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SouthGobi
RESOURCES

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)

(Toronto Stock Code: SGQ)

**REDESIGNATION OF LEAD DIRECTOR,
ELECTION OF NON-EXECUTIVE DIRECTOR,
SHAREHOLDERS’ MEETING VOTING RESULTS
AND ADJOURNMENT OF SPECIAL BUSINESS**

SouthGobi Resources Ltd. (the “**Company**”) is pleased to announce the voting results of the annual and special meeting (the “**Meeting**”) of shareholders of the Company held in Vancouver, Canada on May 30, 2019. The Company is also pleased to announce that the board of directors of the Company has re-designated Mr. Mao Sun, currently Interim Independent Lead Director, as Lead Director effective today. Mr. Ben Niu has elected as a non-executive director of the Company effective today.

At the Meeting, the majority of the Company’s shareholders voted in favour of the following matters as set out in the Company’s management proxy circular dated April 23, 2019 (the “**Information Circular**”), a copy of which is available under the Company’s profile on SEDAR at www.sedar.com:

- appointing PriceWaterhouseCoopers LLP, Chartered Accountants, as auditors of the Company for the ensuing year and authorizing the board of directors of the Company to fix the auditors’ remuneration;
- fixing the number of directors of the Company at eight; and
- the election of Messrs. Shougao Wang, Zhiwei Chen, Yingbin Ian He, Xiaoxiao Li, Ben Niu, Mao Sun, Wen Yao and Ms. Jin Lan Quan as directors of the Company for the ensuing year.

* For identification purposes only

With respect to the election of Directors, each of the following eight nominees proposed by the management and listed in the Circular has been elected as a director of the Company until the next annual general meeting of Shareholders, or until such person's successor is elected or appointed, with the following results:

Zhiwei Chen	votes for:	64,941,161 (99.88%)
	votes withheld:	77,199 (0.12%)
Yingbin Ian He	votes for:	65,009,649 (99.99%)
	votes withheld:	8,711 (0.01%)
Xiaoxiao Li	votes for:	64,941,161 (99.88%)
	votes withheld:	77,199 (0.12%)
Ben Niu	votes for:	64,941,161 (99.88%)
	votes withheld:	77,199 (0.12%)
Jin Lan Quan	votes for:	65,009,649 (99.99%)
	votes withheld:	8,411 (0.01%)
Mao Sun	votes for:	65,009,649 (99.99%)
	votes withheld:	8,411 (0.01%)
Shougao Wang	votes for:	64,941,161 (99.88%)
	votes withheld:	77,199 (0.12%)
Wen Yao	votes for:	64,940,511 (99.88%)
	votes withheld:	77,849 (0.12%)

The Hong Kong Stock Exchange has granted SouthGobi a waiver from strict compliance with Rule 13.39(4) of the Rules Governing the Listing of Securities on the Hong Kong Stock Exchange (the “**Listing Rules**”) which requires that any vote of shareholders at a general meeting must be taken by poll. Therefore, this announcement does not contain the specific information set out in Rule 13.39(5) of the Listing Rules.

At the AGM, Mr. Ben Niu (“Mr. Niu”), aged 33, was elected as a non-executive director of the Company with effect from May 30, 2019. Mr. Niu is currently a Vice President of CIC Capital Corporation (“CIC Capital”), a wholly owned subsidiary of China Investment Corporation (“CIC”) and is responsible for evaluating investment opportunities in the metals and mining industry and management of CIC Capital’s existing portfolio assets in the same sector. Prior to joining CIC Capital in 2019, Mr. Niu was a Senior Manager at China Minmetals Corporation, responsible for its overseas mining strategy, commodity analysis and M&A in the mining sector. Through his experience at China Minmetals Corporation and its subsidiaries, Mr. Niu has developed an extensive understanding of global mining development trends, commodity attractiveness and investment opportunity selection.

Mr. Niu received his Bachelor and Master degrees from Tsinghua University, majoring in Electronic Engineering.

As at the date of this announcement, Mr. Niu does not (i) hold any directorship in any other publicly listed companies over the past three years; (ii) hold any other position with the Company or any of its subsidiaries; (iii) have any interest in the shares, underlying shares or debentures of the Company or any of its associated corporations within the meaning of Part XV of the Securities and Future Ordinance (Cap. 571 of the Laws of Hong Kong); and (iv) have any relationship with any director, senior management, or substantial or controlling shareholders of the Company. Saved as disclosed above, there is no other information relating to the appointment of Mr. Niu as a non-executive director that is required to be disclosed pursuant to Rule 13.51(2)(h) to (v) of the Listing Rules nor any matters that need to be brought to the attention of the Shareholders.

There is no specific term or proposed length of service for Mr. Niu as non-executive director but Mr. Niu will be subject to retirement and re-election at the annual general meeting of the Company in accordance with the articles of continuation of the Company. Consistent with existing Directors' compensation, the director's fees for Mr. Niu will be determined by the board of directors of the Company (the "**Board**") based on the recommendation of the Compensation and Benefits Committee of the Board, which is comprised of independent non-executive directors of the Company.

Ms. Lan Cheng did not stand for re-election at the Meeting. Following the Meeting, Ms. Cheng ceased to be a non-executive Director, and a member of the Health, Environment, Safety and Social Responsibility Committee.

Immediately prior to the Meeting, the Company learned that one of its largest shareholders was unable to vote its shares prior to the voting cut-off time as a result of experiencing technical difficulties in depositing its voting instruction form with the relevant Hong Kong intermediary. In light of the foregoing, and after consideration of the potential consequences to the Company if the 2019 Deferral Agreement (as defined in the Information Circular) is not approved, the board of directors of the Company determined that it was in the best interest of the Company to adjourn the Meeting and to extend the time for depositing proxies in order to provide shareholders with additional time to vote their shares in respect of the resolution approving the 2019 Deferral Agreement. Accordingly, upon completion of the annual business matters, the Meeting was adjourned until 10:00 a.m. (Vancouver time) on Thursday, June 13, 2019 at the offices of Dentons Canada LLP, 20th Floor – 250 Howe Street, Vancouver, British Columbia (the "**Adjourned Meeting**").

As a result, both registered and non-registered shareholders will continue to have the right to vote their common shares in respect of the resolution approving the 2019 Deferral Agreement (but not on

the annual business matters approved at the Meeting) and to appoint a person to attend and represent them at the Adjourned Meeting up to one hour prior to its commencement by following the detailed directions set out in the Information Circular. The record date for the determination of shareholders entitled to vote at the Adjourned Meeting remains unchanged, being April 8, 2019. In order to vote by proxy in respect to the resolution approving the 2019 Deferral Agreement, proxies must be received by AST Trust Company (Canada) no later than 9:00 a.m. (Vancouver time) on Thursday, June 13, 2019 (which is 12:00 a.m. (Hong Kong time) on Friday, June 14, 2019).

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
Lead Director

Vancouver, May 30, 2019

Hong Kong, May 31, 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 Ben Niu.