therein.

**SHAREHOLDERS ARE REMINDED TO REVIEW THE MANAGEMENT PROXY CIRCULAR CAREFULLY BEFORE EXERCISING THEIR RIGHT TO VOTE.**

**DATED** at Vancouver, British Columbia, Canada this 23<sup>rd</sup> day of April, 2019.

***BY ORDER OF THE BOARD OF DIRECTORS OF  
SOUTHGOBI RESOURCES LTD.***

*"Allison Snetsinger"*

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Allison Snetsinger  
Corporate Secretary

**PLEASE VOTE PRIOR TO 10:00 A.M. (Pacific DST) ON TUESDAY, MAY 28, 2019**