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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)

Remedial Actions and Preventative Measures in furtherance of its Trading Resumption Plan

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 announcement dated March 31, 2019 in which the Company announced the key findings of the independent investigation (the “**Independent Investigation**”) conducted by the special committee of independent non-executive directors of the Company (the “**Special Committee**”) and its trading resumption plan (the “**Trading Resumption Plan**”), the Special Committee, with the assistance of Ernst & Young (China) Advisory Limited who served as forensic investigators in connection with the Independent Investigation, has completed its assessment of the potential remedial actions and preventative measures to improve and strengthen the Company’s commitment to a culture of honesty, integrity and accountability and compliance with the highest standards of professional and ethical conduct. The Special Committee delivered its report setting out a set of recommended remedial actions and preventative measures (the “**Remedial Actions and Preventative Measures**”) to the board of directors of the Company (the “**Board**”), which was approved at a meeting held on April 28, 2019.

The Remedial Actions and Preventative Measures set out below are intended to remediate the incidents identified in the Independent Investigation and address deficiencies in the implementation of the Company’s existing practices and procedures. Issues identified of note for the purposes of such remediation include a lack of preventative measures to avoid conflicts of interests, the need for

additional employee oversight and the need to enhance compliance with accounting protocols and documentation retention.

The Company has already taken proactive steps to address some of the issues raised by the Independent Investigation, including but not limited to: ceasing business activities with companies allegedly controlled by the Company’s former management, taking steps to defend claims by third parties attempting to link the Company to the aforementioned companies, and considering whether legal recourse, such as collection actions, can be taken in respect of certain matters.

The following is a summary of the Remedial Actions and Preventative Measures which were adopted and approved by the Board:

Recommendation	Key Remedial and Preventative Objective(s)
Enhance the Company’s anti-fraud program, including establishing an internal audit function, conducting routine internal audits and developing a communication and training program for employees to effectively establish a culture of compliance within the Company, ensure existing policies (such as the whistleblower policy) work effectively and support the implementation of the Remedial Actions and Preventative Measures	Enhance employee oversight Limit likelihood of conflicts of interest Proper document retention and accounting protocols
Enhance “know your customer” procedures relating to the intake of new customers and/or granting of credit to customers	Limit likelihood of conflicts of interest Proper document retention and accounting protocols
Enhance vendor due diligence and monitoring processes to screen third parties	Limit likelihood of conflicts of interest Proper document retention and accounting protocols

Formalize a process to perform routine reconciliation of balances with customers and/or suppliers on a regular basis	Limit likelihood of conflicts of interest Proper document retention and accounting protocols
Enhance the Company's Financial Delegation of Authority document relating to payment authorization and contract approval processes	Limit likelihood of conflicts of interest Proper document retention and accounting protocols
Enhance controls around the use of commercial bills	Limit likelihood of conflicts of interest Proper document retention and accounting protocols
Introduce segregation of employment duties	Limit likelihood of conflicts of interest
Enhance the standardization of human resources process and controls across different locations	Limit likelihood of conflicts of interest Proper document retention and accounting protocols
Ensure IT back up and document retention protocols, including employee return of Company-issued devices and subsequent archiving	Enhance employee oversight Proper document retention
Monitor the implementation of the Remedial Actions and Preventative Measures by establishing a special task force, comprised of managers of the Company's various business units and members of the internal audit function, which will be tasked with this responsibility, and will consider the engagement of third party experts to conduct a review of the results of the	Enhance employee oversight Limit the likelihood of conflicts of interest Proper document retention and accounting protocols

implementation and advise on further enhancements if necessary	
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Management is committed to remediating the issues which caused the Trading Suspension in a timely manner and will begin implementing the Remedial Actions and Preventative Measures as soon as practicable. Once the Remedial Actions and Preventative Measures have been implemented, the Company will make a further announcement as to the results of the implementation of the Remedial Actions and Preventative Measures and the steps that the Company intends to take to apply for trading resumption on the HKEX and the TSX.

Continued Suspension of Trading in the Common Shares

Trading in the common shares of the Company on the HKEX and the TSX has been suspended since December 17, 2018, and will remain suspended until further notice. Pursuant to Rule 6.01A(1) of the Listing Rules, the Hong Kong Stock Exchange may cancel the listing of any securities that have been suspended from trading for a continuous period of 18 months. In the case of the Company, this 18-month period expires on June 16, 2020. The HKEX has advised that unless the Company: (i) remedies the issues causing the trading suspension; (ii) fully complies with the Listing Rules to the HKEX's satisfaction; and (iii) resumes trading of its common shares on the HKEX by June 16, 2020, the Listing Department of the Hong Kong Stock Exchange will recommend that the Company's listing on the HKEX be cancelled. Pursuant to Listing Rules 6.01 and 6.10, the HKEX also has the right to impose a shorter specific remedial period, where appropriate.

The Company will make additional announcements if and when there are further material developments in relation to the Trading Resumption Plan, and, in any event, every three months until the HKEX either permits resumption of trading in the Company's common shares or cancels the Company's listing on the HKEX (whichever is earlier).

Forward-Looking Statements

Certain information included in this news 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 the implementation of the Remedial Actions and Preventative Measures and the formation of a special task force to monitor the implementation progress. 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 Company’s ability to implement the Remedial Actions and Preventative Measures in a timely manner, the effectiveness of the Remedial Actions and Preventative Measures in addressing the issues which caused the Trading Suspension 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 speaks only as of the date of this disclosure, and 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 can be found under the Company’s profile on SEDAR at www.sedar.com.

If there is any inconsistency or discrepancy between the English version and the Chinese version, the English version shall prevail.

By order of the Board

SouthGobi Resources Ltd.

Mao Sun

Interim Independent Lead Director

Vancouver, April 30, 2019

Hong Kong, April 30, 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.