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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)

Resignation of Director

SouthGobi Resources Ltd. (the “**Company**”) announces that, the resignation of Mr. Wen Yao (“**Mr. Yao**”) as a non-executive director of the Company, effective March 11, 2020.

Mr. Yao resigned as a director of the Company due to a change to his duties and responsibilities at CIC Capital Corporation, a wholly owned subsidiary of China Investment Corporation (“**CIC**”), which is a substantial shareholder of the Company.

CIC nominated Mr. Yao as a director of the Company in 2017 pursuant to a contractual nomination right granted to CIC in connection with the convertible debenture issued by the Company to CIC in 2009. CIC has nominated another nominee director candidate to the Company and the Nominating & Corporate Governance Committee of the Company is in the process of arranging interview for the nominee director candidate.

Mr. Yao has confirmed that he has no disagreement with the board of directors of the Company (the “**Board**”) and there is no matter in relation to his resignation that needs to be brought to the attention of the shareholders of the Company.

The Board takes this opportunity to express its very sincere gratitude to Mr. Yao for his valuable contribution to the Board and the Company.

* For identification purposes only

By order of the Board
SouthGobi Resources Ltd.

Mao Sun
Lead Director

Vancouver, March 12, 2020

Hong Kong, March 12, 2020

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. Zhiwei Chen, Xiaoxiao Li and Ben Niu.